

# OCEAN HIGHWAY & PORT AUTHORITY



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

April 24, 2024

The Ocean Highway and Port Authority, Nassau County, held its Monthly meeting on Wednesday, April 24, 2024 at the Peck Center, Willie Mae Ashley Auditorium, 516 S 10<sup>th</sup> Street, Fernandina Beach, FL 32034.

**1. Public meeting (Call to Order) - Chair**

Chair Hill called the meeting to order at 6 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 Kyle Clark, Port Operator.

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

Chair Hill asked the audience to introduce themselves one at a time. She acknowledged Julia Roberts (Newsleader), Mike Lednovich (FB Observer), Wade Sansbury (Mauldin & Jenkins), Scott Moore (District 2 candidate). In the audience were Gene Horn, Jimmy Dubberly (District 2 candidate), Commissioner Chip Ross, Mrs. Fullwood, Lou Tharin, among others.

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

- Bob Virtue
- Lou Tharin

Both speakers are Fernandina Beach residents and both addressed the agenda item 10a) Fabric storage location at the Port. The residents disagreed with the revised location of the fabric warehouse at the terminal. It

was relocated by the Port Operator without the OHPA Board's knowledge or approval.

Chair Hill suggested to bring the discussion of this agenda item (#10a) forward in the interest of public.

Mr. Clark reminded the location was discussed with the Board, minus Commissioner Fullwood, during Representative Aaron Bean and the City Mayor's (Brad Bean) visit and tour of the Port. He wanted to go on record that OHPA was informed in some way albeit not in a public meeting format. There was no malicious intent on the Operator's side. Chair Hill added the Representative and City Mayor's visit/tour was noticed as a "Gathering" and not a public meeting so that the public was notified that the Board was not there to discuss the fabric warehouse. She commended Mr. Clark on his efforts of describing the Port operations, narrative, and explanations that day. She explained that it was not at all inappropriate to provide Port information to the Board and honored guests. With that, she conveyed her disappointment with the rationale given for the major change to a major project (location of the fabric warehouse). She expected the matter would come before the Board during its public meeting before construction commenced and permits presented. Then perhaps the public would have had the opportunity to speak on the matter.

Vice Chair Taylor echoed the Chair's sentiments. He added there was good partnership with Savage initially and then this issue happened. Savage should have known to consider the public's opinion specifically the nearby neighborhoods. He will throw caution for future projects with the Operator.

Chair Hill requested for a copy of the permit, pre-engineering report that the chosen site is suitable. With that information, the Board will be able to understand and validate the location. Mr. Clark emphasized the cost to move the structure would cost approximately \$450K. On the other hand, to move the completed structure would cost approximately \$550K. Relocating the structure involves asphalt, deconstruction, relocate, reconstruction, and staff time. Additionally, Mr. Clark stated the justification for relocating the building from the initial site was consideration of relocating the existing containers on that initial site. The area for relocating those containers was in a flood zone and required construction of a roadway on an unstable area along the fence line at the terminal. This required additional civil work. Also, moving the structure behind the blue house would partially block it from view; therefore, less impactful.

Chair Hill reminded that the warehouse is funded with public funds. Savage did not have the discretion to change the approved plan albeit Savage is new to the process of Sunshine Laws and Florida's specific regulations.

Commissioner Fullwood reprimanded the Operator's actions on this matter. He instructed the Operator to come before the Board with any further work

on the Port for approval. Considering the high cost of moving the structure, Commissioner Fullwood admitted he would not vote to relocate. Mr. Clark agreed.

Commissioner Nelson concurred that the Operator's action not to inform the Board was unacceptable. He understood the Operator's rationalization. He was present at the Port and discussed the location of the warehouse with Mr. Clark and Savage's engineer. He stated that OHPA should not have to watch to ensure proper procedures are followed at the Port. However, he indicated there is a problem at the Port with Savage.

