

OCEAN HIGHWAY PORT AUTHORITY

NASSAU COUNTY

AGENDA

Wednesday, September 20, 2017

6:00 P.M. – Regular Monthly Meeting

County Commission Chambers

James Page Governmental Complex

Yulee, Florida

6:00 P. M. – Meeting Called to Order –Chairman

Invocation

Pledge of Allegiance

Roll Call- Robert Sturgess, District 1; Danny Fullwood, District 2, Adam Salzburg, District 3;

Carrol Franklin, District 4; Ron Braddock, District 5

Comments-Audience (Those who would like to comment on agenda items-sign in sheets on the Press Table)

Comments – Those that have requested to have items addressed which they turned in prior to the monthly meeting

Richard Bruce – First Coast Manufacturers Association

1. Approval of Minutes

August 9, 2017 – Monthly Meeting

2. Consent Items

- Joint Written Request – FMIT- Liability Insurance - \$10,268.00
- Joint Written Request – Harden & Associates – Fee - \$1,026.80

3. Secretary / Treasurer Report

- August Expenses
- Account Summary

4. Report by Pierre LaPorte – Accountant

- Audit Agreement Letter 2016-2017 Mauldin Jenkins
- Extension of Mauldin Jenkins Contract

5. Report of Clyde W. Davis, Legal Counsel

- Attorney's Report
- Resolution 2016-6 – Adopting Budget for 2017-2018

6. Laura DiBella

- Economic Update
- Port Council Updates

7. Port of Fernandina Report

- Port Operations & Commercial Report
- Port Projects Update

8. Old Business

- Committee Updates

9. New Business

- Annual Agreements
 - Davis, Broussard and Steger, PLLC
 - Joanna R. Cason
 - Courson & Stam, LLC
- Committee Reports from Commissioners
 - Port Security – Commissioner Salzburg
 - Custom's House – Commissioner Franklin
 - FMX – Commissioner Fullwood
 - Economic Development – Commissioner Fullwood
 - Emergency Management – Commissioner Salzburg
 - Technical Coordinating Committee – Commissioner Sturgess
 - TPO – Commissioner Salzburg
 - AIFBY Chamber – Commissioner Fullwood
 - Greater Nassau Chamber – Commissioner Franklin

10. Administrative Office Manager Report

11. Other items to be brought by Commissioners

12. Adjourn

Ocean Highway & Port Authority

Robert Sturgess - Sec/Treasurer, District 1
Danny Fullwood- Commissioner, District 2
Adam Salzburg - Chairman, District 3
Carrol Franklin - Vice Chairman, District 4
Ron Braddock - Commissioner, District 5

Minutes

August 9, 2017

The Ocean Highway and Port Authority of Nassau County held their regular monthly meeting on Wednesday, August 9, 2017, in the Meeting Room at the Callahan Fire Department, US Highway 1, Callahan, Florida.

The meeting was called to order at 6:02 P. M. by Chairman Salzburg.

The invocation was given by Commissioner Sturgess and the Pledge of Allegiance was led by Commissioner Fullwood. Roll call was conducted by Ms. Cason. All Commissioners were present with Commissioner Braddock arriving at 6:12 PM. Also present was Ms. Cason, Administrative Office Manager, Mr. Clyde Davis, Attorney for the Board, Mr. Pierre LaPorte, accountant for the Board and Mr. Stephen DuBose, Commercial Director for Kinder Morgan.

Chairman Salzburg welcomed those in the audience and thanked them for attending this meeting.

Chairman Salzburg asked Ms. Cason if anyone had signed up to speak. Ms. Cason stated no.

Chairman Salzburg then moved to the minutes for approval from the July 12, 2017 Monthly Meeting. **Motion by Commissioner Franklin to approve the Minutes from the July 12, 2017 Monthly Meeting as submitted. Motion was seconded by Commissioner Fullwood. Motion was unanimously approved.**

Chairman Salzburg then moved to the consent agenda items stating that we did not have any Joint Written Requests this month.

Chairman Salzburg then moved to the Secretary/Treasurer's Report for July, 2017. Commissioner Sturgess stated that there were no unusual expenses and then he reviewed the account balances stating that this is an unaudited report.

Chairman Salzburg then recognized Mr. LaPorte for his report.

Mr. LaPorte stated he would start with the 3rd quarter financial reports. He started on page 1 which is the Balance Sheet and pointed out that in account 1531 the balance is lower this year due to the required \$150,000.00 pilot payments to the City of Fernandina. Mr. LaPorte then moved to page 2 and explained that in account 3022 we are showing the accrual for the pilot payment which will be due for this year. He then moved to page 3 and reviewed the Statement of Operations. Mr. LaPorte then moved to pages 5 and 6. Chairman Salzburg asked Mr. DuBose when we renew the contract with Allied Barton for security. Mr. DuBose stated that he would look into this and get back with the Board.

Mr. LaPorte then moved to the preliminary budget for the fiscal year 2017-2018. He then reviewed the Board budget and stated that all the changes requested by the Board had been made. Mr. LaPorte then reviewed the entire budget with the Board. He reminded the Board that at the next meeting the Board would be adopting this budget by Resolution. Chairman Salzburg stated that if the Board would like to see other changes they should contact Ms. Cason so that a workshop could be scheduled.

Chairman Salzburg recessed the meeting at 6:12 PM upon the arrival of Commissioner Braddock. He reconvened the meeting at 6:15 PM.

Mr. LaPorte then moved to the Mauldin Jenkins letter of engagement letter for the audit for this year, which is part of the contract signed with them. He stated that it was a standard letter. Attorney Davis stated that he has a legal question as the letter implies that there is confidentiality in the materials and he would request time to check to this so that it does not conflict with Florida public records law. Commissioner Sturgess stated he thinks that it refers to their requirements as the CPA. After a brief discussion, **motion by Commissioner Franklin to table this engagement letter to the September meeting. Motion was seconded by Commissioner Sturgess. Motion was unanimously approved.** Commissioner Sturgess asked that Mr. LaPorte compare last year's engagement letter to this years

to see they there were any changes. Mr. LaPorte stated that Mauldin Jenkins has offered to extent their contract for next three years at the same rate for this year. He pointed out Maudlin Jenkins was the low bidder by thousands of dollars and he would recommend that the Board extent their contract. Mr. LaPorte stated that he is very satisfied with the work that they do. Ms. Cason stated that she agreed and pointed out that they are always available for questions as well. Commissioner Sturgess asked Attorney Davis is we had a legal obligation to bid this out. Attorney Davis said he did not think so but he will check on this to make sure.

Chairman Salzburg then recognized Attorney Davis for his report.

