

E.2.c. (1) – Minutes of the June 24, 2015 Commission Meeting

MINUTES OF A REGULAR COMMISSION MEETING OF THE CANAVERAL PORT AUTHORITY HELD IN THE COMMISSIONERS' MEETING ROOM OF THE CANAVERAL PORT AUTHORITY OFFICE, 445 CHALLENGER ROAD, PORT CANAVERAL, FLORIDA, JUNE 24, 2015.

The meeting was called to order by Chairman Jerry Allender at 9:03 a.m. Commissioner Deardoff led the Pledge of Allegiance.

Those present were Commissioners John H. Evans, Wayne Justice, Bruce Deardoff, Tom Weinberg and Chairman Jerry Allender; Chief Executive Officer John Walsh, CFO Rodger Rees, Senior Director Finance Pat Poston, Attorney Harold Bistline and Special Assistant Melanie Bradford. The ambassadors present were asked to stand and be recognized.

APPROVAL OF AGENDA: Motion made and seconded to approve the agenda. Motion passed 5/0.

PERSONAL APPEARANCES AND PRESENTATIONS:

1. Appreciation to Board for Staff Mentorship Support and Port-hosted Career Day - Annetha Jones, Principal, Jackson Middle School, Titusville and Denise Meneghelli, JUMP Program Volunteer Coordinator.

Chairman Allender spoke regarding the mentoring program with Jackson Middle School. A video was shown regarding the program. Principal Anetha Jones and Jump Volunteer Coordinator Denise Meneghelli spoke on behalf of the JUMP program and presented the Port with the Jackson Middle School Business Partner Award.

2. Rockledge High School Maritime Academy, Kevin Rhyne

Kevin Rhyne from Rockledge High School came to give an introduction and background to the new Maritime Academy that is starting at Rockledge High School. This is the first and only maritime program in Brevard County. There has been a lot of support from the Port, the Propeller Club and everyone in the Port community.

3. Reviewing Port Purchasing Procedures with Continuing Contract Services (Karen Pappas/Terry Hicks)

Karen Pappas and Terry Hicks reviewed the Port purchasing procedures and the engineering continuing services contracts. A discussion pertaining to these procedures and continuing services contracts took place with better understanding of how it all works.

COMMISSIONER DISCUSSION ITEM:

1. Housekeeping Items (Allender/Bradford)

Consideration of approving changing the July 29, 2015 Commission meeting from tentative to certain. **Motion made and seconded to past this item. Passed 5/0**

Consideration of approving the date of March 2, 2016 for a joint Canaveral Port Authority/Greater Orlando Aviation Authority meeting to be held on Port property. **Motion was made and seconded to past this item. Passed 5/0.**

ACCOUNTING AND FINANCE: Rodger Rees, CFO, presented the financial report for the eight months ending March 31, 2015. Total revenues are \$52.M. Total Expenses are \$47.4M. Additions to the net position for debt repayment/Port development were \$5.1M for operations and \$5.1M from capital grants. Cruise showed a 42K increase in passenger count over FY 2014. Cargo actual tonnage is up 365K, 15.8% over last year. Cash flow is about \$25M before debt service. We have available a line of credit of \$30M. We have drawn down about \$16M.

Secretary Treasurer Weinberg motioned that the Statistical Report, Aging Report, List of Bills, List of Disposal, Attorney's Fees, Commissioner Expenses and Financial Statement be approved. Motion Passed 5/0.

CHIEF EXECUTIVE OFFICER'S REPORT: CEO John Walsh presented.

We have completing a month of big events; 2016 State of the Port, GT Grand Opening on June 12, 2015 and the Carnival Announcement that the Magic will arrive eight months early. There was a Jackson Middle School Career Day event at the Port on May 26 for the Port's mentorship JUMP program. Port Communications staff learned of being a Telly Award winner for the 2014 State of the Port movie. The master plan team was selected to look 10-25 years forward and develop strategic plans. Our new interns have started. They are Alexis Miller, Danielle Leahy and Kaitlin Badgett. The Exploration Tower staff received a Certificate of Appreciation for passion and contribution in the Relay for Life of Central Brevard Beaches.

