Memorandum

MIAMI-DADE COUNTY

Date:	April 6, 2010
To:	Honorable Chairman Dennis C. Moss and Members, Board of County Commissioners
From:	George M. Burgess County Manager
Subject:	Sunset Review of County Boards for 2010 – Port of Miami Crane Management, Inc.

Agenda Item No. 1(F)1

In accordance with the provisions of Section 2-11.40 of the Code of Miami-Dade County, I am transmitting the 2010 Sunset Review of County Boards Report for the Port of Miami Crane Management, Inc. The Board approved the attached report at its meeting on January 15, 2010 and has recommended the continuation of its board.

Ysela Llort
Assistant County Manager

cmo09110

Date: January 12, 2010

To: George M. Burgess
County Manager

From: Joe L. Gómez, PE
Chairperson, Port of Miami Crane Management, Inc.(PMCM)

Subject: Sunset Review of County Boards for 2010 – PMCM

Pursuant to Section 2-11.40 of the Code of Miami-Dade County, I am submitting the 2010 Sunset Review of County Boards Report for the Port of Miami Crane Management, Inc. (PMCM) for transmittal to the Board of County Commissioners (BCC). The Board of PMCM approved the attached report at its meeting of January 15, 2010.

It is recommended that the BCC approve the continuation of the Board of PMCM.

BACKGROUND

Provide the following information in the body of this section (in paragraph format):

The Board was created by BCC resolution on November 11, 1999. The purpose of the Board of PMCM is to provide policy and direction to the management of this company. It is also responsible for overseeing all expenditures associated with the operations and maintenance of the gantry cranes. This Board should continue to exist as it was specifically created to provide oversight of all company operations and expenditures.

Joe L. Gómez, PE
Chairperson

PORT OF MIAMI
CRANE MANAGEMENT, INC.

BOARD OF DIRECTORS
2010 SUNSET REVIEW

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SUNSET REVIEW QUESTIONNAIRE
MIAMI-DADE COUNTY BOARDS
2010

I. GENERAL INFORMATION

1. Name of Board reporting:

   Port of Miami Crane Management, Inc. Board of Directors

2. Indicate number of board members, terms of office, and number of vacancies:

   Number of Board Members: Seven (7) - Five (5) Voting and Two (2) Ex-Officio

   Terms of Office: See Attached

   Number of Vacancies: Zero (0)

3. Identify number of meetings and members' attendance (Attach records reflecting activity from **Jan. 1, 2008** through **December 31, 2009**):

   Number of Meetings: 19 Meetings inclusive of December 16, 2009

   Number of Meetings with a Quorum: 19 inclusive of December 16, 2009

   Attendance Records: See Attachment See Attached

4. What is the source of your funding?

   The Company's Budget is approved by the Seaport

5. Date of Board Creation: November 11, 1999

6. Attach a copy of the ordinance creating the Board (Please include all subsequent amendments).

   See Attachment **R-671-99** (See Attached)

7. Include the Board's Mission Statement or state its purpose:

   The mission of the Board of Director's for the Port of Miami Crane Management, Inc., ("Crane Management") is to oversee the management and maintenance of the Seaport's Gantry container handling cranes and related equipment ('the Cranes')

8. Attach the Board's standard operating procedures, if any.

   Not Applicable

9. Attach a copy of the Board's By-Laws, if any.

   See Attached

10. Attach a copy of the Board minutes approving the Sunset Review Questionnaire, **including a vote of the membership.**

    See Attachment See Attached

SUNSET REVIEW QUESTIONNAIRE
MIAMI-DADE COUNTY BOARDS
2010

II. EVALUATION CRITERIA

1. Is the Board serving the purpose for which it was created? (Please provide detailed information)

   Yes, the Board serves the purpose for which it was created. As stated in the Bylaws, Port of Miami Crane Management, Inc. (PMCM) Board of Directors provides policy and direction to the management of the Corporation. The Board holds monthly meetings, at which time the Board approves, recommends and advises the Company's management on actions to take.

   Is the Board serving current community needs? (Please provide detailed information)

   Yes, this Board serves the community needs by overseeing the Company's expenditures and assures that the needs of the Company's customer, the Seaport, is met. The Company is a Not for Profit Organization which is 100% funded by the Seaport; it is extremely important that expenditures are kept to a minimum without sacrificing the service, therefore this board services the community needs by overseeing the Company's expenditures.

2. What are the Board's major accomplishments?
   a. Last 24 months

   The Board's major accomplishment within the last 24 months was the approval and overseeing of the paintings of Cranes No's 4, 5 and 6.

   b. Since established

   The Board's major accomplishment since its establishment has been the overseeing, approval and involvement in the acquisition of Cranes No's 11 and 12. In addition the Board oversees the performance of the Company's CEO ensuring that he and his team operate the company based on specific performance levels.

3. Is there any other board, either public or private, which would better serve the function of this board?

   No, this Board was created specifically to oversee the operations of PMCM therefore no other Board, public or private, can better serve the functions of the Board

4. Should the ordinance creating the Board be amended to better enable the Board to serve the purpose for which it was created? (If "Yes", attach proposed changes)

   No

5. Should the Board's membership requirements be modified?

   No at this time the Board's membership requirement should not be modified.

6. What is the operating cost of the Board, both direct and indirect? (Report on FY 2008 and FY 2009)
   The operating cost of this Board in FY2008 was $8308.00 and in FY2009 it was $7267.00.

7. Describe the Board's performance measures developed to determine its own effectiveness in achieving its stated goals.

   The Board has no performance measure in place.

Board Name: Port of Miami Crane Management, Inc.

BOARD MEMBER COMPOSITION INFORMATION

CURRENT APPOINTEE	APPONTED BY	SERVING PERIOD	BOARD MEMBER CATEGORY (If applicable)
Jose L. Gomez, Chairman Voting Member	County Manager	06/26/2009 TO 03/05/2010	Chairperson selected by the County Manager of Miami-Dade County.
Bill Johnson, Voting Member	Tenure		Director of Dante B. Fascell Port of Miami (Miami-Dade County Seaport Department)
Chris Arocha Voting Member	SEFEPA Board	5/26/2009 TO 5/26/2012 And 09/24/2009 TO 09/24/2013	Representative of various terminal companies, stevedores and ocean carriers operating at the Port.
Dr. Fran Bohnsack, Secretary Voting Member	Board of County Commissioners Secretary appointed by the chair.	3/11/2003 TO 4/7/2011	Substantial Managerial Experience
Comm. Dorrin D. Rolle Voting Member	Board of County Commissioners	4/24/2007 TO 1/14/2011	Substantial Managerial Experience
Clarence Pittman Jr. Non-Voting Ex-Officio	Port of Miami Crane Inc. Board	5/20/2009 TO 5/20/2012	
Ysella Llort Non-Voting Ex-Officio	County Manager	10/18/2007 TO 10/31/2010	

Additional Relevant Board information:

The Board of the directors shall be at least 21 years of age and be citizens of the United States. In addition to any other qualifications the Board of Directors may establish from time to time, the directors shall be of high moral character and have demonstrated business experience and acumen. Directors should also have those skills necessary to make sound business decisions, responding to community issues and understanding the importance of successful operation for the Seaport's container facilitates to the cargo industry and Miami-Dade's economy as a whole.

At all meetings of the Board the majority of the directors constitutes a quorum, our Board contains five (5) members of which three (3) members are needed to constitute a quorum. The terms of the directors are that no more than three members are replaced in any given year to ensure stability within the Board.