Attorney Davis stated the Board has his report and stated activity was low last month. He reported that he and Mr. DuBose have been working with the contractor for the fender project issues. Attorney Davis stated that he would be glad to answer any questions. Commissioner Sturgess asked about the meeting with Ms. DiBella regarding the Ligno Tech project. Attorney Davis reported that Ligno Tech needs a large tank to store their finished product and there is a site identified on the existing Port property which would be the northeast corner of the property. He further stated that Ms. DiBella is working on a grant for the tank. Attorney Davis stated this would increase revenue for the Port and the Operator. He stated that the Ligno Tech product is nonhazardous. Commissioner Sturgess stated that he does not want to walk into another situation like the coal permit. Mr. DuBose stated that the City has approved this project and this project is not like the coal permit.

Chairman Salzburg stated that Ms. DiBella was not present for her report. Mr. DuBose stated that she was with potential clients and is unable to attend.

Chairman Salzburg recognized Mr. Stephen DuBose with Kinder Morgan for the Port Reports.

Mr. DuBose then reviewed the tonnage report. He stated that the total tonnage for the month of July was 24,650 tons which brings the year to date tonnage to 170,741 tons. He stated that KLB was up in July however he stated that he cannot promise that it will stay that high. Mr. DuBose also stated that we did ship lumber which did not appear on the report and he will get that corrected. He then reported that there were 7 vessel calls 15 dockage days, railcars- 209 and 18

trucks per working day. Mr. DuBose assured the Board that they are continuing to aggressively look for new business.

Mr. DuBose reported that the revenue for July was \$144,805 and year to date revenue is \$957,491. He then reviewed the expenses and stated that the interest amount of \$13,952 was for two months. Mr. DuBose then reported the account balances as follows: revenue fund- \$805,699, Interest Fund- \$6,887 and Redemption Fund - \$10, which brings the total to \$812,596. Mr. DuBose then moved to the Maintenance Trust Account and stated revenues into the account were \$5,055.00 and there were no expenses. The total in the Maintenance Trust Account is \$221,978.00.

Mr. DuBose then moved to his commercial report. He stated that Kinder Morgan has requested additional information from Ligno Tech and once that is received then they will prepare an information package for the Board. He also stated that once all the information is received that there would be a meeting with the Board regarding the information and how it is processed to the public. Commissioner Fullwood asked about the tank requirements and citizens input. Mr. DuBose stated that it is his understanding that most citizens had no problems with this project. Mr. DuBose stated that they continue to work with two steam ship lines regarding liner services. He also stated that at this time lumber is stagnate. Mr. DuBose stated that they also are continuing to work with paper traders and estimated that KLB will be between 16,000 -19,000 tons monthly for the remainder of the year. He stated that steel exports are flat and there is the possibility that we may see import steel tonnage next year. Mr. DuBose stated that they are currently working with a group from the Netherlands regarding export of logs and he will keep the Board informed on this project.

Mr. DuBose stated that there is one current project which is the fender project and he has reached out to Attorney Davis and Chairman Salzburg for assistance. He stated that he should have additional information for the next meeting due to Kinder Morgan staff being tied up in budget meetings.

Chairman Salzburg moved to Old Business.

Attorney Davis handed out task outlines for the two committees- Port Authority Finance Advisory Committee and Port Authority Director Advisory

Committee. He stated if the Board has no additional comments or additional items they would like to add then he feels the Committees should start meeting. Attorney Davis stated at the first meeting he will go over the Florida Sunshine Law and Public Record Laws. **Motion by Commissioner Sturgess for the Committees to begin their work. Motion was seconded by Commissioner Fullwood. Motion was unanimously approved.** Chairman Salzburg will get with each Committee and have them set a date for their first meetings. Commissioner Fullwood stated he has someone for the Finance Committee. His name is Mark Dennis and then Commissioner Fullwood reviewed his qualifications. **Motion by Commissioner Fullwood to appoint Mark Dennis to the Port Authority Finance Advisory Committee. Motion was seconded by Commissioner Franklin. Motion was unanimously approved.**

Chairman Salzburg moved to New Business.

Chairman Salzburg then moved to Committee Reports.

Port Security –Chairman Salzburg stated that there was nothing new to report at this time.

Custom's House –Vice Chairman Franklin informed the Board that Attorney Davis and he would be meeting with Customs regarding the lease on August 24th. He also reported that there was a light out at the Customs House and he will follow up on this issue.

FMX- Commissioner Fullwood stated there is nothing new to report.

Economic Development – Commissioner Fullwood stated there are several business opportunities for Nassau County currently.

Emergency Management – Commissioner Salzburg stated that there was nothing new to report at this time.

TCC – Commissioner Sturgess stated there was not anything discussed regarding Nassau County and that there will be no meeting in August. He also stated that he will not be attending the September meeting.

TPO- Chairman Salzburg stated that he was unable to attend the last meeting.

Chamber Reports – Commissioner Fullwood stated that the Chamber is still working on the renovations to their office. Vice Chairman Franklin stated he has nothing new to report at this time as he was unable to attend the last meeting.

Chairman Salzburg stated that Ms. Cason's report is in the meeting book and asked if the Board had any questions. There were no questions.

Chairman Salzburg then asked if there were other items to be brought by before the Board. Chairman Salzburg stated that the two items he was going to bring up, Ligno Tech and the fender project had already been discussed. Commissioner Fullwood stated he had handed out a letter from the Governor explaining why he vetoed the changes to the OHPA Charter. Commissioner Fullwood stated he would like the Board to respond.

Chairman Salzburg stated that if there were no other comments the meeting stands adjourned at 7:05P.M.

Adam Salzburg

Chairman

September ²⁰~~13~~, 2017

Bank of New York Trust Company, N.A
As Indenture Trustee
Jacksonville, Florida

**Re: \$38,500,000 Ocean Highway and Port Authority Adjustable Demand
Revenue Bonds, Series 1990**

JOINT WRITTEN REQUEST

Ladies and Gentlemen:

Pursuant to the Trust Indenture dated as of December 1, 1990, between the Ocean Highway and the Bank of New York, as Indenture Trustee, The Port Authority and Nassau Terminals LLC jointly request that you transfer \$10,268.00 to the Ocean Highway and Port Authority Surplus Account number 607283.

The above funds are to be disbursed from the Ocean Highway and Port Authority Revenue Fund, account number 607277.