Mr. Krechowski stated he did not know if this matter had an impact on the grant agreement.

Chair Hill asked for Board consensus to request Mr. Krechowski issue a letter to Savage advising them if it is necessary to amend the grant agreement, any cost associated will be born by Savage. Commissioners Fullwood and Cole disagreed. From their recollection, the agreement did not specify a location for the warehouse. Mr. Krechowski will review the grant agreement and will provide a report.

Mr. Clark explained the delay in the process of relocation was he became involved in the project later after its inception. He then discovered issues to the initial location and suggested alternatives.

Commissioner Cole did not expect OHPA to pay the cost of relocating the fabric warehouse. At the same time, he did not want to put the burden on the Operator. It is a costly endeavor and would waste tax-payers money.

Chair Hill explained OHPA supports commerce at the Port. This matter will have implications and Savage will have to bear that. She thanked the public for attending and advised that OHPA will gather more information to determine next options.

- 7. Presentation: Mauldin & Jenkins (2023 Financial statements and ADA)**  
Wade Sansbury, Partner/Mauldin & Jenkins, summarized the 2023 OHPA audited financial statements and the Auditor's Discussion and Analysis that were included in the meeting packet. Hard-copies were distributed to the Board and to some of the meeting attendees.

Mr. Sansbury reported that Mauldin & Jenkins (M&J) issued an unmodified audit report which is the highest form of assurance that can be rendered with regard to the fairness of financial information on which they are opining. The financial statements are considered to present fairly the financial position and results of operations as of, and for the year ended September 30, 2023.

Mr. Sansbury emphasized for the record that Mauldin & Jenkins is independent and separate with regard to the Port of Fernandina.

He encouraged the Board to review the Manager's Discussion and Analysis that reflects trends year over year for the past three years. He also recommended OHPA prepare a grant management policy and procedure since the Port Operator is the one who operates the Port, are aware of Port needs, and seeks grants. This will allow for greater communications between the interested parties to avoid such issues as he witnessed during the public comments portion of tonight's meeting.

Lastly, he reminded the Board that Mauldin & Jenkins offer and provide complimentary continuing education for all its governmental clients. He encouraged the Board to partake in the virtual program.

Chair Hill questioned the "Miscellaneous" line item under the "Operating expenses" on page 9 of the financial statement. Mr. Sansbury explained that last year there were general administrative costs (G&A), Port Director costs, repair/maintenance, as well as outside consulting services. Mr. LaPorte added that the legal expenses are under the professional fees and therefore not included in the "Miscellaneous" line item.

Chair Hill also questioned the controls over revenues; that grants flow through OHPA and dispersed. She cited that portion of the Charter that OHPA would designate a financial institution where the funds would be deposited. Mr. Sansbury explained the control with the Operator is specified in the OHPA-approved Operating Agreement and that the Charter does not dictate OHPA take charge of the operations at the Port. This was approved by the OHPA Board years ago. Mr. LaPorte concurred and explained the historical changes with the bond agreements. He continued to explain that OHPA will have the opportunity to have a separate inspection of the records of the operations at the Port when they become relevant to OHPA's financial statements. The only elements that were audited this time were the dockage and wharfage fees. Soon, a portion of the tonnage will be collected at year seven and will be included in future audits.

There were no other questions from the Board. The Board thanked Mr. Sansbury for attending and presenting.

## **8. Regular Business:**

### **a. Approval of Minutes**

- **March 13, 2024 Monthly meeting**
- **March 27, 2024 Board meeting**
- **April 8, 2024 Executive (Shade) meeting**

Vice Chair Taylor motioned to approve all three meeting minutes together.

Commissioner Nelson requested an amendment to the March 13<sup>th</sup> minutes. Mrs. Hebron will apply the revision.

Vice Chair Taylor amended his initial motion. He motioned to approve all three meeting minutes as amended. Commissioner Cole second the motion.

