

**E.2.c. (1) – Minutes of the February 22, 2017 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, FEBRUARY 22, 2017.**

The meeting was called to order by Chairman Tom Weinberg at 9:00 a.m. Commissioner Loyd led the Pledge of Allegiance.

Those present were Commissioners Wayne Justice, Jerry Allender, Micah Loyd, and Chairman Tom Weinberg; 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/Liaison Melanie Bradford. Commissioner Bob Harvey was not present.

The following Ambassadors, Ambassadors Emeritus and Dignitaries were recognized: Maurice Boudreau, Holly Carver, Mike Gautreaux, Dennis Hepburn, Jim Handley, Jay Honeycutt, Max King, Robi Roberts, Tom Vani, and Susie Wasdin. Ambassador Emeritus Chuck Rowland, Capt. Ed Lanni, and Bobby Socks were present. Dignitaries Mac McLouth and Cape Canaveral City Councilman Brendan McMillin were also present.

**APPROVAL OF AGENDA: Commissioner Allender moved approval of the agenda. Commissioner Justice seconded the motion. Motion passed 4/0.**

**PERSONAL APPEARANCES AND PRESENTATIONS: None.**

**COMMISSIONER DISCUSSION ITEM:**

1. Consideration of approving evening Commission meetings on April 26 and October 25, 2017. **Commissioner Allender motioned to approve having evening meeting, starting at 6:00pm, on April 26 and October 25, 2017. Also included in the motion, is that when setting the meetings for 2018 that the staff consider at least three evening meetings. The motion was seconded by Commissioner Loyd and passed 4/0.**

2. Consideration of approving moving the May 24, 2017 meeting to June 7, 2017. **Commissioner Allender motioned to reschedule the May 24, 2017 meeting to June 7, 2017. The motion was seconded by Commissioner Loyd and passed 4/0.**

**ACCOUNTING AND FINANCE:**

Financial Update YTD three months ending December 2016: Rodger Rees, CFO

The audit is not done. They are still working on a couple of items. We will have the audit by the March meeting. The revenue items are right on budget with our revenue right at \$24M. On the expenses we are close to budget. The biggest area we are off on is depreciation. We should within the next 60 days be going live on our new accounting system. We will be able to give you a different kind of picture on our expense items. We continue to add to the reserve accounts.

We are now at \$5M. Pending a sale of some of our assets, we intend to increase this reserve as well as reduce some debt. The interest rates on the line of credit have not really changed.

**Commissioner Allender moved to accept the financial reports for October, November and December that have been presented. The motion was seconded by Commissioner Loyd and the motion passed 4/0.**

**Commissioner Allender moved to approve the Statistical Report, the Aging Report, the List of Bills, the List of Disposals, the Attorney Fees, and the Commissioner Expenses. Commissioner Justice seconded the motion. Motion passed 4/0.**

**STATUS OF ON-GOING BUSINESS:**

1. An environmental update was given by Bob Musser. He gave an update on events, shoaling in the inlet with the Corp of Engineers, additional funding for the inlet management plan, Keep Brevard Beautiful and upcoming items and projects.

**CHIEF EXECUTIVE OFFICER'S REPORT:**

**CRUISE UPDATE:**

- 2017 by the numbers (Oct 1 – Jan 31)
  - 243 cruise ship turns
  - Passenger count up 22% over 2016
- 4 Port of Call ships scheduled for March 7<sup>th</sup> bringing approximately 12,000 visitors to Brevard County
- Attending Seatrade Cruise Global in March to showcase Port Canaveral and develop new cruise business opportunities

**CARGO UPDATE:**

- 2017 by the numbers (Oct 1 – Jan 31)
  - 135 ship calls
  - Total cargo tonnage up – 1.9 million tons
  - Total cargo revenue up 21% over 2016
- Lehigh Hanson Pneumatic Loading System
  - New system will reduce time at dock and eliminate truck traffic
  - Commissioning to begin Feb 24<sup>th</sup>
  - First barge to be loaded pneumatically on March 6<sup>th</sup>

**REAL ESTATE UPDATE:**

- Sale of 271 acres at SR 524 and I95 on agenda for approval
- Port Canaveral Logistics Center at Titusville
  - RUAG
    - Completion of construction is scheduled for end of February
    - Installation of equipment by May 1

- Operational by June and fully online by January 2018
- Lease proposals are out for two tenants totaling 100,000 square feet
- Negotiating with Port-Cargo tenant in need of warehouse space
- Parrish Medical Center
  - Concrete block wall installation underway
  - Scheduled for completion in mid-June