Dated this 13th day of September, 2017

OCEAN HIGHWAY AND PORT AUTHORITY

NASSAU TERMINALS, LLC

September ²⁰~~13~~, 2017

Bank of New York, Trust Company, N.A.
as Indenture Trustee
Jacksonville, Florida

**RE: \$38,500,000 Ocean Highway and Port Authority Adjustable Demand Revenue
Bonds, Series 1990**

JOINT WRITTEN REQUEST

Ladies and Gentlemen:

Pursuant to the Trust Indenture dated as of December 1, 1990, between the Ocean Highway and Port Authority and the Bank of New York, as Indenture Trustee, the Port Authority and Nassau Terminals LLC. jointly request that you disburse \$10,268.00 payable to Florida Municipal Insurance Group for the 2017-2018 insurance premium (see attached invoice). The above funds are to be disbursed from the Ocean Highway and Port Authority Surplus Fund, account number 607283.

Dated this 13th day of September, 2017.

OCEAN HIGHWAY AND PORT AUTHORITY

By: _____

NASSAU TERMINALS, LLC

By: _____



Florida Municipal Insurance Trust (FMIT) Annual Billing - 17/18 Fund Year

FMIT # 1403

Invoice Date: 8/15/2017

Due Date: 10/1/2017

ATTN: Joanna Cason
Ocean Highway & Port Authority
86130 License Road, Suite 9
Fernandina Beach, FL 32034

Please make check payable to:
Florida Municipal Insurance Trust
P.O. Box 1757
Tallahassee, FL 32302-1757

Policy Summary

| | General Liability | Auto Liability | Auto Physical Damage | Property | Workers Compensation | Total |
|--------------------------|-------------------|-----------------|----------------------|-------------------|----------------------|--------------------|
| Gross Premium | \$9,062.00 | \$186.00 | \$0.00 | \$1,020.00 | \$0.00 | \$10,268.00 |
| Total Net Premium | \$9,062.00 | \$186.00 | \$0.00 | \$1,020.00 | \$0.00 | \$10,268.00 |

Current Installment

| Coverage | Premium | Total Net Premium |
|---------------------------------|------------|--------------------|
| General Liability Coverage | \$9,062.00 | \$9,062.00 |
| Auto Liability Coverage | \$186.00 | \$186.00 |
| Property Coverage | \$1,020.00 | \$1,020.00 |
| Total Installment Amount | | \$10,268.00 |
| Total Due by 10/1/2017 | | \$10,268.00 |

NOTE: THIS RENEWAL IS BASED ON ALL COVERAGES. IF ANY OF THE LINES OF COVERAGE ARE NOT RENEWED, THE OTHER LINE PRICING WILL CHANGE OR COVERAGE OFFERINGS ON THE REMAINING LINES COULD BE WITHDRAWN ALTOGETHER. POLICIES WILL BE MADE AVAILABLE AFTER OCTOBER 1, 2017 AND CAN BE VIEWED AND PRINTED ONLINE ONCE PAYMENT IS RECEIVED. ELECTRONIC POLICIES ARE ALSO AVAILABLE AFTER OCTOBER 1, 2017 UPON REQUEST. HARD COPY POLICIES CAN ALSO BE PROVIDED UPON REQUEST IN LATE OCTOBER 2017.

Please see reverse side for a copy of our Premium Installment Plan and Penalty Policy.

PINK COPY - Please return with your payment

WHITE COPY - For your records

20
September 13, 2017

Bank of New York Trust Company, N.A
As Indenture Trustee
Jacksonville, Florida

**Re: \$38,500,000 Ocean Highway and Port Authority Adjustable Demand
Revenue Bonds, Series 1990**

JOINT WRITTEN REQUEST

Ladies and Gentlemen:

Pursuant to the Trust Indenture dated as of December 1, 1990, between the Ocean Highway and the Bank of New York, as Indenture Trustee, The Port Authority and Nassau Terminals LLC jointly request that you transfer \$1,026.80 to the Ocean Highway and Port Authority Surplus Account number 607283.

The above funds are to be disbursed from the Ocean Highway and Port Authority Revenue Fund, account number 607277.

Dated this 13th day of September, 2017

OCEAN HIGHWAY AND PORT AUTHORITY

NASSAU TERMINALS, LLC

20
September 13, 2017

Bank of New York, Trust Company, N.A.
as Indenture Trustee
Jacksonville, Florida

**RE: \$38,500,000 Ocean Highway and Port Authority Adjustable Demand Revenue
Bonds, Series 1990**

JOINT WRITTEN REQUEST

Ladies and Gentlemen:

Pursuant to the Trust Indenture dated as of December 1, 1990, between the Ocean Highway and Port Authority and the Bank of New York, as Indenture Trustee, the Port Authority and Nassau Terminals LLC. jointly request that you disburse \$1,026.80 payable to Harden & Associates for the 2017-2018 agency fee (see attached invoice). The above funds are to be disbursed from the Ocean Highway and Port Authority Surplus Fund, account number 607283.

Dated this 13th day of September, 2017.

OCEAN HIGHWAY AND PORT AUTHORITY

By: _____

NASSAU TERMINALS, LLC

By: _____

Harden & Associates

463820 SR 200, Suite 101
Yulee, FL 32097

Phone: (904) 354-3785

Fax: (904) 446-4217



| | |
|-----------------|-------------|
| Invoice # 11811 | Page 1 of 1 |
| Account Number | Date |
| OCEAHIG-01 | 8/22/2017 |
| BALANCE DUE ON | |
| 10/1/2017 | |
| AMOUNT PAID | Amount Due |
| | \$1,026.80 |

Please remit to:

501 Riverside Ave #1000
Jacksonville, FL 32202

Wire & ACH Information:

Bank: EverBank

Account Name: Harden & Associates

Wire ABA # 063000225

ACH ABA # 063092110

Account # 0750003405

Ocean Highway & Port Authority
86130 License Rd, Ste 9
Fernandina Beach, FL 32034

| | | | | | | |
|---------------------|---------------|-------------|------------|-----------|----|-----------|
| Admin Fee Recurring | PolicyNumber: | PACKAGE FEE | Effective: | 10/1/2017 | to | 10/1/2018 |
|---------------------|---------------|-------------|------------|-----------|----|-----------|

| Item # | Trans Eff Date | Due DateTrans | Description | |
|------------------------|----------------|----------------|--------------------|------------|
| 133473 | 10/1/2017 | 10/1/2017 AFEE | 2017-18 Agency Fee | \$1,026.80 |
| Total Invoice Balance: | | | | \$1,026.80 |

