

E.2.c. (1) – Minutes of the June 22, 2016 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 22, 2016.

The meeting was called to order by Chairman Jerry Allender at 9:00 a.m. Pat Poston, Senior Director Finance, led the Pledge of Allegiance. After the Pledge of Allegiance, a minute of silence was held for the victims killed in a terrorist attack in Orlando.

Those present were Commissioners Hank Evans, Wayne Justice, Bruce Deardoff, Tom Weinberg and Chairman Jerry Allender; CEO John Murray, CFO Rodger Rees, Senior Director Finance Pat Poston, Senior Director of Facilities Bill Crowe, Deputy Executive Director Jim Dubea, Attorney Harold Bistline and Special Assistant Melanie Bradford.

The Ambassadors present were recognized: Dennis Hepburn, Dr. Max King, Teri Scott, Bobby Socks, and Ambassador Emeritus Capt. Ed Lanni. Mac McLouth was recognized.

APPROVAL OF AGENDA: CEO John Murray pulled agenda item #4 and agenda item #7. Commissioner Weinberg would like to add to the agenda some discussion about the July/August meeting dates. This item will be discussed during Commissioner Reports. **Motion was made by Commissioner Weinberg and seconded by Commissioner Justice to accept the agenda as modified. Motion passed 5/0.**

PERSONAL APPEARANCES AND PRESENTATIONS:

1. Employee Service Awards (Murray)

One service award was given to Karen Pappas for 15 years of service.

2. Spacecoast Seafarers Update (Wodka)

Mark Wodka spoke regarding the upcoming gala for the Seafarers Ministry. The gala will be at Cruise Terminal 1. The date is September 5, 2016, 6:00 pm.

COMMISSIONER DISCUSSION ITEM:

None

ACCOUNTING AND FINANCE: CFO Rodger Rees presented the financial statements (unaudited) for seven months ending April 2016. Total revenues were \$49.5M. Total Expenses were \$47.7M. The bottom line is \$1.8M. Major projects update was given as was a Line of Credit update.

Commissioner Weinberg motioned to approve the statistical report, aging report, list of bills, list of disposals, attorney fees, commissioner expenses and financial report. Commissioner Evans seconded the motion and the motion passed 5/0.

CHIEF EXECUTIVE OFFICER'S REPORT: Item #4, related to the rail barge, and Item #7, related to cargo wharfage, were pulled for a later date.

Cruise Update:

There were 395 home port of calls YTD with 77 port of calls YTD. In 2015 YTD there were 400 home port calls and 75 port of calls. The multi-day cruise passenger count is steady YTD. The multi-day cruise revenue is up 5.66%. The Victory Casino passenger count is steady with revenue tracking on budget. CT 8 work progress continues. The Kalwall panels arrived and install began on June 8 with completion scheduled for September 1. Painting is underway and the main terminal area is near completion with overall completion scheduled for September 1. Curtain wall wet sealing is underway and completion is scheduled for August 22. CT 5 reopened on June 4 with the first turn of Carnival Valor. The Norwegian Gem will begin weekly Port of Calls on June 20. The punch list items are ongoing. CT 10 demolition is well under way with expected completion by June 29. The structural steel for second floor above CBP is being installed. The existing underground utilities are being removed and relocated now. CBP approved layout of their office space. The Norwegian Epic is scheduled as the first vessel call on November 12.

Cargo Update:

There have been 221 ship calls YTD. Cargo tonnage is up 42% vs. 2015 YTD – 3,795,177 tons. Cargo revenue is up 51% vs. 2015 YTD. Commodity YTD vs. 2015 shows export Cars & Trucks are up 155%, lumber is up 97%, aggregate/limestone is up 94%, slag is up 69%, and petroleum up 42%. AutoPort has secured an OEM customer that will start importing from mid-July

Real Estate Update:

SR 524 – Port Canaveral Logistics Park. Walmart continues to move forward with permitting approvals. Negotiations continue on the purchase.

Port Canaveral Logistics Center at Titusville: The purchase of the building was completed on May 27. Tours and showings continue with both the Real Estate Brokers and EDC. Tenant interest ranges from 20,000 to 100,000 SF. There are four active prospects (Distribution/Assembly/Light Manufacturing), 30,000 SF to 70,000 SF. There is one prospect - Cold Storage, 100,000 SF.

Policy Updates:

Insurance Policy update (Agenda Item 8) with standard provisions for parties conducting business with CPA.

Sponsorship Policy update (Agenda Item 9) establishes a new Sponsorship Policy consistent with the CPA Charter with community events and table sponsorships. A multi-discipline advisory committee is to review applications and prepare recommendations. Sponsorships are tied to budget. Community events will be evaluated twice annually immediately following budget and budget review cycles.

New Interns:

Summer interns are Danielle Leahy, SUNY Maritime College – Cargo, Joseph Hereau, FIT – Engineering, Sean Kohn, FIT – Engineering, Keri Allen, Cocoa Beach High School – Environmental, Viana Martinez, UCF – Finance, Keenan Blair, Clemson University - Finance/Real Estate, Nathan Hufnagel, FIT – IT, and Brandon Yates, FIT – IT.