Appointments by the Board of County Commissioners shall serve two (2) year term and may be re-appointed as approved by the Board of County Commissioners. All other directors with the exception of the Port Director or his/her designee shall serve until the earlier of: the expiration of three (3) year term from their appointment; their removal by a majority vote of the Board; or their resignation from the Board.

Board Name: **Port of Miami Crane Management, Inc. Board of Directors**

BOARD OF DIRECTOR'S MEETING

MEETING DATE	BOARD MEMBERS NAME	COMMENT
January 16, 2008	Mr. José Gómez - Voting Mr. Bill Johnson - Voting Dr. Fran Bohnsack - Voting	Board had quorum
February 27, 2008	Dr. Fran Bohnsack - Voting Mr. Mark Baker - Voting Mr. Juan Kuryla (Bill Johnson) - Voting Ms. Ysela Llort - Ex-Officio	Board had quorum
April 30, 2008	Dr. Fran Bohnsack - Voting Com. Dorrin Rolle - Voting Mr. K Salahuddin (Bill Johnson) - Voting Mr. Mark Baker - Voting	Board had quorum
May 14, 2008	Mr. José Gómez - Voting Dr. Fran Bohnsack - Voting Com. Dorrin Rolle - Voting Mr. K Salahuddin (Bill Johnson) - Voting	Board had quorum
June 27, 2008	Dr. Fran Bohnsack - Voting Mr. Mark Baker - Voting Com. Dorrin Rolle - Voting	Board had quorum
August 27, 2008	Dr. Fran Bohnsack - Voting Mr. Mark Baker - Voting Com. Dorrin Rolle - Voting Ms. Ysela Llort - Ex-Officio	Board had quorum
November 19, 2008	Mr. José Gómez - Voting Dr. Fran Bohnsack - Voting Mr. Mark Baker - Voting Mr. Juan Kuryla (Bill Johnson) - Voting Mr. Manny Prieguez - Ex-Officio	Board had quorum
December 16, 2008	Mr. José Gómez - Voting Mr. Mark Baker - Voting Mr. K Salahuddin (Bill Johnson) - Voting	Board had quorum
January 21, 2009	Mr. José Gómez - Voting Dr. Fran Bohnsack - Voting Mr. K Salahuddin (Bill Johnson) - Voting	Board had quorum
February 18, 2009	Mr. José Gómez - Voting Dr. Fran Bohnsack - Voting Mr. Mark Baker - Voting	Board had quorum

MEETING DATE	BOARD MEMBERS NAME	COMMENT
April 22, 2009	Mr. José Gómez - Voting Dr. Fran Bohnsack - Voting Mr. Mark Baker - Voting Com. Dorrin Rolle - Voting Mr. K Salahuddin (Bill Johnson) - Voting	Board had quorum
May 20, 2009	Dr. Fran Bohnsack - Voting Mr. Mark Baker - Voting Mr. Bill Johnson - Voting	Board had quorum
June 23, 2009	Mr. José Gómez - Voting Dr. Fran Bohnsack - Voting Mr. Chris Aroca - Voting Com. Dorrin Rolle - Voting Mr. Bill Johnson - Voting	Board had quorum
August 14, 2009	Mr. José Gómez - Voting Dr. Fran Bohnsack - Voting Mr. Chris Aroca - Voting Mr. Juan Kuryla (Bill Johnson) - Voting Ms. Ysela Llort - Ex-Officio	Board had quorum
August 25, 2009	Mr. José Gómez - Voting Dr. Fran Bohnsack - Voting Com. Dorrin Rolle - Voting Mr. John Ballestero - Voting Mr. Bill Johnson - Voting Ms. Ysela Llort - Ex-Officio	Board had quorum
September 11, 2009	Mr. José Gómez - Voting Dr. Fran Bohnsack - Voting Mr. John Ballestero - Voting Mr. Bill Johnson - Voting Mr. Clarence Pittman - Ex-Officio	Board had quorum
October 22, 2009	Mr. José Gómez - Voting Dr. Fran Bohnsack - Voting Mr. Chris Arocha - Voting Mr. Bill Johnson - Voting Ms. Ysela Llort - Ex-Officio Mr. Clarence Pittman - Ex-Officio	Board had quorum
November 18, 2008	Mr. José Gómez - Voting Dr. Fran Bohnsack - Voting Mr. Juan Kuryla (Bill Johnson) - Voting Ms. Ysela Llort - Ex-Officio	Board had quorum

MEETING DATE	BOARD MEMBERS NAME	COMMENT
December 16, 2009	Mr. José Gómez - Voting Dr. Fran Bohnsack - Voting Mr. Chris Arocha - Voting Comm. Dorrin Rolle - Voting Mr. Juan Kuryla (Bill Johnson) - Voting	Board had quorum

Miami-Dade Legislative Item
File Number: 991433

File Number: 991433 **File Type:** Resolution **Status:** Adopted
Version: 0 **Reference:** R-671-99 **Control:** County Commission
File Name: CRANE MAINTENANCE COMPANY BUSINESS PLAN **Introduced:** 5/28/1999
Requester: Seaport Department **Cost:** **Final Action:** 6/8/1999
Agenda Date: 6/8/1999 **Agenda Item Number:** 6O1A

Notes: **Title:** RESOLUTION ADOPTING THE ATTACHED CRANE MAINTENANCE COMPANY BUSINESS PLAN IN PRINCIPLE; AND AUTHORIZING THE COUNTY MANAGER TO (I) PROCEED WITH THE ESTABLISHMENT OF A NOT-FOR-PROFIT PRIVATE CORPORATION TO MANAGE THE MAINTENANCE AND REPAIR SERVICES FOR THE SEAPORT DEPARTMENT'S CRANES, AND (II) BRING BACK TO THIS BOARD FOR APPROVAL A FINAL CRANE MANAGEMENT AGREEMENT WITH THE NEWLY CREATED NOT-FOR-PROFIT CORPORATION, AS WELL AS A TRI-PARTY TRANSITION AGREEMENT AMONG THE COUNTY, THE INTERIM CRANE MANAGEMENT COMPANY AND THE NEW NOT-FOR-PROFIT CORPORATION

Indexes: NONE **Sponsors:** NONE
Sunset Provision: No **Effective Date:** **Expiration Date:**
Registered Lobbyist: None Listed

Legislative History

Acting Body	Date	Agenda Item	Action	Sent To	Due Date	Returned	Pass/Fail
Board of County Commissioners	6/8/1999	6O1A	Adopted				P
County Manager	5/28/1999		Assigned	County Attorney	6/8/1999		
County Attorney	5/28/1999		Assigned	Steven B. Bass			

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TITLE
RESOLUTION ADOPTING THE ATTACHED CRANE MAINTENANCE COMPANY BUSINESS PLAN IN PRINCIPLE; AND AUTHORIZING THE COUNTY MANAGER TO (I) PROCEED WITH THE ESTABLISHMENT OF A NOT-FOR-PROFIT PRIVATE CORPORATION TO MANAGE THE MAINTENANCE AND REPAIR SERVICES FOR THE SEAPORT DEPARTMENT'S CRANES, AND (II) BRING BACK TO THIS BOARD FOR APPROVAL A FINAL CRANE MANAGEMENT AGREEMENT WITH THE NEWLY CREATED NOT-FOR-PROFIT CORPORATION, AS WELL AS A TRI-PARTY TRANSITION AGREEMENT AMONG THE COUNTY, THE INTERIM CRANE MANAGEMENT COMPANY AND THE NEW NOT-FOR-PROFIT CORPORATION

BODY
WHEREAS, this Board desires to accomplish the purposes outlined in the accompanying memorandum, a copy of which is incorporated herein by reference;

NOW, THEREFORE BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF MIAMI-DADE COUNTY, FLORIDA, that this Board:
Section 1. Adopt the Crane Maintenance Company Business Plan (Plan) in principle, in substantially the form attached and after review and legal sufficiency approval by the Office of the County Attorney; and
Section 2. Authorize the County Manager to (i) proceed with the establishment of a not-for-profit private corporation (as described in the Plan) to manage the maintenance and repair services for the Seaport Department's cranes; and (ii) bring back to this Board for its approval a final crane management agreement with the newly created not-for-profit private corporation as well as a tri-party transition agreement among the County, the interim crane management company (Port Crane Maintenance Co., L.L.C.), and the new not-for-profit private corporation.

