

OCEAN HIGHWAY & PORT AUTHORITY



Port of Fernandina

Miriam R. Hill – Chairwoman, District 1
Danny Fullwood – Commissioner, District 2
Justin Taylor – Vice Chairman, District 3
Ray Nelson – Secretary/Treasurer, District 4
Mike Cole – Commissioner, District 5

Monthly Meeting Minutes

July 10, 2024

The Ocean Highway and Port Authority, Nassau County, held its monthly meeting on Wednesday, July 10, 2024 at the Peck Center, Willie Mae Ashley Auditorium, 516 S 10th Street, Fernandina Beach, FL 32034.

1. Public meeting (Call to Order) - Chair

Chair Hill called the public meeting to order at 6:00 PM.

2. Invocation

The invocation was given by Commissioner Cole.

3. Pledge of Allegiance

The pledge was led by Chair Hill.

4. Roll Call: Miriam Hill, District 1; Danny Fullwood, District 2, Justin Taylor, District 3; Ray Nelson, District 4; Mike Cole, District 5.

Roll call was conducted by Rossana Hebron, Administrative Office Manager. All Commissioners were present. Also in attendance were Patrick Krechowski, Port Attorney; Pierre LaPorte, Port Accountant; and Greg Haehl, Port Operator.

5. Recognition of elected Officials, Honored guests, Industry and Professional representatives, and others in attendance (Chair)

Chair Hill acknowledged the meeting attendees including: Jim Dubberly (District 2 candidate), Chip Ross (City Commissioner), and Mike Lednovich (FB Observer).

6. Public Comments on agenda items (Comments submitted prior to the meeting)

No submissions.

7. Regular Business:

a. Approval of Minutes

- June 12, 2024 Monthly meeting
- June 26, 2024 Board meeting

Commissioner Fullwood motioned to approve both minutes together. Vice Chair Taylor second the motion.

There were no amendments or discussions.

The Board voted unanimously in favor of the motion.

b. Port Attorney Report

Mr. Krechowski submitted a written report included in the meeting packet. He reported the conversation with the Operator's and outside counsel regarding their involvement in the Property Appraiser case. No details were given because of the active status of the case. Nassau County

07/10/2024 1

has provided notice of denial of tax-exempt status for 2024. Options were considered as to how to address this recent notice.

The City and OHPA reached a tentative agreement through mediation earlier in the month related to the PILOT matter. Mr. Krechowski distributed the City's settlement draft for Board review. He asked to add this item to the August meeting agenda for Board consideration and approval.

He is still reviewing the draft purchasing agreement for the Fort Clinch tugboat supplied by the Operator. He will reply with a proposed Operating agreement amendment to set forth the terms of the transfer and the use of the vessel. He will distribute a copy to the Board. Mr. Krechowski clarified, by no means, the draft reflects his recommendation to the Board on what to do with the tugboat.

Mr. Krechowski encouraged the Board to reach out to him individually to discuss the pending matters.

The Chair allowed Mr. Krechowski to report on the draft listing agreement for the OHPA parcel. He provided a list of deed restrictions as the Board discussed in past meetings. This item is discussed in detail under Old Business (#8a) below.

c. Port Accountant Report

- **Financial report – June 2024**

Mr. LaPorte submitted a written financial report included in the meeting packet. There were no unusual financial activities to report.

- **ARPA reimbursement update**

- **Budget FY 2024-25 (draft, version 2)**

The budget reports from the Port Attorney and Administrative Office Manager will be included in the budget workshop agenda scheduled later this month.

Mr. LaPorte will be at the budget meeting and not at the August 14th meeting. He reminded the Board needs to adopt the budget by September 30, 2024, end of fiscal year.

There were no other questions from the Board.

d. Port Operator Report (Port of Fernandina)

The Port Operator submitted a written June 2024 tonnage report included in the meeting packet.

- **Tonnage report – June 2024**

Mr. Haehl reported many vessel calls in June. As a result, the warehouses and yard are to capacity. The Great Lakes service started this month, should sail around the 17th or 18th of this month. He reported no operational or staffing issues.

Commissioner Fullwood noted the tonnage total was 25,305, down from the last month. Mr. Haehl explained it depends on the ebb and flow of the vessel calls. Their forecast and schedule predict better than normal in August and November.

Chair Hill encouraged the Operator to engage with TPO, TAC, and/or Smart North Florida and attend the respective meetings for ideas and opportunities.

- **Growth Strategy summary**

No report.