NASSAU COUNTY OCEAN HIGHWAY & PORT AUTHORITY
Treasurers Report - Sept 2017

| | August | YTD ACTUAL | BUDGET 2016-2017 | June | July |
|----------------------------------------|------------------|-------------------|---------------------|------------------|------------------|
| INCOME | | | | | |
| Nassau Terminal Annual Fee | 0.00 | 84,647.96 | 84,932.37 | 0.00 | 0.00 |
| Grants | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Electric Cogeneration | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Other Income | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| JWR Drawdown | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Cash CarryForward - MM | 0.00 | 2,500.02 | 2,500.02 | 0.00 | 0.00 |
| Cash CarryForward - MM Special Account | 0.00 | 43,030.13 | 43,060.13 | 0.00 | 0.00 |
| Operating Cash Carry Forward | 0.00 | 534.36 | 534.36 | 0.00 | 0.00 |
| Interest | 2.59 | 33.41 | 10.00 | 3.56 | 2.87 |
| TOTAL INCOME | 2.59 | 130,745.88 | 131,036.88 | 3.56 | 2.87 |
| COMMISSION DIRECT | | | | | |
| Salaries - Commissioners | 5,000.00 | 55,000.00 | 60,000.00 | 5,000.00 | 5,000.00 |
| Payroll Taxes | 382.50 | 4,209.50 | 5,576.00 | 382.50 | 382.50 |
| Unemployment | 0.00 | 45.00 | 150.00 | 0.00 | 15.00 |
| Conferences & Travel | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Insurance | 0.00 | 100.00 | 102.00 | 0.00 | 0.00 |
| Salaries - Board Attorney | 1,250.00 | 13,750.00 | 15,000.00 | 1,250.00 | 1,250.00 |
| TOTAL COMMISSION DIRECT | 6,632.50 | 73,104.50 | 80,828.00 | 6,632.50 | 6,647.50 |
| COMMISSION OPERATION | | | | | |
| Salaries- Accountant | 750.00 | 8,250.00 | 9,000.00 | 750.00 | 750.00 |
| Salaries - Office Administrator | 1,083.33 | 11,916.63 | 13,000.00 | 1,083.33 | 1,083.33 |
| Expenses - Office Administrator | 12.00 | 681.46 | 2,000.00 | 37.76 | 12.16 |
| Travel - Office Administrator | 37.26 | 424.44 | 1,000.00 | 59.94 | 31.86 |
| TOTAL COMMISSION OPERATION | 1,882.59 | 21,272.53 | 25,000.00 | 1,931.03 | 1,877.35 |
| COMMISSION DISCRETIONARY | | | | | |
| Dept. of Revenue (Special Dist. Fee) | 0.00 | 175.00 | 175.00 | 0.00 | 0.00 |
| TPO. - Membership | 0.00 | 1,195.00 | 1,202.00 | 0.00 | 0.00 |
| GNCCC-Membership | 0.00 | 175.00 | 175.00 | 0.00 | 0.00 |
| AIFBY Chanber | 0.00 | 280.00 | 280.00 | 0.00 | 0.00 |
| FMX | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Advertisement | 0.00 | 83.14 | 500.00 | 0.00 | 0.00 |
| Equipment & Software | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Web Site | 0.00 | 2,005.00 | 2,500.00 | 0.00 | 0.00 |
| Awards & Presentations | 0.00 | 207.00 | 405.00 | 87.00 | 0.00 |
| Nassau Cty Economic Dev Board | 0.00 | 2,500.00 | 2,500.00 | 0.00 | 0.00 |
| Discretionary | 8.75 | 98.00 | 100.00 | 8.75 | 8.75 |
| TOTAL COMMISSION DISCRETIONARY | 8.75 | 6,718.14 | 7,837.00 | 95.75 | 8.75 |
| CUSTOMS HOUSE | | | | | |
| GSA - Customs House - RENTAL INCOME | -2,258.90 | -\$24,660.50 | -26,816.40 | -2,258.90 | -2,258.90 |
| Bug Out Pest Control | 25.00 | 275.00 | 300.00 | 25.00 | 25.00 |
| River Pest Control Termite Bond | 0.00 | 290.00 | 290.00 | 0.00 | 0.00 |
| Bug Out Termite Bond | 0.00 | 225.00 | 225.00 | 0.00 | 0.00 |
| Mike's Lawn Service | 0.00 | 840.00 | 1,440.00 | 0.00 | 0.00 |
| Raysor Cleaning Service | 280.00 | 3,080.00 | 3,660.00 | 280.00 | 280.00 |
| City of Fernandina Beach (Water) | 85.49 | 1,025.78 | 1,500.00 | 85.63 | 85.49 |
| Florida Public Utilities (Electric) | 346.05 | 2,834.40 | 5,000.00 | 296.71 | 271.22 |
| Maintenance | 0.00 | 1,997.54 | 8,223.00 | 50.54 | 0.00 |
| TOTAL CUSTOMS HOUSE | -1,522.36 | -14,092.78 | -6,178.40 | -1,521.02 | -1,597.19 |
| TOTAL EXPENSES | 7,001.48 | 87,002.39 | 107,486.60 | 7,138.26 | 6,936.41 |
| Net Increase(decrease) in Funds | -6,998.89 | -2,321.02 | -22,544.23 | -7,134.70 | -6,933.54 |

OCEAN HIGHWAY & PORT AUTHORITY
BANK ACCOUNTS SUMMARY

| ACCOUNT | Balances as of August 31, 2017 |
|--------------------------------|--------------------------------|
| 1ST FEDERAL - ****3328 | \$2,049.09 |
| 1ST FED PPORT PROJECT ACCOUNT | \$0.00 |
| 1ST FED. MMA SPECIAL - ***1552 | \$33,743.40 |
| 1ST FED. MMA-OPERAT. - ***3310 | \$8,814.11 |
| 1ST FED. ADMIN -6714 | \$120.55 |

This is an unaudited report of funds in each account



July 28, 2017

The Board of Commissioners
Ocean Highway and Port Authority of Nassau County
86130 License Road, Suite 9
Fernandina Beach, Florida 32034

Attention: Joanna Cason, Office Manager

We are pleased to confirm our understanding of the services we are to provide the Ocean Highway and Port Authority of Nassau County (the "Authority"), for the year ended September 30, 2017. We will audit the financial statements including the related notes to the financial statements which collectively comprise the basic financial statements of the Authority as of and for the year then ended.

Accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement the Authority's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. As part of our engagement, we will apply certain limited procedures to the Authority's RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The following RSI is required by generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

1. Management's Discussion and Analysis.

Audit Objectives

The objective of our audit is the expression of opinions as to whether your basic financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and will include tests of the accounting records of the Authority and other procedures we consider necessary to enable us to express such opinions. We will issue a written

report upon completion of our audit of the Authority's financial statements. Our report will be addressed to the Members of the Board of Commissioners of the Ocean Highway and Port Authority of Nassau County. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions or add emphasis-of-matter or other-matter paragraphs. If our opinions on the financial statements are other than unmodified, we will fully discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or to issue reports, or may withdraw from this engagement.