STAFF RECOMMENDATION
It is recommended that the Board approve the accompanying resolution adopting the attached Crane Maintenance Company Business Plan (Plan) in principle; and authorizing the County Manager to (i) proceed with the establishment of a not-for-profit private corporation (as described in the Plan) to manage the maintenance and repair services for the Seaport Department's cranes; and (ii) bring back to this Board for its approval a final crane management agreement with the newly created not-for-profit private corporation as well as a tri-party transition agreement among the County, the interim crane management company (Port Crane Maintenance Co., L.L.C.), and the new not-for-profit private corporation.

MANAGER'S BACKGROUND
At its meeting of February 2, 1999, the Board approved resolution R-146-99, which, among other things, authorized the County Manager to explore the feasibility of establishing a not-for-profit corporation to manage all maintenance and repair services associated with the Seaport's container gantry cranes.

Following this directive from the Board, staff commenced work on due diligence background data collection and preparation of the Plan for the proposed not-for-profit private corporation (the "Company"). The attached Plan was created primarily by County staff, as outlined on the Plan's Business Plan Development Team and reviewed by an outside management/financial advisory firm

(KPMG, L.L.P.) to ensure accuracy and objectivity.

The Plan includes an executive summary which provides (i) a brief introduction of the Dante B. Fascell Port of Miami-Dade ("Port of Miami" or "Port"), as it relates to the history of its container gantry crane operations; (ii) an extensive background on the competitive selection process followed for the selection of a permanent gantry crane management company, including the present recommendation to establish the not-for-profit corporation; and (iii) summaries of the basic components of the Plan, i.e., the organizational overview, operations plan, financial plan, and implementation plan components. Also included as part of the Plan are the proposed articles of incorporation and bylaws for the Company, as well as several appendices such as detailed crane specifications, job descriptions for the Company's employees, annual expenditure projections, a sample crane management agreement, the International Longshoremen's Association's (ILA) collective bargaining agreement, and others.

The proposed Company, as detailed in the Plan, would be incorporated by the County under Chapter 617, Florida Statutes. The Company would be governed by a Board of Directors, whose composition would be set forth in its articles of incorporation, as follows: two (2) directors appointed by the Board of County Commissioners; one (1) director appointed by the County

Manager; the Port Director or his/her designee (a Seaport employee at the assistant director level or higher); and one (1) director appointed by the Port of Miami Gantry Crane Committee, or in the absence of a timely selection by such committee (no longer than thirty days from this seat on the Board of Directors becoming open), this appointment shall be made by the Board of County Commissioners. In addition to these five voting members, two (2) ex-officio, non-voting members may also serve on the Board; one appointed by County Manager and the other appointed by the Board of Directors itself. The Mayor of Miami-Dade County shall select the Chairperson of the Board of Directors. In its letter to the Port Director (included in the Plan), KPMG states that this recommended Board of Directors structure meets the criteria necessary in any governance structure; these are diversity of interests, relevance, stability and knowledge.

Operationally, the Company will manage the maintenance and repair of the container gantry cranes and other cargo handling related Port equipment under the terms of a crane management agreement with the County. This not-for-profit private corporation will enter into contracts in its own name and will be an independent contractor of the County, thus removing liability to the County for any acts or omissions of the corporation or its staff.

The Company's articles of incorporation and bylaws will address issues such as purpose, membership, executive staff, meetings, corporate records, indemnification, etc. Although this entity would function independently from the County, the County will continue to collect all revenues and reimburse the Company for all actual, necessary, and reasonable crane maintenance and repair expenses as approved in its annual budget (approved by the County as a component of the Port's annual budget), plus any other County approved extraordinary expenses.

Additionally, the Company will procure goods and services on an expedited basis, as required for the continued use of the cranes, as well as procure, on a retainer basis, the services of a large nationally recognized crane management/maintenance firm to assist them in the event that a major accident or hurricane occurs and extraordinary or emergency assistance is needed. Also, under the terms of the crane management agreement, expenditures for certain purchases of parts, materials, and equipment could be procured directly through the County's procurement process, thereby eliminating state sales

taxes, and reducing the amount of reimbursements to the Company. Finally, under this arrangement the County would not be paying a management fee to the Company. It is estimated that over a ten year period these savings alone could generate enough revenue (a minimum of approximately $4.5 million) to apply towards the purchase of new equipment or could be utilized to provide a steady source of revenue to overhaul existing cranes.

To ensure a smooth transition from the present interim crane management company to the Company, the County will enter into a tri-party transition agreement with the interim crane management company and the Company, for a period not to exceed six months. During this six month period, both entities, under the County's oversight, would work together to ensure continuity of existing services and avoid any service disruptions. Should this Plan be approved by the BCC, this tri-party agreement along with the crane maintenance agreement with the Company would be brought back for your approval.

The corporate structure of the proposed Company was presented to the International Longshoremen's Association and was accepted (copy of acceptance letter included as Attachment "A" of this memorandum and in the Plan's appendices).

Based on the successful experiences at other ports with their crane maintenance operations, we are confident the management and staffing requirements will be achieved to create a highly qualified team.

Subsequent to Board of County Commissioners approval, the implementation process for the Company is expected to take approximately six months, with final turn over in December 1999. Implementation will require the following actions by the Board of County Commissioners: (i) appointment of two of the five directors - anticipated for June or July 1999; and (ii) approval of the crane maintenance agreement between the County and the Company, and the tri-party transition agreement among the County, the interim crane management company, and the Company - anticipated for July or September 1999. After approval of these agreements, the Board of Directors will initiate a search for the Company's CEO, who shall then hire his/her staff. This hiring process is expected to be completed by September or October 1999. Finally, the transition of responsibilities from the interim crane management company to the Company is expected to commence in September/October 1999 and be completed by December 1999. This will provide the opportunity to carefully transition the management of the labor force, purchasing of parts and inventory processes to assure that adequate training takes place and the transition will be successful for all parties.

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Port of Miami Crane Management, Inc.
BYLAWS

ARTICLE I

Offices

SECTION 1.1 **Registered and Principal Office.** The initial registered and principal office of the corporation shall be established and maintained at,

1015 N. America Way, 2nd Floor, Miami, Florida 33132.

SECTION 1.2 **Registered Agent for Service of Process.** The corporation's Board of Directors shall have the right to designate a registered agent for service of process, who may be an individual or a corporation. The registered agent so designated shall serve until a successor is elected by the Board of Directors as the registered agent.

ARTICLE II

Members

The corporation shall not have members.