New Human Resource Leader: Amanda Brailsford-Urbina was introduced.

Upcoming Activities:

June 25 - 9:00 AM, Annual Kid's Fishing Clinic at CT 3 and July 2 - 4:00 PM, Fireworks Show at Exploration Tower.

AutoPort:

We are working closely with GT have one customer that we are going to be talking to soon that is expressing some interest. It is a slow start. It is a market issue and we have to develop a market.

PUBLIC COMMENT: None.

CONSENT AGENDA:

Items 3 and 6 were pulled for discussion. **Motion made by Commissioner Justice to approve Consent Agenda Items 1, 2, 5, 8, 9, 10, and 11. Commissioner Weinberg seconded the motion. Motion passed 5/0.**

Consent Agenda Item #3: Consideration of approving Resolution RES-2016-09-EXE-3 of the Canaveral Port Authority affirming its commitment to continued implementation of the Port Canaveral Inlet Management Plan, per the FDEP Florida Beach Management Program Long Range Budget Plan and Local Government Funding Request for FY2017-18, as prepared by Olsen Associates, Inc. (Musser)

Robert Musser gave a brief report regarding this request. This is our commitment to the Port's inland management program and beach management program. The state has a funding mechanism for funding inland management project. This resolution is specifically for the funding application that is going to be submitted for 2017-18. **Motion was made by Commissioner Weinberg to approve Consent Agenda Item #3. Commission Deardoff seconded the motion. Motion passed 5/0.**

Consent Agenda Item #6: Consideration of authorizing staff to utilize the competitively bid Cincinnati/Northern Kentucky International Airport's Contract No 15-113RFP awarded to Gatekeeper Systems, Inc for commercial vehicle management (CVM) software and further authorize staff to issue purchase orders pursuant to this contract for an amount not to exceed \$350,000 over 5 years. (Lorusso/Dubea)

Presentation was made by Mark Lorusso to back up this item for a commercial vehicle management system. This is for the software that manages this. This system will control and track commercial vehicle movements on Port property. It will enforce and monitor compliance

with regulations. It will automate business processes. The system will generate revenues. It will be an efficient revenue collection software system that makes it fair for all. This system is very comprehensive and is used at over 30 airports. It is really everything that we need now. It is not tied to the completion of the road network on the Port. There is some cost associated with the readers being suspended over the road ways. Our target go live date is October 31, 2016.

Motion was made by Commissioner Weinberg to approve this item. Motion was seconded by Commissioner Justice. Motion passed 5/0.

Chairman Allender spoke regarding Consent Agenda Item #8. In the policy regarding professional liability coverage, there was no mention as to the exact amount that was a minimum and he suggested that some minimum amount be indicated on the professional liability coverage similar to everything else. I think there needs to be some guidelines set. I'm sure that administratively that can be rectified. It is good that we have finally gotten a comprehensive insurance policy requirement.

PUBLIC COMMENTS:

Rhett Fischer, Cove Management Association, spoke regarding the Cove District.

Sherri McCoy, Wild Ocean/Cape Canaveral Shrimp Co, spoke regarding the Mac Attack Tournament.

Dennis Thompson spoke regarding Space X and the Florida Today article.

COMMISSIONER REPORTS:

Commissioner Justice: On Friday the 10th, I joined Mr. Deardoff and Capt. Murray as we presented our donation to the Indian River Lagoon Council. It was well received. The next day, I represented us at the Indian River Lagoon Compact Summit where we talked about education, restoration and muck removal in surface and ground water. Another item, on June 16th I got the opportunity to join the crowd at NOTU at the ribbon cutting at the Strategic Weapons Systems Ashore system for future testing of missile systems.

Commissioner Weinberg: I suggest we skip the meeting of July 27 and meet next on August 24th. CEO Murray spoke and said that if we have something that needs approval, we might have to have a special meeting called to address the issue. It would be a short meeting that would deal only with those particular items that need a vote.

Commissioner Weinberg moved that we cancel the July 27 meeting with the understanding that based on Captain Murray's perspective, if there is a need for a special meeting, that Melanie coordinate Commissioner calendars and that we schedule that special meeting. Commission Justice seconded the motion. Motion passed 5/0.

Commissioner Deardoff: We did attend the meeting of the Indian River Lagoon Council on June 10th. I was very impressed with the council. I was also impressed with the number of people in attendance at the meeting. I was reading an article in the Wall Street Journal and it made me realize that while we are experiencing this problem here, this is a national problem all over the

country. This is an issue that we have to address here and a reason again why we donated the \$100,000 to the Indian River Lagoon Council to get the public educated.

Commissioner Evans: Nothing to add.

Chairman Allender: Last week, I had the opportunity to appear at the Florida Inland Navigation District event at Exploration Tower. I had the honor of being there and representing the Port. I shared with them things that are going on at the Port, the economic impact we have and the development we have, and the critical part that we play in this district as well as East Central Florida.

ADJOURNMENT: The meeting was adjourned at 10:38 am until the next regularly scheduled meeting on August 24, 2016 at 9:00 am.

CANAVERAL PORT AUTHORITY

Jerry W. Allender, Chairman

ATTEST

Tom Weinberg, Secretary/Treasurer