- **Port issues/repairs (update)**

- **Capital Improvements (list update)**

Mr. Haehl reported the execution of many projects at the Port. There are three funding requests forthcoming before the next meeting for OHPA considerations. They pertain to the roof repair,

07/10/2024 2

adjustments to the cameras, and the last related to the cranes. The funds will come from the maintenance reserves.

- **Request for consideration and vote (OHPA meetings)**

Mr. Haehl requested the Board change the meetings from two per month down to one per month because he flies in from Utah almost every meeting. Commissioner Fullwood reminded the need for the two meetings was for OHPA's Master Plan. He had no issues with reducing to one meeting per month. Commissioner Cole suggested there are still many items in consideration and after some are resolved, perhaps move to one meeting. Vice Chair Taylor recommended staying with two meetings, to stay informed with the list of considerations. He had no issues with the Operator scaling down his presence at the meetings.

Mr. Haehl tries to keep his team's focus on growth and performance at the Port. Chair Hill admitted it was great having Virginie Hacala at one of the previous meetings to provide business updates. She encouraged to have Ms. Hacala attend periodically. Mr. Haehl agreed.

Commissioner Nelson added rather than reduce the meetings to just one, perhaps evaluate if there are pressing issues and make the determination if the Operator's presence is necessary for the second meeting of each month.

The Board consented to have the Operator attend the first meeting each month and determine if he needs to attend the second one.

8. Old Business

a. OHPA Property sale (Listing agreement)

A copy of the listing agreement was included in the meeting packet. Chair Hill asked for suggestions to amend the draft and include the amended version to the next August meeting packet. She referred to the previous suggestions for deed restrictions that Tammi Kosack submitted in the past and was distributed to the Board at that time. Mr. Krechowski provided a summarized list of the deed restrictions in his Port Attorney report.

Phil Griffin, Amelia Coastal Realty, was traveling and could not attend the meeting.

Mr. Krechowski recommended the Board discuss the matter tonight to receive consensus. He specified sections: 1) Term, 3) Listing price, 8) Commission/Compensation, 11) Conditional Termination (expenses), and 14) Deed restrictions.

Discussions: The Board discussed options for the respective listing agreement sections listed above. Mr. LaPorte also offered some information and suggestions.

Chair Hill questioned where the funds will come from to pay for the listing expenses. There were no restrictions on the proceeds of the sale of OHPA property.

Mr. Krechowski summarized the Board's directions: 6 months term, comparisons or suggested listing price, MLS information ruling, 5% commission, and the ruling on commissions.

A list of deed restrictions as the Board discussed from past meetings was included in the Port Attorney report. They were as follow:

- o Property is current zoned R-2, which provides for single & multi-family structures;
- o Deed restrictions for consideration & discussion:
 - Acceptance & notice of "moving to nuisance" – active port and industrial activities on immediately adjacent properties;
 - 40' or 50' wide lot minimum;
 - Detached single-family structures only;
 - Structure fronting/facing N 3rd Street;
 - Increased vegetated natural buffer along Dade Street;
 - Increased vegetated natural buffer along N 3rd Street.

Commissioner Fullwood suggested strike the buffers from the list unless the City requires the buffers. Vice Chair Taylor countered that the Board promised the Port neighbors to place deed restrictions and buffers. Mr. Krechowski questioned how an increased buffer on the property helps or protects OHPA in the future. Instead, he suggested add the restrictions of detached single-family, minimum 50 feet wide, and an acknowledgement that the property is across the street and adjacent to an active industrial facility. He suggested to keep the restrictions simple to avoid issues in the future. Commissioner Nelson agreed with no buffers. Mr. Krechowski will contact the realtor to amend the listing agreement.

Chair Hill affirmed that the public is not in favor of selling land. She also received a letter stating OHPA is selling land to pay for the PILOT payment. She reminded the Board the proceeds are currently not restricted. The \$806K of ARPA grant is almost expended without anything to show for it.

b. OHPA document request to the Port Operator (update)

Mr. Krechowski is still reviewing the documents received thus far. He is preparing a list of what had been provided versus what was requested. He is communicating with counsel for the Operator.