ARTICLE III

Board of Directors

SECTION 3.1 **Number.** The number and method of appointment of directors shall be as set forth in the Articles of Incorporation.

SECTION 3.2 **Powers.** The business of the corporation shall be managed by its Board of Directors which may exercise all such powers of the corporation and do all such lawful acts and things as are permitted by the laws of the State of Florida, by the Articles of Incorporation or by these Bylaws. The Board of Directors shall recommend the compensation to be paid to the Company's Chief Executive Officer.

SECTION 3.3 Meetings. The Board of Directors may hold meetings, whether annual or special, within Miami-Dade County as deemed appropriate.

The annual meeting of the Board of Directors for the purpose of electing officers and transacting such other business as may be brought before the meeting shall be held during the month of January in each year beginning with calendar year 2000 and at such time and place as the Board of Directors may determine; provided, however, the Board of Directors may by resolution and for convenience designate any meeting of the Board of Directors as the annual meeting in lieu of the annual meeting as provided by these Bylaws, as shall be the case during the first year that the corporation is created.

The Board of Directors may by resolution provide for the time and place of other regular meetings. Notice of such regular meetings, or any other meeting as specified in Section 3.4 below, must be given and published in the Metro Calendar through the Miami-Dade County Communications Department.

All other meetings of the Board may be called upon the written request of *(i)* the Chief Executive Officer, (ii) the Chairperson of the Board, or (iii) three or more directors at such time and place as shall be stated in the written request for the meeting.

SECTION 3.4 Notice of Special and Regular Meetings. Written notice of the place, day and hour of any special or regular meeting of the Board of Directors and a corresponding agenda for such meeting shall be given by or under direction of the Secretary, to each director at least three (3) calendar days before the meeting, by personal delivery or facsimile transmission.

SECTION 3.5 Action Without a Meeting. Any action required to be taken or which may be taken, at a meeting of the Board of Directors or a Committee thereof, may be taken without a meeting, if a consent in writing, setting forth the action so to be taken, is signed by all of the directors, or all the members of the Committee, as the case may be, and is filed in the minutes of the proceedings of the Board or of the Committee. Such consent shall have the same effect as a unanimous vote.

SECTION 3.6 Quorum and Voting. At all meetings of the Board, a majority of the directors shall constitute a quorum for the transaction of business. The act of a majority of directors present at a meeting where a quorum is present shall be the act of the Board of Directors, except as may be otherwise specifically provided by law, the Articles of Incorporation or by these Bylaws. If at any meeting of the Board of Directors there shall be less than a quorum present, a majority of those present may adjourn the meeting, without further notice, from time to time and place to place until a quorum shall have been obtained.

SECTION 3.7 Organization. The Mayor of Miami-Dade County shall designate the Chairperson of the Board of Directors, who shall then appoint from the membership of the Board a Treasurer and a Secretary of the Board of Directors (should the Secretary not be present at a meeting of the Board, the Chairperson shall designate an acting Secretary for that meeting). The Board of Directors may designate one of its members to serve as the Vice Chairperson, who shall serve in the absence of the Chairperson.

The duties of the Treasurer and Secretary of the Board of Directors shall be as follows:

A. Treasurer. The Treasurer shall:

(1) recommend an annual budget to the Board of Directors for approval.

B. Secretary. The Secretary shall:

(1) keep the minutes of the meetings of the Board of Directors in appropriate permanent books of records;

(2) give and serve all notices of the corporation;

(3) be the custodian of the records and of the seal, and affix the latter when required; and

(4) attend to correspondence and perform all the duties incident to the Office of the Secretary.

SECTION 3.8 Committees.

A. **Executive Committee.**

(1) **Composition.** The Board of Directors may by resolution, adopted by a majority of the full Board, designate two or more of their number to constitute an Executive Committee.

(2) **Action and Powers.**

(a) A majority of the members of the Executive Committee may determine its action and fix the time and place of its meetings.

(b) In addition to the restrictions and limitations attached to it under Sections 607.0825 and 617.0825, Florida Statutes, the Executive Committee shall not have the power to:

(1) amend the Articles of Incorporation;

(2) adopt a plan of merger, consolidation, recapitalization or other form of reorganization;

(3) sell, lease, exchange or otherwise dispose of any of the property of the County; or,

(4) adopt a plan of voluntary dissolution of the corporation.

(3) **Report of Executive Committee.** The Executive Committee shall cause a report of its actions to be distributed to the remaining members of the Board of Directors within seven (7) days of taking such action and to be filed with the minutes of the proceedings of the Board of Directors.

B. **Other Committees.**

The Board may from time to time appoint such other committees and delegate such duties and powers thereto as it may deem advisable, provided that no delegation of power to such other committees shall include any of the powers excluded under Section 3.8A2 (b) of this Article.

SECTION 3.9 Committee Meetings. Each committee shall elect its own chairperson unless a Chairperson has been designated by the Board of Directors and may hold regular meetings with proper notice as required in Section 3.4 of this Article. Special committee meetings may be called by the chairperson of the committee or by the Board and notice of any special meeting shall be given in the manner provided hereinabove for notice of special meetings of the Board of Directors. A majority of the committee members shall constitute a quorum. Each committee shall keep regular minutes of their proceedings and report the same to the Board of Directors. The act of a majority of committee members present at a meeting where a quorum is present shall be that act of the committee.

SECTION 3.10 Committee Membership. The members of each committee shall hold office from the time of their appointment until the next annual meeting of the Board and until their successors shall have been appointed. Any committee member may be removed at any time by the vote of a majority of the committee's members.

SECTION 3.11 Compensation for Directors. Directors shall not receive any stated salary for their services as directors or as members of committees; provided reimbursement of expenses of attendance may be allowed for attendance at each meeting.

SECTION 3.12 Attendance by Telephone. Any member or members of the Board of Directors or a committee shall be deemed present and voting at a meeting of the Board or such a committee if said member or members participate in the meeting by means of a conference telephone or similar communications equipment or device enabling all persons participating in the meeting to hear each other.

SECTION 3.13 Directors' Reliance. In performing his/her duties, a director shall be entitled to rely on information, opinions, reports, or statements, including financial statements and other financial data, if prepared or presented by:

A. one or more officers or employees of the corporation whom he/she reasonably believes to be reliable and competent in the matters presented;

B. legal counsel, public accountants or other persons as to matters which he/she reasonably believes to be within such persons' professional or expert competence; or,

C. a duly designated committee of the Board of Directors of which he/she is not a member if the director reasonably believes the committee merits confidence.

A director shall not be considered to be acting in good faith if he/she has knowledge concerning the matter in question that would cause such reliance described above to be unwarranted. A director is not liable for any act taken on as a director, or any failure to take any action, if he/she performed the duties of his/her office in compliance with Section 3.13.

ARTICLE IV

Officers

SECTION 4.1 Officers. The officers of this corporation shall consist of a Chief Executive Officer, and such other officers, with such titles, powers and duties as may be prescribed from time to time by the Board of Directors. They shall be elected by the Board of Directors at its annual meeting.

SECTION 4.2 Term of Office. The Chief Executive Officer shall serve at the pleasure of the Board of Directors.

SECTION 4.3 Removal of Officers & Employees. The Chief Executive Officer may be removed at any time with or without cause by act of the Board of Directors by the affirmative vote of a majority of the directors then in office. Appointment of the Chief Executive Officer shall not of itself create contract rights. This provision shall not prevent the making of a contract of employment for a definite term with any office. Removal of any of the corporation's employees may only be performed by the corporation's Chief Executive Officer.