CRUISE: Volume is up 1.8% May 2015 vs. May 2014. Volume is up 1.59% YTD 2015 vs. YTD 2014. Revenue is up 8.89% YTD. Parking remains strong and up at 101% of budgeted, revenue at \$8.7 million YTD. Cruise terminal 5 plans are advancing with final project back for approval in July. Cruise Terminal 10 concept designs are also moving ahead. Discussions on new deployments continue with good future opportunities. Demand continues to indicate a new terminal need by 2018. The Victory contract extension is on the agenda with flexibility to relocate if/when required in the future. Carnival Magic deployments are in April 2016 versus originally in December 2016. This is a strong boost for next year. There is increased inquiry for home port and port-of-call berth capacity. More news is to come in July.

CARGO: The GT USA opening on June 12. Good discussion with the ship lines and beneficial cargo owners is taking place. Discussions on autos and RoRo remain strong with two deals in the final discussion stages. The scrap yard has some new life and looks for a second ship by late summer. This is current but we need to assess long term. A new bulk customer could start in as early as two weeks. Hansen continues a strong growth up 114% YTD 2015 over YTD 2014. Seaport Canaveral secured new contracts that will likely boost volume 2015 YTD up 130% vs. 2014 on petroleum. Granite remains strong and up 94%. Morton Salt is up 12% with a new

facility ready to begin at the month and finish by the year end. Cruise terminal 3 use is picking up to replace a fully usable modern berth. Cargo is up 15.75% overall in tonnage. Phase 2 on the north side will take that paving area cargo yard with \$2M of grants that is in the Governor's budget. We will meet immediate multi-user demands and eventually will be a GT USA growth area. Master planning will better define a full array of future north side leases, but continued investment ahead of demand is required. The STB process continues, we submitted new responses to added questions. Clyde and George are working hard to set up drayage firms; Hansen, connections to NY, FEC and Orlando distribution centers. Early design concepts for NCB8, RoRo, and rail ship use. The barge rail due diligence continues with slow but strong progress.

REAL ESTATE: Flagler is ground clearing for the Titusville future building. Ground breaking will be July 27 at 9 am. Lease – developer agreement – architectural standards, outline of Proforma is ready to come for approval in July. Leasing is going well with good tenant mix. The hotel developer proposal is moving to a letter of intent. The Cocoa facility planning is progressing. Terry will do an update with the Engineering report.

RECREATION: On July 2 there will be fireworks at the Port. The ET Staff has planned a great family before and after event. Sarah O'Shea has stepped up to head up the recreation team at ET and Jetty Park. Jetty Park revenue is up 15.74% YTD with a strong summer season now underway. Consideration of approval for the Ancient Order of Hibernians to be allowed to conduct their annual commemoration of the Father of the United States Navy, John Barry, on September 12, 2015 from 10 am to 12:30 pm at Jetty Park around the Alliance Monument in front of the Beach Pavilion. **Motion made and seconded to approve. Motion passed 5/0.**

OVERALL STATS/FIGURES: In addition to what Roger Rees reported, staff turnover is 1.97% which is below the national average of 3% for a healthy company. A capital budget draft will come back to you in July.

POLICY ISSUES FOR DISCUSSION: Creating a standard process for non RFQ developer proposals on Cove areas outside the Master Developer scope. Expanded commercial transportation polices on all Port property. Business use registrations and permits with minimum insurance to hold harmless to operate on Port facilities with rules, conduct and standards. The master plan is in the strategic planning process. Workshops on the Cove Development and Master Planning need to be scheduled.

OVERALL AND LOOKING AHEAD: The STB process will continue. We are working on cruise terminal renovations and expansion, then a new terminal for 2018 delivery. Cove progress is moving forward with the master developer. GT USA starts up with cargo and ship focus. RoRo business focus continues with cars and equipment. Leasing efforts continue in Titusville. Barge operation discussion continues and the master planning process begins.

PUBLIC COMMENT:

Mac McLouth of 5300 Ocean Beach Boulevard spoke regarding the Maglev item E.2.c (27).

Scott Martin of 622 East Washington Street, Orlando, FL 32801, Mike Shah of 402 Highpoint Drive, Cocoa, FL, Kendall T. Moore of 895 Barton Boulevard, Suite B, Rockledge, FL 32955, and Scott Widerman, 1990 W. New Haven, Melbourne, FL 32704 spoke regarding Consent Agenda Item #20, Cove Development.

