

**E.2.c. (1) – Minutes of the April 26, 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, APRIL 26, 2017.**

The meeting was called to order by Chairman Tom Weinberg at 6:00 p.m. Commissioner Justice led the Pledge of Allegiance.

Those present were Commissioners Wayne Justice, Jerry Allender, Micah Loyd, Bob Harvey 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.

The following Ambassadors, Ambassadors Emeritus and former CEO's and Commissioners were present: Maurice Boudreau, Holly Carver, Mike Gautreaux, Dennis Hepburn, Jim Handley, Jay Honeycutt, Max King, Robi Roberts, Tom Vani, Captain Ed Lanni, Bob Socks, Mac McLouth, and Brenda McMillan.

**APPROVAL OF AGENDA:** CEO John Murray had an amendment to the agenda. Consent Agenda Item #13 was pulled from the agenda and Consent Agenda Item #14 was modified as follows: Consideration of authorizing staff to issue a formal solicitation for all Labor and Material for the replacement and rehabilitation of the concrete deck, mooring bollards and fenders for NCP 1 & 2.

**Commissioner Harvey moved to approve the agenda as modified. Commissioner Allender seconded the motion. Motion passed 5/0.**

**PERSONAL APPEARANCES AND PRESENTATIONS:** None.

**COMMISSIONER DISCUSSION ITEM:**

1. Safe Boating Week Proclamation (Vice Chairman Justice)

Vice Chairman Justice introduced Bill Strong with the Cocoa Flotilla 1706 for the Coast Guard Auxiliary. The Proclamation was read by Vice Chairman Justice. **Vice Chairman Justice moved to approve the proclamation. The motion was seconded by Commissioner Allender. The motion passed 5/0.**

**TIME CERTAIN – MID YEAR BUDGET:** CFO Rodger Rees submitted the mid-year budget adjustment. The proposed changes included decreases and increases with a small net reduction of \$52.8K. We are proposing a zero net adjustment. The bottom line that we are still looking at is \$2.3 million.

Senior Director of Finance Pat Post submitted an update to the Capital Budget and Cash Flow Projections. This is only updating things that have changed through the closing of our Fiscal Year 2016 and the reduction of our capital budget from \$544.5 million to \$409.8 million. The Cash Flow Projections have been updated only to reflect those things that were adjusted for

Fiscal Year 2016. The bottom line is our ending cash available as of Fiscal Year 17 is expected to be \$35 million.

**Commissioner Allender motioned to adopt and approve the line item adjustments to the Operating Budget as well as the Capital Budget. Commissioner Justice seconded the motion. The motion passed 5/0.**

**CFO Rees: We are closing the budget hearing with the results of your vote.**

**ACCOUNTING AND FINANCE:** CFO Rees presented the operating results for the period year to date through March. Total Cruise Revenues are \$40.9M. We had a record setting month of over 500,000 passengers coming through the port in one month. The passenger counts continue to move up with all cruise lines with increases over the prior year. Cargo revenues are \$3.8 million. We are up 17% over 2016 and 5% over budget right now. Total expenses are at \$43.7 million. The Voluntary Reserves we have right now are \$5.5 million. A line of credit summary was given. The audit was completed with a clean opinion and Fitch reaffirmed our ratings at A Stable. We have centralized our purchasing and warehousing facility next door to the Maritime Center and should be completed in mid May.

Pat Poston addressed the aging report and gave an update to the Aging Report.

**Commission Allender motioned to approve the Statistical Report, the Aging Report, the List of Bills, the Attorney Fees, the Commissioner Expenses and the Financial Statements that were presented by Rodger Rees. Commissioner Loyd seconded the motion. The motion passed 5/0.**

### **CHIEF EXECUTIVE OFFICER'S REPORT:**

#### **CRUISE UPDATE:**

- Seasonal homeports departing for summer months
  - *Norwegian Epic* (April 1)
  - *Disney Wonder* (April 23)
  - *Carnival Sunshine* (May 14)
  - *Disney Fantasy* is headed to dry dock on April 29 for two weeks; *Disney Magic* to sail once in the interim
  - Seasonal port of calls departing for summer months
    - *Anthem of the Seas* (April 12)
    - *Norwegian Breakaway* (April 18)
    - *Norwegian Gem* arriving May 1 as seasonal port of call through July
    - 469,847 multi-day cruise passengers traveled through Port Canaveral in March 2017; a new monthly record!
    - 19% increase over March 2016