**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 provided updates on the on-going legal matters.

He reminded the Board about the Court-Ordered Mediation (PILOT, COFB v. OHPA matter) no later than July 31<sup>st</sup>. Also, there is a Case Management conference on April 30<sup>th</sup>. A Settlement letter was routed to the City on April 16<sup>th</sup>, and he is still awaiting response from the City.

He contacted RecNation RV/Boat storage facility regarding the signage at the Nassau Tradeplex facility. They are not interested in using the sign. However, it was noted that RecNation is utilizing the sign. Mr. Krechowski suggested the sign is OHPA's, and OHPA is responsible to remove the RecNation sign if it is the will of the Board. There was no Board decision on this matter.

Vice Chair Taylor requested a shade meeting to discuss the Property Appraiser case. Mr. Krechowski suggested a shade meeting on May 8<sup>th</sup> at 5pm prior to the public meeting. Mrs. Hebron will check if the Peck Center is available on that date and time. The Board concurred.

Chair Hill commented on the PILOT matter; she hoped the City Commission contemplate on the mediation process and enter with the intent to settle the matter to avoid wasting more County and City funds. Same goes to the OHPA Board. Commissioner Fullwood believed the majority of the City Commission has the same sentiments to settle the case.

**c. Port Accountant Report**

Mr. LaPorte submitted a written report included in the meeting packet. He summarized the Treasurer's report for the Board.

He reminded the Board that the Port Executive Director severance payment ended on April 3<sup>rd</sup>.

- **Financial report – March 2024**
- **ARPA reimbursement update**  
The January through April 2024 payroll will be submitted for reimbursement.

There were no questions from the Board.

**d. Port Operator Report (Port of Fernandina)**

- **Tonnage report – March 2024**
- **Port issues/repairs (update)**
- **Capital Improvements (list update)**

Mr. Clark submitted a Tonnage report included in the meeting packet. He summarized the activities at the Port by commodity.

He announced a new customer, Great Lakes East LLC, will come back from Mobile, Alabama and resume the Crimson barge service from Fernandina to Puerto Rico. This is one of the reasons the Operator added the new fabric storage at the Terminal. First sail is expected on June 15<sup>th</sup>. He affirmed that Savage's Business Development team, Matt McPhail and Virginie Hacala, are hard at work attracting new customers to the Port.

Mr. Clark also noted that he and Mrs. Hebron will meet with FDOT to request for funds to address the roof repairs for warehouse #3. The guard shack installation is still in-progress with monitors and shelving units to be installed. The dock canopy was replaced and gutters will be added.

## 9. Old Business

### a. OHPA document request to the Port Operator (update)

Mr. Krechowski reported he received additional information from the Operator and have yet to review them.

Chair Hill again requested for the Operator's quarterly reports and business plan for the next meeting.

### b. MARAD (Disposition of Fort Clinch tugboat, update)

This item was discussed and considered together with Resolution 2024-R06 below (#9d).

### c. Resiliency Plan (update)

This item was not discussed.

### d. Resolution 2024-R06 (Commissioners admission to Port of Fernandina, attachment)

The resolution was to formalize OHPA's Charter obligation to go to the Port periodically and examine the property to ensure the Operating agreement is being upheld.

Mr. Krechowski also reported receiving forms for both McCallister and Commissioner Nelson to sign prior to entering the Port to examine the Fort Clinch. He advised Commissioner Nelson not to sign based on the language in the waiver. Same goes to the rest of the Commissioners.

Commissioner Nelson explained he always informed the Operator before he arrives at the terminal, wears proper Personal Protective Equipment (PPE), and presents a TWIC card. He reminded there were never any issues with the Commissioners entering the Port when he was Terminal Manager then. The TWIC allows access to restricted areas.

Greg Haehl, Savage VP, submitted a list of stipulations included in the meeting packet. Mr. Krechowski will review and edit the list for the next meeting.