We will also provide a report (that does not include an opinion) on internal control related to the financial statements and compliance with the provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements as required by *Government Auditing Standards*. The report on internal control and on compliance and other matters will include a paragraph that states that the purpose of the report is solely to describe the scope of testing of internal control over financial reporting and compliance, and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control over financial reporting or on compliance, and that the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control over financial reporting and compliance. The paragraph will also state that the report is not suitable for any other purpose.

If during our audit we become aware that the Authority is subject to an audit requirement that is not encompassed in the terms of this engagement, we will communicate to management and those charged with governance that an audit in accordance with U.S. generally accepted auditing standards and the standards for financial audits contained in *Government Auditing Standards* may not satisfy the relevant legal, regulatory, or contractual requirements.

Management Responsibilities

Management is responsible for the basic financial statements and all accompanying information as well as all representations contained therein.

Management is responsible for designing, implementing, and maintaining effective internal controls, including evaluating and monitoring ongoing activities, to help ensure that appropriate goals and objectives are met; following laws and regulations; and ensuring that management and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles, for the preparation and fair presentation of the financial statements and all accompanying information in conformity with U.S. generally accepted accounting principles, and for compliance with applicable laws and regulations and the provisions of contracts and grant agreements.

Management is also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. You are also responsible for providing us with: (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, (2) additional information that we may request for the purpose of the audit, and (3) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the written representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving: (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the government complies with applicable laws, regulations, contracts, agreements, and grants and for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, contracts or grant agreements, or abuse that we report.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying and providing report copies of previous financial audits, attestation engagements, performance audits or other studies related to the objectives discussed in the Audit Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or studies. You are also responsible for providing management's views on our current findings, conclusions and recommendations, as well as your planned corrective actions, for the report, and for the timing and format for providing that information.

With regard to the electronic dissemination of audited financial statements, including financial statements published electronically on your website, you understand that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in these sites or to consider the consistency of other information in the electronic site with the original document.

You agree to assume all management responsibilities relating to the financial statements and related notes and any other nonaudit services we provide. You will be required to acknowledge in the management representation letter our assistance with preparation of the financial statements and related notes and that you have reviewed and approved the financial statements and related notes prior to their issuance and have accepted responsibility for them. You agree to oversee the nonaudit services by designating an individual, preferably from senior management, who possesses suitable skill, knowledge or experience; evaluate the adequacy and results of those services; and accept responsibility for them.

Audit Procedures—General

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We will plan and perform the audit to obtain reasonable rather than absolute assurance about whether the financial statements are free of material misstatement, whether from: (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the government or to acts by management or employees acting on behalf of the government. Because the determination of abuse is subjective, *Government Auditing Standards* do not expect auditors to provide reasonable assurance of detecting abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors, any fraudulent financial reporting or misappropriation of assets that come to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential, and of any material abuse that comes to our attention. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about your responsibilities for the financial statements; compliance with laws, regulations, contracts, and grant agreements; and other responsibilities required by generally accepted auditing standards.

Audit Procedures—Internal Control

Our audit will include obtaining an understanding of the government and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing and extent of further audit procedures. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards and *Government Auditing Standards*.

Audit Procedures—Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the Authority's compliance with the provisions of applicable laws, regulations, contracts, agreements, and grants. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

Other Services

We will also assist in preparing the financial statements and related notes of the Authority in conformity with U.S. generally accepted accounting principles based on information provided by you. These nonaudit services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*. We will perform these services in accordance with applicable professional standards. The other services are limited to the financial statements and related notes services previously defined. We, in our sole professional judgement, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

Audit Administration, Fees and Other

We understand that your employees will prepare all revenue or other confirmations we request and will locate any documents selected by us for testing.

We will provide copies of our reports to the Authority; however, management is responsible for distribution of the reports and financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is the property of Mauldin & Jenkins and constitutes confidential information. However, pursuant to authority given by law or regulation, we may be requested to make certain audit documentation available to a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Mauldin & Jenkins personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

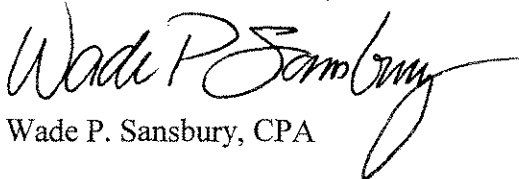
The audit documentation for this engagement will be retained for a minimum of five years after the report release date or for any additional period requested by a regulatory body. If we are aware that a Federal awarding agency, pass-through entity or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

We expect to begin our audit on a mutually agreed upon date, and to issue our reports no later than May 31, 2018. Wade P. Sansbury, CPA, is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them. Our fee for these services will be \$25,800 for the year ended September 30, 2017. Our hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. Our invoices for these fees will be rendered as work progresses and are payable upon presentation. The above fees are based on anticipated cooperation from your personnel (including complete and timely receipt by us of the information on the respective client participation listings to be prepared annually) and the assumption that unexpected circumstances (including scope changes) will not be encountered during the audit. If significant additional time is necessary, we will discuss it with management and arrive at a new fee estimate before we incur the additional costs.

As a result of our prior or future services to you, we might be requested or required to provide information or documents to you or a third party in a legal, administrative, arbitration, or similar proceeding in which we are not a party. If this occurs, our efforts in complying with such requests will be deemed billable to you as a separate engagement. We shall be entitled to compensation for our time and reasonable reimbursement for our expenses (including legal fees) in complying with the request. For all requests we will observe the confidentiality requirements of our profession and will notify you promptly of the request.

We appreciate the opportunity to be of service to the Authority and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Sincerely,
MAULDIN & JENKINS, LLC


Wade P. Sansbury, CPA

RESPONSE:

This letter correctly sets forth the understanding of the Ocean Highway and Port Authority of Nassau County.

Management signature: _____

Title: _____

Governance signature: _____

Title: _____

Joanna Cason

From: Wade Sansbury <wsansbury@mjcpa.com>
Sent: Thursday, September 29, 2016 10:40 AM
To: Joanna Cason
Subject: Contract Term

Joanna – good to talk to you again this morning and do a little catching up. We're looking forward to seeing you again and working with you and Pierre in January. As always, if you need anything or have any questions, please feel free to give me a call.

As for the contract – I looked back over the proposal and contract. The proposal was for 5 years starting with the September 30, 2013 year. That would get us through both 2016 and 2017 year end audits. The 2017 proposed fee was \$25,800. If the board is at all interested, we'd love to go ahead and discuss extensions going forward. I'd be more than happy to extend through the 2020 year and would be comfortable with leaving the fees for the 2018, 2019, and 2020 year ends at the 2017 quoted amount of \$25,800. We have enjoyed working with the port and would appreciate the opportunity to continue that relationship for years to come. Just let me know what you think and if the Board would be open to this arrangement.