CONSENT AGENDA: Consent Agenda Item #24 was pulled by staff as it appears to be in conflict with the Charter. The following Consent Agenda Items were pulled for discussion: 9, 10, 11, 12, 14, 20 and 27. **Motion was made for approval of items 1-8, 13, 15-19, 21-23, 25-26, 28-29. Motion passed 5/0.**

9. Consideration of approving a purchase order to CH2MHill under their general engineering services contract for design and permitting of the CT5 pier extension in an amount not to exceed \$132,500. (Perley/Hicks) **After a discussion with CEO Walsh, motion was made and seconded to approve Item #9. Motion passed 5/0.**

10. Consideration of approving a purchase order to CH2MHill under their general engineering services contract for design and permitting to modify and upgrade the marine structures at CT10 in an amount not to exceed \$358,385. (Perley/Hicks) **Commissioner Evans asked for a brief summary of what CH2MHill is to do during the term of the contract. This is a beginning to end contract. Motion made and seconded to approve. Motion passed 5/0.**

11. Consideration of approving an increase to the Schindler NTE fiscal year contract amount from the previously approved amount of \$253,896 to \$314,920 for elevator and escalator maintenance services. (Jendroch/Hicks) **This is to complete the year for the elevator and escalator contract and adds more months on to the contract. Motion made and seconded to approve. Motion passed 5/0.**

12. Consideration of approving the selection committee recommendation for Master and Strategic Planning Services (PUR-RFQ-15-3) to Bermello, Ajamil and Partners, Inc. and authorize staff to negotiate and execute a standard continuing contract. (Perley/Hicks) **Commission Justice is excited to see this begin. Motion made and seconded to approve. Motion passed 4/1.**

14. Consideration of approving two related purchase orders for the purchase and installation of Opticom Emergency Vehicle Preemption equipment to include: (Perley/Hicks)

- a) Purchase order to Transportation Control Systems (using the existing FDOT Traffic Equipment published priced contract) for the purchase of equipment for 6 traffic intersections and 12 emergency vehicles in the amount of \$76,999.64.
- b) Purchase order to W&J Construction Corp. under their continuing service construction management contract for the installation of the Opticom equipment in an amount not to exceed \$38,693.00.

Commissioner Justice asked for more information which was given. This is a county wide system. Motion made and seconded. Motion passed 5/0.

20. Due to a proposal received from a group including the D&L Leaseholders, and their investment partners, Staff requests consideration of approving the Cove Development Draft Guidelines for voluntary Cove Development project submissions outside the Master Cove Developer: (Walsh)

- a) Approval of guidelines and required steps (Draft Enclosed);
- b) Approval of architectural guidelines remaining consistent (Draft Enclosed);
- c) Inclusion of CAM cost and required parking and storm water contributions (TDB); and
- d) Approval to develop a Common Cove Association with shared cost for police, fire, advertising, promotion, marketing, landscaping, signage, and management TBD).

After a lengthy discussion, motion was made to workshop the attachment a guidelines and the design criteria (attachment d). Motion passed 5/0. The workshop will be set in the next 2-3 weeks in the late afternoon. This item will be brought back to the Commission at the next meeting.

27. Consideration of approving a non-binding Letter of Intent with American Maglev to study ridership, cost conceptual design of a privately funded and operated port-wide transportation train system linking beach, Cove, hotel, and all cruise terminals, north and south including future regions and a future Orlando train link central station. (Walsh) **After discussion, motion was made to not approve Item #27 which passed 5/0.**

PUBLIC COMMENTS: None.

COMMISSIONER REPORTS AND COMMENTS:

Bruce Deardoff: None

John "Hank" Evans: None

Tom Weinberg: None

Wayne Justice: I went to DC with the EDC and had a chance to speak with Deputy Assistant of Air Force Installations and the Director of the Navy Strategic Systems to push our need to move forward on the Enhanced Used Lease. I want to commend John and his Staff for their efforts.

Jerry Allender: None

ADJOURNMENT: Being no further business to come before the Board, the meeting was adjourned at 12:25 pm until the regularly scheduled meeting on July 29, 2015 at 9:00 am.

CANAVERAL PORT AUTHORITY

ATTEST

Jerry W. Allender, Chairman

Thomas W. Weinberg, Secretary/Treasurer