Commissioner Nelson commented that it is unacceptable for the Operator to delay providing the documents. He has yet to see and review the documents that were submitted. From those documents, the Chair hoped to reach Board consensus on a dollar amount for the revenue share. Commissioner Nelson added OHPA should receive the Fort Clinch revenue report in a timely manner. He offered a formula to calculate the revenue: number of vessels multiplied by two, with the exception of Somers Isles per a previous agreement. Chair Hill directed Mrs. Hebron to send all the documents provided by the Operator to the Board once again. Mr. Haehl added the revenues are embedded in customer invoices that are maintained in the blue house. He offered the Board to come and inspect said invoices.

c. MARAD (review revised purchase agreement, revenue-sharing proposal)

Not discussed.

d. Resiliency Plan (update)

Chair Hill inquired about the grants that were recently submitted through SeaCIP. Mr. Haehl reported no issues.

Chair Hill suggested Mr. Haehl contact Lorelei Jacobs, City Grants Administrator, and coordinate for funding opportunities.

e. Nassau Tradeplex signage (Action item, quote for maintenance)

Around the year 2020, the Nassau County Commission relinquished ownership of the Tradeplex sign to OHPA. Since then, OHPA assumed the responsibility of maintaining the sign and the island.

Commissioner Cole provided a quote, \$495, from Dixon Tree and Lawn Service for a one-time cleanup of the island at the Nassau Tradeplex.

The Board consensus was there was no interest on the sign. Chair Hill directed Mrs. Hebron to contact the County about relinquishing the deed back to them.

9. New business

None

10. Commissioners Reports and Comments

a. New development reports

Chair Hill recalled from the last meeting the presentation from Sherri Mitchell, NCEDB/Executive Director, regarding a potential business partner for the Port of

Fernandina. From a follow-up discussion with the Chair, Ms. Mitchell clarified the topic was not intended to be a policy determination for the sale of OHPA property. It was offered as a separate consideration. Commissioner Fullwood explained he discussed the topic with Ms. Mitchell prior to her presentation. He asked her to present business opportunities in Nassau County for the Board to consider. It was misconstrued that her presentation was tied to the OHPA property sale. Commissioner Fullwood will contact Ms. Mitchell.

Chair Hill explained the particular agenda item from the last meeting was supposed to be proposed return on investment for the sale proceeds. Ms. Mitchell presentation did not have anything to do with sale. She questioned if there was, in fact, any business development suggestion that was related to the sale of OHPA property sale. Commissioner Fullwood replied there was none. The Chair concluded that there was still no business plan for the Board to consider. She specified that there were still no plans on what to do with the revenue from the property sale. Commissioner Nelson argued that this Board was smart enough to collaborate and decide what to do with the proceeds, albeit with restrictions. He urged the Board to move forward with the sale to start investing on different platforms. He suggested every transaction will be reviewed and voted by the Board. Vice Chair Taylor countered that historically, OHPA Board has not made sound decisions to set the Port Authority for success. He reminded about issues with the Operating agreement and two lawsuits that caused complications for OHPA. He appealed to the Board to consider long-term sustainability with its decision-making. Chair Hill added the past Board acted against the former Port Attorney's advice before. The current Board is bound to repeat that action against the advice of the Port Accountant who said the Board should not sell OHPA asset to fund operation expenses. There are no restrictions on what to do with the proceeds. She cited this Board did not have plans for the ARPA funds of \$806K that will soon be expended without benefits to the Port employees. She fails to see how this Board will do better this time. Commissioner Nelson held fast his stance to change the course this time to move the Port forward as he promised on his campaign. Commissioner Fullwood maintained that the matter was Port business not the public's.

b. Committee reports

- **Port Security – Nelson**

Commissioner Nelson reported for the last couple of weeks, he checked with the security detail at the Port. There were no complaints.

Chair Hill stated a matter was brought to her attention that a Port security staff was dismissed for closing the Port security gate. A trucker did not have proper credentials for Port entry, so the security staff was directed by Customs and Border patrol to close the gate. There were no staff member from Savage to address the situation. The Board was not informed of the matter. Commissioner Nelson explained the gate should not have been closed. The matter was addressed internally by Savage and Allied. He was involved in the investigation to lend professional opinion. He explained that the Port Operator had a reasonable case for the termination. Allied concurred with the termination. This matter happened approximately 15 months ago. Commissioner Fullwood encouraged the Board to visit the Port to stay informed of situations. Commissioner Nelson concurred. Commissioner Cole added it is not the Board's role to micro-manage the Operator. Chair Hill explained she wanted to understand why the Board was not informed of the decision and why the staff member was terminated.