#### **CARGO UPDATE:**

- 2017 by the numbers (Oct 1 – March 31)
  - 190 ship calls

- Total cargo tonnage up 6% – 2.9 million tons YTD
- Total cargo revenue up 17% over 2016
  - 2017 revenue tracking 5% over budget
    - Container throughput (\$216k over budget)
    - Newsprint (\$127k over budget)
- Seaport Canaveral Expansion
  - New truck lanes currently in test mode, expected to be fully functional May 1
  - New lanes provide capacity needed to supply central Florida's growing energy demand

REAL ESTATE UPDATE:

- 271 acres at SR 524 and I95
  - Walmart seeking a site plan approval in May from City of Cocoa
  - Walmart and CPA attorneys working on Title review and other closing matters
- Port Canaveral Logistics Center at Titusville
  - RUAG interior construction is 95% complete, equipment being installed
  - "Project D" continues to move forward with 30k-100k sq ft
- Parrish Medical Center
  - Underground storm water system installation is complete
  - Roof membrane installation continues
  - Interior framing and mechanical/electrical rough in is underway

ENVIRONMENTAL UPDATE:

- Jetty Park
  - Campground maintaining high occupancy
  - Increased park and beach traffic throughout April
- Exploration Tower
  - VIP Launch viewing opportunities
    - More than 100 tickets sold for ULA launch on April 18
  - March & April revenue is \$39,000 to date
  - 32 scheduled events through September totaling \$42,550 in revenue (ET, Cruise Terminals, etc)
- Upcoming Events
  - May 6: Elks Kids Fishing Clinic at CT3
  - May 17: Health First Gala at CT1
  - May 17-22: Thunder on Cocoa Beach at ET

ONGOING PROJECTS:

- West Turning Basin Deepening
  - Dutra Dredging has removed approximately 162,000 cubic yards as of April 18
- SR 401 Erosion Control
  - Contractor placed roughly 1,100 ft of armor stone along curve
  - Scheduled for completion in early July
- SR 401 Overpass Bridge Repair
  - Only two sections remaining to be sand blasted and painted
  - Concrete work on west end continues on schedule

- Project completion scheduled for first week of May
- Maritime Purchasing Center
  - Metal siding and roof replacement is complete
  - Interior office framing is complete, drywall installation underway
  - Underground utility work began last week
- Maritime Facilities Center
  - Roof replacement is complete
  - Metal siding replacement continues
  - Interior framing and underground utility installation underway
- Information Technology
  - First billing cycle invoiced from the Ground Transportation System utilizing NetSuite Financial System
  - May 1: NetSuite Financial System go-live
  - Negotiating with Microsoft for an enterprise license agreement for Office365 and MS applications
  - Strategic Master Plan
    - One additional public meeting (Consent Item #16)
    - Project to be complete by mid year

Bill Crowe addressed Consent Agenda Items #13 and #14. The former version of agenda item 13 was to engage one of our continuing contracts to effect repairs on north cargo pier 1 and 2 that we believed to be under the value of \$2 million. We have recently completed some additional inspection of the underside of north cargo pier 1 and 2 where we discovered some advance corrosion and significant deterioration. The project no longer qualifies for the use of our continuing contract. Agenda Item #13 has been pulled from the agenda. Agenda Item #14 has been expanded to seek authorization to bid the entire project, materials and labor.