SECTION 4.4 Compensation for Chief Executive Officer. The Board of Directors shall recommend and receive concurrence from the Miami-Dade County Manager for the compensation paid to the Chief Executive Officer.

SECTION 4.5 Refund of Payment. In the event that the Internal Revenue Service shall determine, in whole or in part, that any payment made to the Chief Executive Officer or any other officer, whether as salary, commission, or bonus or other form of compensation or as interest, rent or reimbursement of expenses incurred by the Chief Executive Officer or any other officer is unreasonable, the Chief Executive Officer or any other officer shall reimburse the corporation to the full extent of such disallowance. The Board of Directors of the corporation shall have the duty to require the Chief Executive Officer or any other officer to make such reimbursement, and it shall be the legal duty of the Chief Executive Officer or any other officer thus to reimburse the corporation.

As an accommodation to the Chief Executive Officer or any other officer required to make reimbursements, the Board of Directors may, at its discretion, approve a repayment schedule pursuant to which specific amounts shall be withheld from future compensation payments of the Chief Executive Officer or any other officer until the full amount owed to the corporation has been recovered. Approval of such a schedule shall is no way limit the right of the Board of Directors to demand, at any time, from the Chief Executive Officer or any other officer or his/her estate complete payment of the full amount of reimbursement then owing to the corporation.

SECTION 4.6 Powers and Duties.

A. In General. The Chief Executive Officer shall have such powers and duties as generally pertain to his/her respective office, including the powers and duties provided by these Bylaws, as well as such powers and duties as from time to time may be conferred by the Board of Directors.

B. Chief Executive Officer. The Chief Executive Officer shall:

(1) preside at all meetings of the Board of Directors in the absence of the Chairperson and Vice Chairperson (if any) of the Board;

(2) present at each annual meeting of the Board of Directors a report of the condition of the business of the corporation;

(3) cause to be called regular and special meetings of the Board of Directors in accordance with these Bylaws;

(4) sign and make contracts and agreements in the name of the corporation not to exceed $10,000, unless approved by a duly enacted resolution of the Board of Directors;

(5) ensure that the crane maintenance agreement with the Seaport Department (through Miami-Dade County), books, reports, statements and certificates required by statute are properly kept, made and filed according to law;

(6) sign certificates representing drafts or bills of exchange, warrants or other orders for the payment of money duly drawn on behalf of the corporation;

(7) have general charge of and control over the affairs of the corporation and perform all the duties incident to such position and office, including but not limited to the purchase by the corporation of any tangible or intangible assets, the hiring of all necessary professional, technical and clerical staff, the establishment of the corporation's employees' salaries with the concurrence of the Board of County Commissioners, the enforcement of these Bylaws and all other duties which the Chief Executive Officer is required to do by law;

(8) submit a complete report of the operation, transactions and financial condition of the corporation to each director of the corporation, at times specified by resolution of the Board of Directors;

(9) perform such other duties and have such other powers as the Board of Directors may have from time to time;

(10) keep accounts of and have the care and custody of and be responsible for the funds of the corporation;

(11) deposit such funds in the name of the corporation in such bank or banks, trust company or trust

companies, or safe deposit vaults as the Board of Directors may designate;

(12) exhibit, at times required by law or these Bylaws, the corporate financial books and accounts to any director of the corporation upon application at the office of the corporation during business hours;

(13) render a statement of the condition of the finances of the corporation at each regular meeting of the Board of Directors, and at such other times as it shall be required of the Chief Executive Officer and a full financial report at the annual meeting of the Board of Directors;

(14) keep at the office of the corporation current books of account of all of the business transactions and such other books of account that the Board of Directors may require;

(15) direct and supervise all other duties pertaining to accounting and internal control functions; and

(16) ensure that all hiring practices for the corporation are in compliance with the affirmative action requirements as followed by Miami-Dade County.

SECTION 4.7 Delegation of Duties. In the case of the absence or disability of any officer of the corporation or for any other reason deemed sufficient by a majority of the Board, the Board of Directors may delegate such officer's respective powers or duties to any other officer or to any director for a specified period or until said delegation is revoked by the Board of Directors.

ARTICLE V

Notices

SECTION 5.1 Recording. Whenever these Bylaws require notice to be given directors, or committee members, proof of such notice, whether given by mail, by facsimile transmission, or by personal delivery shall be recorded and filed by the Secretary in the minutes book and incorporated into the minutes for the meeting to which such notice pertains.

ARTICLE VI

Resignations

Any director, member of a committee or the Chief Executive Officer may resign at any time. Such resignation shall be made in writing and shall take effect upon its acceptance by the Board of Directors.

ARTICLE VII

Corporate Offices/Committees Vacancies

Any vacancy on a committee or in a corporate office shall be filled by any qualified person appointed by the Board of Directors. A person appointed to fill any vacancy shall hold his/her respective office for the unexpired term and until his/her successor has been duly chosen.

ARTICLE VIII

Depositories, Signatures and Seal

SECTION 8.1 Depositories. All funds of the corporation shall be deposited in the name of the corporation on such bank or other financial institutions as the Board of Directors may from time to time designate and shall be drawn out on checks, draft or other orders signed on behalf of the corporation by the Chief Executive Officer or his/her designee.

SECTION 8.2 Contracts and Deeds. Except as otherwise specifically provided by these Bylaws, all contract agreements, deeds, bonds, mortgages and other obligations and instruments shall be signed on behalf of the corporation by the Chief Executive Officer or by such other officer, officers, agent or agents as the Board of Directors may from time to time by resolution provide.

SECTION 8.3 Official Seal. The corporate seal of the corporation shall consist of two concentric circles containing words and figures. When the seal is affixed to a document, the signature of the Secretary shall attest the seal. In the event that the Secretary is not available, any other director of the Board (excluding the Chairperson or Vice-Chairperson) shall be authorized to attest the seal. The seal and its attestation may be lithographed or otherwise printed on any document and shall have, to the extent permitted by law, the same force and effect as if it had been affixed and attested manually.

ARTICLE IX

Amendments

The Board of Directors by majority vote at any Board of Directors meeting at which a quorum is present may add any provision to or alter or repeal any provision of these Bylaws.

ARTICLE X

Conflicts of Interest

No contract or other transaction between the corporation and one or more of its directors or any other corporation, firm association, or entity in which one or more of its directors are directors or officers or are financially interested shall be either void or voidable because of such relationship or interest, or because such director or directors are present at the meeting of the Board of Directors or a committee thereof which authorizes, approves or ratifies such contract or transaction, or because such director or directors or their votes are counted for such purpose, if:

A. the fact of such relationship or interest is disclosed or known to the Board of Directors or committee which authorizes, approves or ratifies the contract or transaction by a vote or consent sufficient for the purpose without counting the votes or consents of such interested directors; or

B. the contract or transaction is fair and reasonable as to the corporation at the time it is authorized by the Board or a committee.

ARTICLE XI

General Provisions

SECTION 11.1 Fiscal Year. Except as otherwise determined by the Board of Directors, the fiscal year of the corporation shall end on September 30 of each year.

SECTION 11.2 Minutes. Books and Records of Account. The corporation shall keep correct and complete books and records of account and shall keep minutes of the proceedings of its members, Board of Directors, and committees of directors.

Not later than two (2) months and fifteen (15) days after the close of the corporation's fiscal year, and in any case prior to the annual meeting of the Board of Directors, the corporation shall cause to be prepared and delivered to each director and to the Board of County Commissioners, through its Seaport Department.