Commissioner Nelson suggested it should not be necessary to pass such a resolution to access the Port. On the other hand, such a resolution is necessary for Commissioners to have unrestricted access to conduct business. He does have issues with the stipulation submitted by the Operator.

Mr. Krechowski was hesitant to attach the stipulations to the resolution. If for some reason the stipulations changes then it will render the resolution obsolete.

The resolution was tabled until next meeting.

The Chair called a 10-minute recess.

The meeting was reconvened at 7:50pm.

**d. EPA Clean Ports Grant (Board to approve application)**

The draft application was not ready for Board review and vote at this time. The Operator needed more time. A statutory agreement was being drafted that reflects the fact that the Operator is entering a partnership with OHPA in this endeavor. Chair Hill requested a copy of the draft for Board review before the application deadline on May 28<sup>th</sup>. Mr. Clark agreed.

On a different subject, Commissioner Fullwood asked when the Coast Guard vessel will leave the Port. Mr. Clark explained it left this week. The Coast Guard was charged a dockage fee. Commissioner Fullwood noted that this operation was not a standard dockage and wharfage. OHPA is entitled to a share of the revenue per the Operating agreement. Chair Hill added if it was lay berthing, then the Operator needs to share the revenue with OHPA. Mr. Clark believed it was a dockage project not lay berthing. The Port staff was actively working the vessel.

**e. Allied Security (staff pay rate, update)**

It was discovered that the security staff's pay rate was lower than the minimum pay rate in the State. A pay rate of \$19 per hour was stipulated on the contract but upon review, Allied pays the staff \$14 per hour and the balance goes to Allied. Commissioner Nelson spoke with Allied manager for an explanation. He advocated for a fair pay rate for the staff. In addition, the staff is required to pay for their own TWIC card, and their uniforms are charged against their pay and given back upon the return of the uniforms. They do not get paid vacation.

Commissioner Nelson will invite Joseph Mazzuka, Allied Manager, to attend one of the OHPA meetings for Q&A. The contract is between OHPA and Allied.

Mr. Clark encouraged the Board to creatively explore how to fund this matter. He suggested to coordinate with Savage's commercial team to review what the

market can absorb on the security piece to help subsidize a higher pay rate for the security staff.

Commissioner Fullwood also noticed the rate for the golf cart rental is excessive. He believes a golf cart is unnecessary especially with the rate of \$800 per month. There are security cameras throughout the terminal that can be used instead of renting a golf cart.

Mrs. Hebron explained the contract was executed on August 10, 2022. It will automatically continue thereafter on an annual basis until terminated by either party with a 30-day written notice for termination. Mr. Mazzuka submitted a proposed pay rate via email for the Board to consider. The contract is between OHPA and Allied.

Commissioner Nelson advised the Port is an open border and cannot operate without security. He will invite Joseph Mazzuka, Allied Manager, to attend one of the OHPA meetings for Q&A.

#### **10. New business**

**a. Fabric storage location at the Port**  
Discussed under Public Comments.

**b. FPC Resilient Florida (April 30- Adaptation Planning Guidebook Stakeholder Workshop, Board attendance)**

This event is hosted by the Florida Ports Council. Mrs. Hebron explained she needs a head count of Commissioners planning to partake in the workshop so she could post a "Notice of Gathering" on OHPA's website.

The majority of the Board has previous commitments on that day. Chair Hill will try to attend if her schedule allows it.

#### **11. Commissioners Reports and Comments**

**a. New development reports**  
No report.

**b. Committee reports**

- **Port Security – Nelson**
- **Port Facilities – Nelson**

Mr. Clark submitted a written report included in the meeting packet. Commissioner Nelson read the report and it follows:

Tugboat: Nothing to report



Security: No security concerns. Updating FSP to mention cameras and AFSO. New building is in place, working on anchoring and a larger television monitor for the guards.