**Commissioner Allender made a motion that we approve Consent Item #14 as amended. Commissioner Loyd seconded the motion. Motion was approved 5/0.**

**PUBLIC COMMENT:** Ted Lund of Cocoa Beach, Florida spoke regarding Consent Agenda Items # 5 and #16.

**CONSENT AGENDA:** The items pulled for discussion were 8, 9, 12 and 16. **Motion was made by Commissioner Justice and seconded by Commissioner Loyd to approve items 1, 2, 3, 4, 5, 6, 7, 10, 11, and 15. Motion passed 5/0. (Consent Item #13 was pulled from the agenda and Consent Item #14 was passed previously in the meeting.)**

(8) Consideration of approving:

(a) A purchase order to Heard Construction, Inc. under their continuing services construction/management contract for the improvements to the commission room in an amount not to exceed \$475,786.36. (Verónica Narváez-Lugo/Bill Crowe)

(b) Permission to solicit bids for seating replacement for the commission room through the CPA direct purchase process not to exceed \$50,000. (Veronica Narváez-Lugo/Bill Crowe)

Bill Crowe gave a presentation regarding proposed renovations and technology updates to the Commission Room. After much discussion about the magnitude and cost of the proposal, Commissioner Allender suggested that staff come back with a revised plan that is in line with the Commission's previous direction to improve the audio/visual equipment only. **Commissioner Allender made a motion to table this item. Commission Loyd second the motion. The motion passed 5/0.**

(9) Consideration of approving a zero dollar change order to Ivey's Construction, Inc. under the North Side Cruise Terminals Tolling System contract CN-16-025 (P19579), to add the scope of procurement and installation of a pay on exit system at Cruise Terminal garages 5 and 6. (Veronica Narváez-Lugo/Bill Crowe)

Bill Crowe gave a brief overview of what he is trying to accomplish with the automated exit system. We wouldn't put infrastructure in place in an area that we are contemplating going back into later this year and doing renovations. **Commissioner Allender moved to approve Consent Item #9. Commissioner Harvey seconded the motion. Motion passed 5/0.**

(12) Consideration awarding a contract to CH2M and authorizing staff to negotiate a task order for the waterside engineering design and permitting for a new cruise terminal berth that will be submitted to the Commission for approval and execution at a subsequent meeting. (Tom Foxhoven/Bill Crowe)

CEO Murray gave a little more insight into this item. The Cruise Master plan was done in 2014 and it defined where the next new terminal would go which is at the existing Cruise Terminal 3. We want to have all our ducks in a row to begin construction in the future. **Commissioner Justice moved to approve Consent Agenda Item #12. Commissioner Harvey seconded the motion. Motion passed 5/0.**

(16) Consideration of approving an increase to purchase order P18569 to Bermello Ajamil & Partners (B&A) Incorporated in the amount of \$30,000.00 for an additional public meeting to review master planning efforts and finalize public input with the community for the Strategic Master Plan. (Jim Dubea)

CEO Murray explained where we are in the Strategic Master Plan and what Bermello Ajamil & Partners were going to do at the next public meetings. At the next meeting the public will be able to have input. **Commissioner Allender moved to approve Consent Item #16. Commissioner Justice seconded the motion. Motion passed 5/0.**

**PUBLIC COMMENTS:**

Mac McLouth spoke regarding Port Planning.

Ted Lund spoke regarding transparency.

Melissa Martin thanked the Port for opening up government proceedings to the public.

Sue Nickolopoulos spoke regarding Jetty Park.

Richard Webb spoke regarding the rail.  
Alex Garichky had general comments and appreciation.

Jack Ratterman spoke regarding kayaking on 528.

Saffrone Emerson spoke regarding cargo containers.

**COMMISSIONER REPORTS:**

Commissioner Allender: None.

Commissioner Harvey: Thank you to all the folks that came tonight. I'm glad to see the public response. Thank you to the staff also.

Commissioner Justice: Spoke regarding the Indian River Lagoon. He has received an update on the educational side which this Port supports. We are engaged and focused on the lagoon.

Commissioner Loyd: Thank you for everybody coming out. It's good to see the room filled up.

Chairman Weinberger: Thank you.

**ADJOURNMENT:** The meeting was adjourned at 8:17 pm until the next regularly scheduled meeting on Wednesday, June 7, 2017 at 9:00 am.

**CANAVERAL PORT AUTHORITY**

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Tom Weinberg, Chairman

ATTEST

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Jerry Allender, Secretary/Treasurer