A. a balance sheet showing in reasonable detail the financial condition of the corporation as of the close of its most recent fiscal year;

B. an expenditure summary showing the results of its operations during its most recent fiscal year; and,

C. any other report or information requested by the Miami-Dade County Seaport Department.

SECTION 11.3 Annual Report for Department of State. The corporation shall file an annual report with the Department of State of the State of Florida as required by section 617.1622, Florida Statutes.

SECTION 11.4 Statutory Cites. Any reference to sections of the Florida Statutes in these Bylaws shall include all revisions and amendments to such sections. Any reference to statutes contained in Chapter 607 of the Florida Statutes shall be deemed to apply to the corporation only to the extent that such sections are applicable to not-for-profit corporations under Chapter 617 of the Florida Statutes.

Port of Miami Crane Management, Inc.
Board of Director's Meeting Minutes of January 15, 2010

The Port of Miami Crane Management, Inc., (PMCM, "Crane Management", the "Company") Board of Directors (the "Board") convened at the Seaport's conference room located at 1007 North America Way, 5th Floor, Miami, Florida 33132 on Friday, January 15, 2010.

Members present:	**Others present:**
Mr. Jose L. Gomez	Aguedo E. (Ed) Bello
Dr. Fran Bohnsack	Silvia Guardado
Comm. Dorrin Rolle	Magaly Rivero
Mr. Juan Kuryla	Sherronda Daye
Mr. Chris Arocha	Juliette Antoine
Ms. Ysela Llort	David Faluade
Mr. Clarence Pittman, Jr.	Israel Gómez (KMC)

1. INTRODUCTION and ROLL CALL

Mr. Gómez called the meeting to order at 9:46 AM and requested that Ms. Rivero call the roll. Ms. Rivero proceeded with roll call noting the following Board members present: Mr. Gómez, Dr. Bohnsack, Comm. Rolle, Mr. Kuryla, Mr. Arocha, Mr. Pittman, and Ms. Llort, thus, it was noted that five (5) of the five (5) voting members were present and quorum was established.

2. ACTION ITEMS

Mr. Gómez requested that Mr. Bello commence with the first action item.

a. Approval of the Board of Director's Meeting Minutes of December 18, 2009

Mr. Bello proceeded with introducing the meeting minutes of December 18, 2009, as the first action item and opened the floor for questions, discussion or comments. As there were none noted, Mr. Gomez called for a motion to accept the meeting minutes of December 18, 2009;

Dr. Bohnsack moved to accept;
Comm. Rolle seconded the motion;
The motion carried unanimously.

Mr. Gómez requested that Ms. Guardado proceed with the next item.

b. Approval of Audited 2008-09 Financial Statements

Ms. Guardado introduced Mr. Israel Gómez, the lead auditor of Keefe, McCullough & Co., LLP.

Mr. Israel Gómez explained that he had met and presented the results of the 2008-09 audit to the Audit Committee prior to the start of the Board of Directors meeting. He explained that there were three (3) reports submitted to the Company and the members of the Committee. These reports are the Compliance Section, Basic Financial Statements, and Communication with those Charged with Governance.

Mr. Israel Gómez noted that the three (3) reports summarized the scope of the engagement in addition to various analyses and observations of the Company's financial position and activities. Mr. Israel Gómez noted that this year, thanks to the support, cooperation and assistance of Ms. Guardado and her staff, KMC was able to ensure an efficient audit and minimize any delays with respect to the delivery of the audit reports.

Mr. Israel Gómez further noted that he did not find any significant weakness in the Company and KMC's recommendations were part of the documents enclosed. Mr. Israel Gómez also noted that he could be reached at any time if any of the members of the Board had questions during the year.

Mr. Kuryla inquired as to the recommendations and what they were. Mr. Israel Gómez noted that the recommendations were mostly on policy, such as establishing a whistle-blower policy, positive pay, etc., as noted in the report. He further stated that none of the recommendations affected the operations, which could be found on pages four (4) through eight (8) of the Compliance Section.

Mr. Joe Gómez complimented Mr. Israel Gómez and his team on their professionalism and efficiency and that the Board would consider KMC's recommendations.

Ms. Llort stated that "for the board to consider that it seems we are doing things right, but are we doing the right thing".

As no further questions, comments or discussions were noted regarding the Audited FY2008-09 Financial Statements, Mr. Gómez requested a motion to accept the Financial Statements;

Mr. Kuryla moved to accept;
Mr. Arocha seconded the motion;
The motion carried unanimously.

Mr. Israel Gómez thanked the Board and left the meeting at 10:00 AM

c. Approval of <u>2010 Sunset Review of County Boards</u>

Mr. Joe Gómez introduced the 2010 Sunset Review of County Boards report as the next item on Agenda. Mr. Gómez stated that all boards created by the Board of County Commissioners (BCC) through ordinance are subject to a sunset review process on a biennial schedule. He proceeded to introduce his report and asked the Board to please review the report he prepared and reply to Ms. Rivero by way of the ballot with their vote to accept or reject the report.

Dr. Bohnsack stated that the report was very clear and that a vote should be taken immediately. Mr. Gómez asked Ms. Rivero when the Sunset Review report had to be submitted to the BCC and to whom. Ms. Rivero stated that immediately upon completion of the minutes of this meeting and their approval, and before February 1, 2010, it is required that we submit the Sunset Review of County Boards for 2010 Package report to Ms. Marla S. Goldberg of the Office of Strategic Business Management. Mr. Gómez explained that as it has to be a written vote; he asked Ms. Rivero to distribute the ballots and the members to vote on the acceptance of the report.

After confirming that the members completed the ballot, Mr. Gómez asked Ms. Rivero to collect the ballots and announce the results of the vote. Ms. Rivero stated that it had been a unanimous vote to accept the Chairman's 2010 Sunset Review report as presented. As such, the Board acknowledged the acceptance of the report to be submitted to the BCC.

As no further questions, comments or discussions were noted regarding the 2010 Sunset Review report, Mr. Gómez asked Mr. Bello to proceed with the next item.

d. Approval of <u>Agreement with Sociedad Portuaria del Norte</u>

Mr. Bello introduced the next item by noting that the existing contract with Sociedad Portuaria del Norte (SPN) expires in February 2010. Mr. Bello also explained that he had been in contact with SPN's representative in Miami, Mr. Rafael Diaz-Balart who had confirmed that SPN needs to renew the maintenance contract.

Mr. Gómez asked if the Company knew when SPN would remove the three (3) Cranes (cranes 1, 2 and 3) from the port. Mr. Kuryla noted that he believes that this will be the last contract renewal needed. He further noted that although SPN has been an excellent customer, the Seaport is in need of the wharf area and as such is doing everything possible to have Cranes 1-3 removed in a timely manner. Mr. Kuryla also stated that SPN had a penalty clause in their contract with the Seaport [County] that states that if the Cranes were not removed from the port within a certain timeframe, then, SPN would pay $9,600 a month as of October 1, 2010, for the leased area occupied by the Cranes. Finally, Mr. Kuryla stated that he was advised by SPN that they would be removing the cranes sometime between March and June 2010.

As no further questions, comments or discussions were noted regarding the renewal of the agreement, Mr. Gómez requested a motion to accept the reports;

Mr. Arocha moved to accept;
Dr. Bohnsack seconded the motion;
The motion carried unanimously.