- **Port Facilities – Nelson**

A written report was submitted by Kyle Clark via email to Commissioner Nelson. It was not submitted to OHPA in time to include in the meeting packet. The report follows:

Tug boat: **Nothing to report. Ordered new tow lines.**

Security: **No security concerns, looking at adding a few more cameras.**

Liebherr crane # 9: **Back in service.**

Liebherr crane # 10: **Currently down with electrical drive concerns, technicians onsite to diagnose.**

Liebherr MHC: **running well again. Rotator repaired last week.**

- Commissioner Nelson conveyed his concern about the cranes not working. Mr. Haehl welcomed Commissioner Nelson to assist with troubleshooting. The commissioner encouraged the Board to visit the Port.

OHPA Trucks #'s 219, 220, 221, 222, 223, and 224: **All OHPA trucks are running, in service, typical maintenance.**

Warehouse # 3 roof panels: **No change in roof, need funding for warehouse rehabilitation. Wear on concrete at load dock, this should be added to the scope of that project.**

Rail Dock Canopy: **Roof complete. Adding gutters late July.**

- **FDOT – Nelson**
There was a meeting with Kyle Coffman two weeks prior. Commissioner Nelson reported there are some grants to close out and documents needed. Mrs. Hebron will assist with the close outs.
- **Customs House – Fullwood**
Last week, the air condition thermostat was repaired. Commissioner Nelson added the filter had not been cleaned or changed. He bought a filter to replace the old one.

As for the new Customs House, the construction remains on hold until the Board receives confirmation for the grant.
- **Army Corp of Engineers – Fullwood**
Commissioner Fullwood received a notice for a kick-off meeting to discuss the design for the Fernandina harbor on August 14th, virtual meeting. Also to be discussed are the dredging project and disposal of dredging materials. The procurement package will be done by March 6, 2025.
- **Economic Development – Cole**
Election of officers will be next month.
- **Emergency Management – Cole**
No report.
- **Transportation Planning Organization (TPO) – Hill**
No meeting in July.
Chair Hill invited Lorelei Jacobs, City Grant Administrator, to last month's TPO meeting.
- **Technical Advisory Committee (TAC) – Taylor**
No meeting in July.
- **Nassau Chamber of Commerce – Taylor**
The Chamber received funding for their land trust project.
- **City of Fernandina Beach – Taylor**
There was a mediation attended by the City Commission and OHPA to settle the PILOT case. Chair Hill added she appreciated the mediator, Judge Gary Early, who identified the positions that had consensus and also taking a pragmatic approach. She also thanked the City for moving forward.
- **Keep Nassau Beautiful – Taylor**
No report.

- **Community Outreach – Fullwood**
No report.

Chair Hill announced there will be a candidates' forum on Friday, July 12th. The event was noticed on OHPA's website in case other Commissioners would like to attend.

11. Administrative Office Manager Report

Mrs. Hebron submitted a written report included in the meeting packet. She provided reminders and updates of OHPA matters to the Board including: Coast to Coast subcontractor payment, USCG Certificate of Documentation for the Fort Clinch tugboat (hand delivered to the Port Operator), certifications forms to close out grants, Port information for FDOT's State Economic impact report, FPC reallocation request, acknowledgement for Matter 007- Property Appraiser case invoices submitted to Savage, Allied invoice #15838656 (included golf cart fee), Biofuel webinar and grant opportunities on July 18th, Chair to sign FDOT G1K57 completion documents, July 24th Budget Workshop, Peck Center Wi-Fi issue resolved, Chair purchased frames for Maritime Day proclamation.

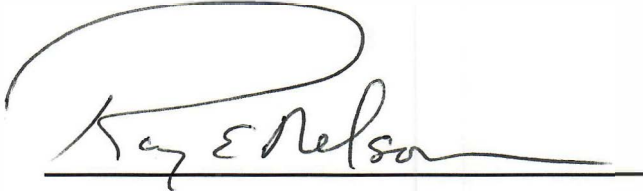
Mrs. Hebron asked for Board confirmation on who will attend the FPC meeting in Pensacola August 27th-29th. Commissioner Fullwood previously volunteered his services. Chair Hill explained it was suggested that either the Vice Chair or Chair attend the meeting. The Chair will attend to represent OHPA since the meeting is scheduled after the elections.

12. Other items to be brought by Commissioners

Commissioner Fullwood requested the Board consider purchasing another set of microphones.

13. Adjournment

With no other items brought before the Board, the meeting was adjourned by Chair Hill at approximately 8:00 PM.



Ray Nelson, Secretary/Treasurer

August 14, 2024

Date