Hope you have a great rest of the day and weekend.
Thanks!

Wade P. Sansbury, CPA

Partner

Mauldin & Jenkins, LLC

1401 Manatee Avenue West, Suite 1200

Bradenton, Florida 34205

Phone 941-741-2255

Fax 941-748-4868

wsansbury@mjcpa.com

Visit us at www.mjcpa.com

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Any advice or information in the body of this email is subject to, and limited by, the terms in the applicable engagement letter or statement of work, including provisions regarding tax advice. Mauldin & Jenkins, LLC is not responsible for, and no person should rely upon, any advice or information in the body of this email unless such advice or information relates to services contemplated by an engagement letter or statement of work in effect between such person and Mauldin & Jenkins, LLC.

RESOLUTION NUMBER 2017- 6

**A RESOLUTION OF THE OCEAN HIGHWAY
AND PORT AUTHORITY OF NASSAU COUNTY,
FLORIDA, ADOPTING ITS BUDGET FOR
FISCAL YEAR 2017-2018 AND PROVIDING AN
EFFECTIVE DATE:**

WHEREAS: The Ocean, Highway, and Port Authority [AUTHORITY] is an independent, special district created and chartered under the laws of the State of Florida at Chapter 2005-293, as authorized by F.S. Ch. 189; and

WHEREAS: The Authority is required to adopt a budget for each fiscal year, including the fiscal year 2017-2018; and

WHEREAS: The Authority has resolved issues, received funds and anticipates both revenues and expenses for which appropriate budget provisions should be made and such provisions should be made consistent with the public purpose of Authority;

NOW, THEREFORE, BE IT RESOLVED BY THE COMMISSIONER OF THE OCEAN HIGHWAY AND PORT AUTHORITY OF NASSAU COUNTY, FLORIDA, THAT:

1. The Ocean Highway and Port Authority of Nassau County, Florida, adopts its budget for fiscal year 2017-2018, as per the attached Exhibit A which is incorporated herein and made a part hereof by this reference; and

2. This budget shall be effective immediately upon adoption of this resolution for the upcoming fiscal year.

RESOLVED, FURTHER THAT: The Ocean Highway and Port Authority hereby adopts the foregoing Resolution, dated this _____ day of September, 2017.

OCEAN HIGHWAY AND PORT AUTHORITY

BY: _____
ITS CHAIRMAN

ATTEST:

ITS SECRETARY

Exhibit A

Ocean Highway Port Authority 2017-2018 Budget

| OHPA BUDGET 2017-2018 | Port Operations | OHPA Operations | Port Security | Construction & Maintenance Reserve | Bond Reserve Fund |
|-------------------------------------------------------------|----------------------|--------------------|------------------|------------------------------------------|-------------------------|
| Operating Revenues | | | | | |
| 6020 - Port Revenue | 2,075,000 | 0 | 0 | 0 | 0 |
| 6021 - Fed/State/DOT Grants | 0 | 0 | 0 | 450,000 | 0 |
| 6024 - Port Security Revenue | 0 | 0 | 195,000 | 0 | 0 |
| 6025 - Rental Income | 0 | 27,107 | 0 | 0 | 0 |
| 6028 - Annual Fee | 0 | 86,341 | 0 | 0 | 0 |
| Interest | 0 | 20 | 0 | 0 | 0 |
| NT Maintenance Contributions | 0 | 0 | 0 | 15,000 | 0 |
| 6050 - Transfer to Maint Reserve | 0 | 0 | 0 | 105,000 | 0 |
| Total Operating Revenue | 2,075,000 | 113,468 | 195,000 | 570,000 | 0 |
| Budgeted Cash Balance Forward | 1,015,000 | 36,740 | 0 | 80,900 | 2,200,014 |
| TOTAL REVENUES AND BUDGETED CASH BALANCE FORWARD | 3,090,000 | 150,208 | 195,000 | 650,900 | 2,200,014 |
| Operation Expenses | | | | | |
| 8020 - Advertising | 0 | 500 | 0 | 0 | 0 |
| 8050 - Bank Charges | 0 | 0 | 0 | 0 | 0 |
| 8065 - Commissioners Payroll | 0 | 60,000 | 0 | 0 | 0 |
| 8072 - CSX - Track Expense | 0 | 0 | 0 | 800 | 0 |
| 8080 - Dues & Subscriptions | 0 | 1,747 | 0 | 0 | 0 |
| 8080 Nassau County Economic Dev | 0 | 2,500 | 0 | 0 | 0 |
| 8110 - Interest Expense | 55,000 | 0 | 0 | 0 | 0 |
| 8105 - Insurance | 10,000 | 102 | 0 | 0 | 0 |
| 8120 - Janitorial | 0 | 3,660 | 0 | 0 | 0 |
| 8121 - Lawn Maintenance | 0 | 1,440 | 0 | 0 | 0 |
| 8127 - Licenses & Permits | 0 | 175 | 0 | 0 | 0 |
| 8128 - Letter of Credit Fees | 150,000 | 0 | 0 | 0 | 0 |
| 8090 - Travel | 0 | 2,000 | 0 | 0 | 0 |
| 8127 Security TWIC Cards | 0 | 0 | 0 | 0 | 0 |
| 8130 - Office Supplies | 0 | 2,500 | 0 | 0 | 0 |
| 8140 - Outside Services | 0 | 14,255 | 0 | 0 | 0 |
| 8150 - Payroll Taxes | 0 | 5,576 | 0 | 0 | 0 |
| 8154 - State Unemployment Tax | 0 | 150 | 0 | 0 | 0 |
| 8165 - Pest Control | 0 | 815 | 0 | 0 | 0 |