Mr. Gómez asked Mr. Bello to proceed with the next item.

e. Approval of <u>Aguedo E. Bello as Registered Agent</u>

Mr. Bello introduced the next item by noting that he had researched all prior meeting minutes and officially, the Board had never appointed a Registered Agent for the Company. He further noted further that the State has him designated as the Registered Agent and all legal documents are submitted under his name. As such, he

recommended that the Board, for the record, appoint a Registered Agent. Mr. Gómez asked Mr. Bello to further explain the role of a Registered Agent. Mr. Bello briefly explained and further noted that as a registered agent he would be the representative of the Company in any legal matters such as in lawsuits.

As no further questions, comments or discussion were noted regarding the item, Mr. Gómez requested a motion to formally appoint Mr. Bello as the Company's Registered Agent;

Comm. Rolle moved to accept;
Dr. Bohnsack seconded the motion;
The motion carried unanimously.

Mr. Gómez asked Mr. Bello to proceed with the next item.

f. Approval of Director's and Officer's Insurance Renewal

Mr. Bello introduced the next item by noting that he defers to Ms. Guardado. Ms. Guardado advised the Board that the Directors and Officers' Insurance will expire on February 5, 2010. As such, a quote was submitted by Aon Risk Services for the renewal to be effective February 6, 2010. Ms. Guardado noted that the premium had remained the same as for 2009.

Mr. Gómez asked how much is the 2010 premium? Ms. Guardado stated that the 2010 premium is $6,100.

As no further questions, comments or discussion were noted regarding the insurance renewal, Mr. Gómez requested a motion to accept the reports;

Comm. Rolle moved to accept;
Dr. Bohnsack seconded the motion;
The motion carried unanimously.

Mr. Gomez noted that the Board will first hear all reports and upon completion of the presentations, discussions and issues, the Board will move to accept the reports as warranted. Mr. Gomez requested that Ms. Guardado commence with presenting the first report, the Financial Report.

g. Approval of Monthly Reports

1. Financial Report FY 2010 – December 31, 2009

Ms. Guardado commenced the presentation of the report and noted that a copy is included in the agenda package. She noted that the report is year-to-date (YTD) Fiscal Year (FY) 2009-10 of actual economic transactions in comparison to the YTD Approved Budget as reported to the Seaport.

Ms. Guardado indicated that the total expenditures for the three (3) month period ending December 31, 2009, are $1.978 million versus a budget of $2.441 million. She noted that this resulted in a positive variance of $0.463 million, 19.0% under budget. Ms. Guardado noted that the savings continues to be in part due to the deferral of non-critical crane maintenance. In order to decrease maintenance labor costs as requested by the Seaport, this deferral further reduces and delays

the purchase of parts, supplies and repair services. Ms. Guardado also noted that the termination of non-crane operation overtime [AKA ship work] resulted in a reduction of approximately 75 hours per week in overtime labor on the weekends alone.

Ms. Guardado compared the approved budget of Field Operation expenditures, which resulted in $1.572 million versus a budget of $1.732 million, a positive variance of 9.2% under budget. Ms. Guardado explained that the favorable variance was mostly due to the reduction in cost of parts, supplies and repair services.

Ms. Guardado proceeded to explain that the Administrative expenditures amounted to $0.173 million versus a budget of $0.170 million, resulting in a negative variance of 1.5% over budget. She explained that the negative variance continues to be due to the expenditures of the FY2008-09 audit and communications expenses. She noted that these budgetary expenditures were prorated over twelve (12) months rather than over several months, but that the variance will turn favorable towards the end of the fiscal year since both contracts have ended and no additional expenditures are expected.

Ms. Guardado noted that the extraordinary expenditures amounted to $0.241 million versus a budget of $0.554 million resulting in a positive variance of $0.313 million or 56.5% under budget.

Ms. Guardado noted that the Seaport's total revenue YTD is $2.006 million versus total expenses of $1.986 million, resulting in a positive variance of $0.020 million. Mr. Faluade stated that he still has to downward adjust the December crane revenues, which would reduce the YTD Seaport Crane Revenues.

Mr. Kuryla reported that the Seaport staff had met with the Company on January 14, 2010, to discuss the budget and that meeting was very productive. He commented that there are profitable private companies in the industry that perform the same functions as PMCM. Mr. Kuryla stated that the Seaport is looking at ways to make the Company profitable and that the Seaport would present their findings and recommendations to the Board for consideration.

Mr. Kuryla summarized the discussion during the budget meeting researching the manner in which the cranes are rented to the users; primarily the number of cranes to work a ship is critical as it correlates with the number of crane mechanics on 'ship work'.

No further questions, comments or discussions noted.

Mr. Gómez asked Mr. Bello to proceed with the status report.

2. Crane Operations Status Report – December 31, 2009

Mr. Bello commenced by noting that prior to providing an overview of the crane usage and downtime, he would like to inform the Board that there had been an electrical fire on Crane 11 last night. He further reported the fire was confined to the area of the Field Package of a Drive Converter in the electrical room. Mr. Bello noted that if no further damage is discovered, the crane could be operational later in the day.

Mr. Bello noted that overall crane usage hours for YTD FY2009-10 are lower than that of the previous fiscal year, but generally, the usage hours have remained the same during the last three (3) years. He stated that the average downtime is at the lowest level ever at 0.32%, way below the contractual goal of 0.50%.

Mr. Bello noted that Cranes 11 and 12 currently have the highest downtime, 1.06% and 0.677% respectively. He explained that the higher downtime of Crane 11 is believed to be a direct result of the June 5, 2009, storm. Mr. Gómez asked if the consultant (ABB) had been able to determine what the problem on Crane 11 is. Mr. Bello answered by noting that ABB was asked to address the problem and they were onsite for approximately three (3) days to investigate and 'troubleshoot'. However, they were not able to determine what was directly causing the problem although the problematic electronic equipment was identified.

Commissioner Rolle asked if the Cranes were still under warranty. Mr. Bello stated the Cranes had a two (2) year warranty commencing in June 2005. As such, we are no longer under warranty. Commissioner Rolle asked if the Company had ever considered either entering into a maintenance plan or purchasing insurance, which would cover the cost of problems like what had just occurred on Crane 11. Mr. Bello agreed that it was a good idea and that there are maintenance plans that are available. Commissioner Rolle stated that this type of equipment does not last forever and that he would like for Mr. Bello to present what it would cost the Company to enter into a Maintenance Plan.

Mr. Gómez commented that it had been five (5) years since Cranes 11 and 12 came to the port and Crane 12 does not give the Company the same problems as does Crane 11. Mr. Gómez asked if Cranes 11 and 12 were identical and if they had the same components. Mr. Bello replied that yes, Cranes 11 and 12 were identical; however, like all things, they have character, the same as a car being a 'lemon'. However, he noted "we do not have a lemon". Mr. Gómez asked Mr. Bello if there was anyway that the Company could compare side-by-side the components of Crane 12 to the components of Crane 11 until the Company could find a difference. Mr. Bello explained the difficulty in this process due to the magnitude of the electrical components and wiring: there are over 100,000 termination points.

Mr. Bello proceeded to summarize the historical details of Cumulative Crane Downtime. He specifically noted that FY2005-06 YTD downtime was 1.77% versus 0.381% for the same time period YTD FY2009-10. Mr. Bello noted that this reflects the Company's continuing effort to lower the downtime and maintain the cranes at an efficient operational level. Mr. Gómez recalled that FY2005-06 had been a very difficult year.