Liebherr crane # 9: Storm brake arrived and installed. Currently investigating some sort of electrical bug in the drives, tech on-site this week.

Liebherr crane # 10: Running well, elevator tech working on electrical bug.

Liebherr MHC: Back in service and operating safely.

OHPA Trucks #'s 219, 220, 221, 222, 223, and 224: One truck is having DEF (anti-pollution) system repairs, regular maintenance items on the fleet.

Warehouse # 3 roof panels: added to FDOT meeting to request funding.

Rail Dock Canopy: Roof is complete, working with vendor to add gutters now.

- **FDOT – Nelson**

Commissioner Fullwood agreed to attend the FDOT/OHPA Annual meeting tomorrow on Commissioner Nelson's behalf due to previous commitment.

- **Customs House – Fullwood**

Commissioner Fullwood reported a meeting with CBP a couple of weeks ago to discuss CBP's requirements for the Customs House facility project. Another meeting planned tomorrow. The Zyscovich team is ready to present their findings at the next meeting.

He is collaborating with Mr. Clark to provide guidelines for the Zyscovich team to enter the terminal.

The Customs and Border Protection agency is involved in all aspect of the project.

- **Army Corp of Engineers – Fullwood**

No report.

- **Economic Development – Cole**

There was an Economic update luncheon last April 4<sup>th</sup>. Also, NCEDB celebrated its 30<sup>th</sup> anniversary of existence. Next meeting is May 28<sup>th</sup>.

Chair Hill suggested to advocate more for the Port of Fernandina in Jax USA.

Commissioner Fullwood added there is a company who wished to connect with OHPA for possible bond opportunity.

- **Emergency Management – Cole**  
No report.
- **Transportation Planning Organization (TPO) - Hill**  
She encouraged the Board to take and share the 2050 Path Forward survey. The link is posted on OHPA's website.
- **Technical Advisory Committee (TAC) – Taylor**  
No report. The next meeting is scheduled for May 1<sup>st</sup>. He plans to attend with Mrs. Hebron.
- **Nassau Chamber of Commerce – Taylor**  
A non-profit roundtable event was held recently.
- **City of Fernandina Beach – Taylor**  
No report.
  
- **Keep Nassau Beautiful – Taylor**  
This group took over Wild Amelia. They are partnering with the County for the opening of the beaches event on May 18<sup>th</sup> at Main Beach, 10am-4pm.
- **Community Outreach – Fullwood**  
Chair Hill advocated for a proclamation to the Nassau County Commission to recognize the Maritime Day on May 22<sup>nd</sup>. She suggested perhaps doing a fundraiser to honor the long-standing Port staff and customers that day at the Port.

She spoke with Mr. Haehl for possibly using the OHPA properties for paid parking during the Shrimp festival. He offered some of the Port staff may be able to assist with ticketing. The Board consented.

## **12. Administrative Office Manager Report**

Mrs. Hebron submitted a written report included in the meeting packet.

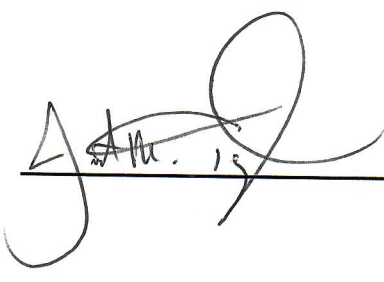
She thanked Mr. Clark for his assistance in completing the FDOT questionnaire ahead of tomorrow's meeting. FDOT was impressed by the early submission.

She noted the upcoming agenda for May 8<sup>th</sup> is full with presentation including: Taco Pope (County Manager), Zyscovich team, Allied manager, and a Shade meeting. It was suggested to schedule Allied for May 22<sup>nd</sup>.

**13. Other items to be brought by Commissioners**  
None.

**14. Adjournment**

With no other items brought before the Board, the meeting was adjourned by Chair Hill at approximately 8:31 PM.

  
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05-08-2024  
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**Date**