#### RECREATION UPDATE:

- Jetty Park
  - Maintaining approximately 90% capacity
  - Continuing transition to Netsuites/iSeaports
- Exploration Tower
  - VIP Launch viewing opportunities
  - March 8 – ULA Delta IV Rocket
  - 32 scheduled events through August (ET, Cruise Terminals, etc)
- Upcoming Events
  - March 4: 3<sup>rd</sup> Annual Brewmaster Invitational Beer Festival
  - April 7: Propeller Club Shrimp Feast
  - April 18: Corvette Club

#### ONGOING PROJECTS:

- Marlin Street
  - Lift station installed
  - Roadway paving complete
  - Storm structure completed
  - Targeted completion for early March
  - Working on pond area and sod
- SR 401 Overpass Bridge Repair
  - Contractor blasted and primed first 3 steel sections and began final painting
  - Concrete work on the east side is complete, west side underway
  - Scheduled for completion in mid-April

#### INFORMATION TECHNOLOGY UPDATE

- ERP/Accounting System – Testing and Training
  - Final sprint to complete configuration in February
  - Testing and Training: January - March
  - Targeted Launch Date: April 3<sup>rd</sup>
- USCG Cybersecurity Seminar
  - Occurred at Maritime Center on February 16<sup>th</sup>
  - Attended by CPA IT, Public Safety, government and industry partners
  - Included a case study to demonstrate the impact of a cyber incident at Port Canaveral
- Automated Tolling System – Training and Go-live Phase

- Integration with ERP system complete
- Launch Date: March 1<sup>st</sup>
- Port wide application of system for all users

**PUBLIC COMMENT:** None.

**CONSENT AGENDA:** The items pulled for discussion were 7, 8, and 10. **Motion was made by Commissioner Allender and seconded by Commissioner Justice to approve items 1, 2, 3, 4, 5, 6, 9, 11, 12 and 13. Motion passed 4/0.**

7. Consideration of approving a purchase order to CH2m under their GEC continuing contract for a middle reach surge study (see the attached map for the affected area), in an amount not to exceed \$98,976. (Tom Foxhoven/Bill Crowe)

Commissioner Allender asked if this same type of study was done when we moved the boat ramp to Jetty Park? Tom Foxhoven said that we did. Per John Murray, this study will have an Oasis class vessel in it. **Motion was made by Commissioner Allender and seconded by Commissioner Justice to approve consent agenda item #7. Motion passed 4/0.**

8. Consideration of approving the selection committee recommendation to short list the selected firms for the Northside Cruise Terminals Roadway Network Design / Build Project (PUR-RFP-16-5). The selection committee recommends Ivey's Construction Inc. and P & S Paving, Inc. (Maureen Whitford/Bill Crowe)

Commissioner Justice asked for general discussion and voiced appreciation for getting all the stakeholders involved. The north area has been a challenge. **Motion was made by Commissioner Justice and seconded by Commissioner Loyd to approve consent agenda item #8. Motion passed 4/0.**

10. Consideration of approving first amendment to one (1) year lease dated January 22, 2016 with Autoport Canaveral, LLC to acknowledge election of a three (3) year lease extension, revise extension options to provide up to four (4) extensions of three years each (total term not to exceed 16 years), and update potential expansion sites. The first amendment has been reviewed and approved by General Counsel and the Port Attorney. (Craig Langley)

Commissioner Loyd suggested that the escalator that we have in this lease seems extremely low and the CAM seems low. The lease amounts stated in the agreement are for that one facility, per John Murray. **Motion was made by Commissioner Loyd and seconded by Commissioner Allender to approve the item. Motion passed 4/0.**

**PUBLIC COMMENTS:** Bryan Bobbitt, Propeller Club, spoke to announce the Shrimp Feast on April 7 here in the Port. The funds are used to support the Maritime Academy at Rockledge High School.

**CEO ANNUAL REVIEW:** **Motion was made by Chairman Weinberg and seconded by Commissioner Allender to give CEO Murray a 4.4% annual increase to round to \$350,000 effective February 15, 2017 and that we extend his contract one year as the contract provides that option. The motion passed 4/0.**

**COMMISSIONER REPORTS:**

Jerry Allender: None

Wayne Justice: None

Micah Loyd: None

Tom Weinberg: None

**ADJOURNMENT:** The meeting was adjourned at 10:18 am until the next regularly scheduled meeting on March 22, 2017 at 9:00 am.

**CANAVERAL PORT AUTHORITY**

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Tom Weinberg, Chairman

ATTEST

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Jerry Allender, Secretary/Treasurer