Mr. Bello introduced the Weekend Operations Overtime Hours and Cost Analysis summary for FY2009-10 {YTD} and asked Ms. Guardado to explain data provided. Ms. Guardado noted the information presented comes from the Mainsaver database. She noted that the Company started tracking crane operations [ship work], not inclusive of the Foremen hours, on October 11, 2009. Ms. Guardado noted that as of November 2009, in accordance with the budget and including the Seaport's request, the Company had reduced the overtime hours by more than 75 hours per week [during the weekend alone]. Ms.

Guardado stated that in December there had been 42 hours of non-ship operations worked, but that these hours were included and part of the total 1008 Crane Operations hours.

Mr. Kuryla commented that the Seaport has requested that the Company provide an overview of what the cost per hour per crane is. Mr. Bello noted that the Company could provide the information the Seaport is requesting within a few months as the Company had only started tracking all ship work as of December 2009. He noted that as such, if he would provide what is currently in the system, it would not be an accurate representation of actual hours and costs.

Mr. Arocha asked if repairs and maintenance functions are performed during ship operations. Mr. Bello explained and provided an overview of the maintenance work that is perform by the employees [mechanics] that are brought in for ship work. He noted that for example, on January 2, 2010, nine (9) cranes were operating and 10 men had to come in that day; not all were sitting by the cranes on the 'look-out' to resolve any problems. Mr. Bello further stated that of those 10 men, two (2) were on Crane Watch and eight (8) were performing maintenance and repair work.

No further questions, comments or discussions noted.

Mr. Gómez asked Mr. Bello to proceed with the project report.

3. Project Report – November 18, 2009

Mr. Bello commenced with the presentation and noted that he had reduced the report to only include project details, summaries and pictures of those projects with changes in status since the last meeting.

Mr. Bello noted that as reflected on the project list, there is no change to the projects' status with the exception of the Corrosion Removal and Repairs of Cranes 7-10.

As to the **Corrosion Removal and Repairs of Cranes 7-10**, Mr. Bello noted that the Company continues working on the corrosion removal and repairs of Cranes 7-10. He noted that he had downscaled on the work performed to properly schedule it. Mr. Bello further provided a brief summary of the work being performed. Currently the Company is concentrating on fabricating and installing new manhole access hatches on these cranes. Mr. Bello explained that the hatches are being replaced to secure the access way and prevent water intrusion which results in corrosion. Mr. Bello gave the Board an overview of the corrosion removal and repairs procedures.

Mr. Bello noted that any miscellaneous work is performed on an as needed basis.

As no further questions were noted regarding the reports presented, the issues addressed, and discussions concluded, Mr. Gómez requested a motion to accept reports 2.g.1, 2.g.2 and 2.g.3;

Comm. Rolle moved to accept;
Dr. Bohnsack seconded the motion;
The motion carried unanimously.

Mr. Gómez asked Mr. Bello to proceed with the Updates.

3. UPDATES

a. Claims Report

Mr. Bello commenced by noting three (3) events and goals on the Claims Report slide. He informed the Board that the Company was behind the established schedule. He reported that all APM and SFCT claims had been mailed and that Eller-ITO and FL Stevedoring would be finished before the next Board meeting.

Mr. Kuryla stated that with no disrespect to Mr. Arocha and Eller-ITO, the claims need to be filed before the end of January when it is time to renew the Stevedoring Company's Permits. A discussion ensued as to the renewal process of the stevedoring licenses and the assistance the Seaport would provide in collecting the claims' moneys.

As there were no other questions or discussions on the Claims Report, Mr. Gomez requested that Mr. Bello proceed with the next update.

b. June 5, 2009 Storm Damage Report and Recovery

Mr. Bello commenced by introducing the June 5, 2009, Storm Recovery Project Cost Summary to the Board and reminded them that at the request of Commissioner Rolle he is presenting a detailed breakdown of the estimated costs. Mr. Bello stated that after careful review of the Shaw GBB (GBB) and ABB report, he discovered that the current total estimated cost is $1.578 million and not $2.041 million as originally stated in the report. Mr. Bello explained that the cost of the substation repair was presented as more expensive because both repair options were added in the cost and not just the recommend option to remove the substation and repair it offsite.

Mr. Bello provided the Board for their consideration, the positive and negative impact of repairing the substations on site and off site. Mr. Bello further noted that he recommends that the substations be repaired at same time in coordination with the electrification of cranes 7-10.

Mr. Bello advised the Board that the draft report of the June 5, 2009, storm has been sent to AON Insurance and the claim has been filled. He further noted that AON is in the process of assigning the claim to an expert for review. Mr. Bello noted that as such, we are coordinating with AON to determine what the next step in this claim's process is.

Mr. Kuryla voiced his concern as to why the Company only uses one crane consulting firm. He further stated that it would be interesting to hear from other firms. Mr. Kuryla asked that the Board consider advertising for other consulting firms to come in and advise the Company on the status of the cranes. Mr. Gómez agreed with Mr. Kuryla and stated that competition is good.

Mr. Gómez asked Mr. Bello to work with the Seaport's procurement manager to prepare a Request for Qualifications (RFQ). He stated that the Company should short list three (3) firms and ask them to come and present before the Board. Mr. Bello acknowledged and noted that as in the past, he will advertise on the AAPA (American

Association of Port Authorities) website as it is the industry's primary engine of communications, networking and advertisement. He further noted that this has and will be possible through the Seaport as they are members of the AAPA.

As there were no additional questions, discussions or comments, Mr. Gómez noted to proceed with Other Business

4. OTHER BUSINESS

a. Board Member Items.

Mr. Gómez reminded the Board that the February 2010 meeting would be his last Board meeting as his term as Chairman ends on March 5, 2010. Ms. Llort commented on how that could be if he [Mr. Gómez] was only warming up. Mr. Gómez thanked Ms. Llort but stated that he was just reminding the Board that action needs to be taken on this. Commissioner Rolle additionally voiced concerns.

Mr. Gomez requested that Ms. Rivero present the future Board meeting schedule.

b. Future Board Meetings

Ms. Rivero advised the Board that the 2010 proposed meeting schedule is included in the agenda. She noted that all meetings have been tentatively scheduled for the third (3rd) Wednesday of each month and that the next meeting will take place on February 17, 2010. The meeting will be held in this same conference room, the Seaport's Conference Room, located at 1007 North America Ways, 5th Floor.

c. Going Green

Mr. Gómez informed the Board that he had asked Ms. Rivero to do an analysis of what the cost is to create the agenda packet. He noted that the package costs approximately $160.00 per board meeting. Therefore, he is respectfully asking the other Board members to consider going green. Mr. Gómez recommended that instead of preparing agenda packets for everyone, the Company would create one (1) Master Book and every Board member, including staff, will be emailed the Meeting Agenda in PDF format. Furthermore, he explained that if any member requires a certain section of the meeting, then it could be forwarded to them.

Dr. Bohnsack stated that she thought it was a wonderful idea, although she recycles her agenda binder. Mr. Faluade noted that he needed a hardcopy book.

Mr. Gómez asked everyone to consider his recommendation and to advise as to their decision at a later Board meeting.

No further additional comments, discussions or questions were noted.

5. ADJOURNMENT

As there were no further discussions, comments or questions noted, Mr. Gómez adjourned the meeting at 10:53 AM.

Initials:

The Board accepts and approves the above referenced meeting minutes as outlined herein.

On Behalf of the Board By: _____

Chief Executive Officer
Aguedo E. Bello

Initials: _____