Ocean Highway Port Authority
2017-2018 Budget

| OHPA BUDGET 2017-2018 | Port Operations | OHPA Operations | Port Security | Construction & Maintenance Reserve | Bond Reserve Fund |
|---------------------------------------------------------------------------------------------|--------------------|--------------------|------------------|------------------------------------------|-------------------------|
| 8166 · Port Security | 0 | 0 | 195,000 | 0 | 0 |
| 8170 · Postage & Freight | 0 | 0 | 0 | 0 | 0 |
| 8180 · Professional Fees | 125,000 | 24,000 | 0 | 0 | 0 |
| 8200 · Repairs & Maintenance | 0 | 8,223 | 0 | 0 | 0 |
| 8235 · Taxes - Annual Fee | 50,000 | 0 | 0 | 0 | 0 |
| Planning Grant | 0 | 0 | 0 | 0 | 0 |
| 8250 · Telephone | 0 | 0 | 0 | 0 | 0 |
| 8270 · Utilities | 0 | 6,500 | 0 | 0 | 0 |
| 8280 · Miscellaneous Expense | 0 | 250 | 0 | 0 | 0 |
| Total Operation Expenses | 390,000 | 134,393 | 195,000 | 800 | 0 |
| Non-Operating - Expenses (Revenues) | | | | | |
| Transfer to Constructions and Maint Reserves | 105,000 | 0 | 0 | 0 | 0 |
| Capital Expenditures | 0 | 0 | 0 | 600,000 | 0 |
| Annual Bond Amortization | 1,400,000 | 0 | 0 | 0 | 0 |
| Km Debt Amoritzation | 300,000 | 0 | 0 | 0 | 0 |
| Reserves | | | | | |
| Restricted Cash - Bond | 0 | 0 | 0 | 0 | 2,200,014 |
| Unrestricted Funds | 895,000 | 15,815 | 0 | 50,100 | 0 |
| Maint Reserve - Customs House | 0 | 0 | 0 | 0 | 0 |
| TOTAL OPERATING EXPENSES/NON- OPERATING REVENUES & EXPENSES AND RESERVES | 3,090,000 | 150,208 | 195,000 | 650,900 | 2,200,014 |

**MEMORANDUM OF UNDERSTANDING BETWEEN
OCEAN HIGHWAY AND PORT AUTHORITY, NASSAU COUNTY, FLORIDA,
AND
JOANNA R. CASON**

1. **PURPOSE:** This Memorandum of Understanding generally defines the agreement between JOANNA R. CASON ("Administrative Services – Independent Contractor, hereinafter "Administrator") and the Ocean Highway and Port Authority of Nassau County, Florida, (OHPA) to provide administrative services to OHPA as an independent contractor.

2. **RESPONSIBILITIES:**

DAILY:

- a. Mail collection, distribution and follow up as needed;
- b. Respond to all phone;
- c. Compose letters, e-mails, and responses as needed, including Public Record Requests; Board activated correspondence and other subjects as defined;
- d. Deposit checks in appropriate accounts with backup;
- e. File and maintain Join Written Requests;
- f. Sort and file material and maintain operational and project files, archives, and records as determined by the Florida Department of State, State Library and Archives - Records Management and the office procedures of the OHPA;
- g. Operate and maintain office equipment;
- h. House the Seal of the Authority, the Seal Usage Log, the Minute Books, and all papers of the OHPA;
- i. Work on any additional projects, items, or correspondence as determined by the Board; enter financial transactions into QuickBooks.

WEEKLY:

- a. Prepare checks in QuickBooks for signature for office use and identified invoices for the Custom House, Security and other regularly generated charges with signage on a biweekly basis;
- b. Order all necessary supplies for the proper working of the office at 86130 License Road, Ste. 9, Fernandina Beach, Florida;
- c. Clean office as needed.

MONTHLY:

- a. Attend all regular, special, executive, and workshop meetings of the Board;
- b. Furnish minutes for all meetings in a timely fashion and place in Minute Books as approved;
- c. Prepare agenda for all Board meetings and see that appropriate handouts are available for general discussion by the Board;
- d. Set up and maintain the meeting room (County Commission board Room)

including notification of meetings and presentation of information;

- e. Gather and prepare monthly financial statements for presentation at each monthly meeting and prepare monthly Treasurer's report in conjunction with the internal CPA;
- f. Maintain and reconcile all bank accounts in conjunction with the internal CPA;
- g. Prepare the Commissioners' monthly meeting packet information for distribution the Friday before the meeting;
- h. Inform the press of all monthly meetings and follow up with copies of Minutes as requested.

QUARTERLY:

- a. Assist the Internal CPA with the Quarterly Financial Reports.

ANNUALLY:

- a. Assist the Internal CPA in preparing year-end tax forms;
- b. Assist in the preparation of the special District Fees, Certificates of Exemptions, Financial Disclosure Notices, notification of Board changes and other annual charges, fees, and memberships as deemed necessary;
- c. Gather and prepare the material as requested for the annual audit by the external auditors.

AS TIME ALLOWS:

- a. Prepare and update the history of the Port of Fernandina and the authorization of the Ocean Highway and Port Authority;
- b. Update the OHPA website.

3. ADDITIONAL TERMS: Administrator shall be custodian of records of the OHPA and shall have responsibility for compliance with all public record requests.

PUBLIC RECORDS COMPLIANCE:

- a. The Administrator, as an independent contractor, is required to comply with public records laws, and, specifically, to:

1. Keep and maintain public records required by OHPA, as the public agency to perform the services for OHPA;
2. Upon request from the public agency's custodian of public records, provide the public agency with a copy of the requested records or allow the records to be inspected or copied within a reasonable time at a cost that does not exceed the cost provided in Chapter 119, Florida Statutes or as otherwise provided by law.
3. Ensure that the public records that are exempt or confidential and exempt from public records disclosure requirements are not disclosed except as authorized by law for the duration of the contract term and following completion of the contract if the contractor does not transfer the records to OHPA as the public agency;

4. Upon completion of the contract, transfer, at no cost to OHPA, as the public agency all public records in possession of the contractor or keep and maintain public records required by OHPA, as the public agency, to perform the services. If the contractor transfers all of the public records to the agency upon completion of the contract, the contractor shall destroy any duplicate public records that are exempt or confidential and exempt from public records disclosure requirements. If the contractor keeps and maintains public records upon completion of the contract, the contractor shall meet all requirements of retaining public records. All records stored electronically must be provided to OHPA, as the public agency, upon request from the OHPA custodian of public records, in a format that is compatible with the information technology systems of the public agency.

b. Statement required by F.S. 119.0701(2)(a)

IF THE CONTRACTOR HAS A QUESTION REGARDING THE APPLICATION OF CHAPTER 119 FLORIDA STATUTES, TO THE CONTRACTOR'S DUTY TO PROVIDE PUBLIC RECORDS RELATING TO THIS CONTRACT, CONTACT THE CUSTODIAN OF RECORDS AT 904/491-7422

4. **COMPENSATION:** Administrator shall be compensated by retainer in the amount of \$1,083.33 per month. Administrator may bill for additional services over and above the responsibilities set forth in Paragraph 2 of this Memorandum of Understanding, with the prior direction, and written consent of the OHPA.

a. Administrator will be reimbursed for normal expenses incurred on behalf of OHPA and in furtherance of the performance of Administrator's responsibilities;

b. Administrator will be reimbursed for travel on behalf of OHPA at the current federal rate..

5. **INITIAL TERM/RENEWAL:** The initial term of this agreement shall be from October 1, 2017, and shall continue until September 30, 2018. Administrator may, thereafter, be re-appointed annually in October of each year, at the pleasure of the Authority. Unless modified in writing, signed and adopted by both parties, the above stated terms shall apply.

6. **SEVERANCE PAY:** Pursuant to the provisions of Florida Statute, no severance pay will be due to employee if terminated for misconduct, as defined by F. S. 443.036(29).

Witness our hands and seals this _____ day of September, 2017.

OCEAN HIGHWAY AND PORT AUTHORITY

By: _____
Its Chairman

JOANNA R. CASON - Administrator

**2017-2018 MEMORANDUM OF UNDERSTANDING
BETWEEN
OCEAN HIGHWAY AND PORT AUTHORITY OF NASSAU COUNTY, FLORIDA
AND
DAVIS, BROUSSARD, & STEGER, PLLC**

1. **PURPOSE:** This Memorandum of Understanding generally defines the agreement between DAVIS, BROUSSARD, & STEGER, PLLC, ("Attorneys") and the Ocean Highway and Port Authority of Nassau County, Florida, (OHPA), an independent special district of the State of Florida (public agency) and for the provision of legal services and representation to OHPA as an independent contractor.

2. **PROFESSIONAL STANDING AND RESPONSIBILITIES:** The attorneys will, at all times during the term hereof, including any renewals, maintain professional standing with the Florida Bar, without suspension or sanction.

3 **DUTIES AND REQUIREMENTS:** Attorneys will provide at least one attorney in attendance at all regularly scheduled meetings of OHPA, and when required by OHPA, special meetings and workshops of OHPA. Additional duties shall include:

- a. Drafting of the various OHPA resolutions and review of drafts of resolutions provided by others.
- b. Assistance in the hiring of professional services, including engineers, architects, employees and consultants; Review and drafting of contracts and appropriate employment agreements.
- c. Assistance to the OHPA in conforming and complying with Robert's Rules of Order, Public Records requirements, and the Florida's Open Meeting/Government in the Sunshine Law.
- d. Assistance to the internal and external auditors and accountants when necessary, including the execution and delivery of the annual audit letters.
- e. Assistance to the Port Manager with regard to Port Operations, including review of bond documents, construction contracts, security plans and other Port issues.
- f. Serving as general counsel to OHPA with regard to routine legal issues confronting OHPA, and providing liaison with the City of Fernandina Beach, Town of Callahan, Town of Hilliard, Nassau District Schools, Nassau County Board of County Commissioners, U.S. Corps of Engineers and the State of Florida.

4. PARTICULAR SERVICES:

I. ACTIONS IN ANTICIPATION OF BOARD MEETING

A. Meeting Agenda: Attorneys will assist OHPA and Staff, as needed, to develop and present legal issues to OHPA as required for the monthly meeting agenda. This will include a presentation and report for Agenda Item, "Report of Legal Counsel", on all legal topics, actions taken, and issues then pending;

B. Attorneys will be prepared, on an "as needed" basis, to:

1. Provide basic advice, counsel, and research for individual OHPA members and staff on topics such as public records requests, contract negotiation, legal interpretations, RFI's and RFP's.
2. Meet with members of other governmental bodies and industry representatives, as directed by the OHPA.
3. Develop basic working outlines related to issues in future development projects.
4. Generally assist OHPA to develop its goals and articulate and implement its policies.

II. BOARD MEETINGS: Attorneys will:

- A. Attend all regular monthly and specially called Meetings of OHPA;
- B. Report on all legal topics then pending, answer all legal research questions, and report on all arbitration, litigation, negotiation, or mediation in which OHPA is a participant;
- C. Advise the Chair on procedural issues;
- D. Provide legal advice and counsel to the OHPA on issues and topics which arise during meetings, including "Sunshine" law and Public Records issues.

III. SUNSHINE LAW AND PUBLIC RECORDS: Subsequent to elections and re-organization, as well as upon any material change in law, conduct an educational session on Sunshine Law and Public Records Law.

IV. REQUESTS FOR INFORMATION/REQUESTS FOR PROPOSALS: Assist OHPA, its Engineer, and Staff in preparation of RFI/RFP's and review of responses.

V. COMPREHENSIVE PLAN: Coordinate and assist OHPA with Port Master Plan/Port Element sections of Comprehensive Plan for City of Fernandina Beach and Nassau County, Florida, including elements related to expansion of port and logistical services to cover:

- a. Port pier/wharf;
- b. Utilities;
- c. Intermodal Container Transfer Facility;
- d. Warehouse;
- e. Logistics.

5. BILLING FOR SERVICES: The basic billing method and billing unit of the practice is a retainer/hourly billing paid on a billing cycle based on a calendar month. The basic billing unit is \$350.00 per hour.

A. **BASIC SERVICES:** It is anticipated that, on a monthly basis, I/we will provide basic services to OHPA and devote:

1. One (1+/-) hour to preparation for the meeting and performing the services outlined at

Items I & II, above;

2. Two (2+/-) hours to the regular monthly meeting; and
3. One (1+/-) hours to meet with members and staff

We would offer to provide the basic services, outlined above, not to exceed six (6) hours per month, for \$1,250.00 per month. Clyde W. Davis will be the designated attorney to handle these matters for OHPA.

B. ADDITIONAL SERVICES: It is anticipated that OHPA will need services in addition to those outlined above. These services may fall within three (3) broad areas, depending on the policies and opportunities presented to OHPA and unknown future events:

1. Contract negotiations for Port development and services at the current or future locations. This may include negotiations related to an up-dated operating agreement with Kinder Morgan resulting from their exercise of the renewal option on the current agreement;
2. In response to our RFI and any resulting RFP, contract negotiations for public-public or public-private partnership ventures in areas of transportation infrastructure, power and utilities [including water, sewer, gas, and electricity], shipping and warehouses, and the like.
3. Although well into the future, any of the above matters may also include one or more bond issues to finance development projects or re-finance existing projects. Bond issues, in the form of conduit financing, may also be appropriate for industrial or commercial development not tied to a public-private partnership with OHPA;
4. Litigation, Mediation, or Arbitration on any number of subjects.

Some of these items are usually billed at hourly rates while others may be billed in percentage or fractions of value or at statutory rates. In some instances, it will be prudent to obtain outside counsel to provide services or to assist. We would offer to provide or obtain these additional services at usual and customary rates **if total hours in any month exceed the six (6) hours/month noted above for BASIC SERVICES**. Such charges will **not** be incurred nor obligated without prior approval of OHPA at a regular or special meeting. Given the financial realities of the OHPA, it is obvious that some of these will simply have to accrue for payment at some time in the future and may well be dependent upon whether a particular project or development comes to fruition..

C. COSTS IN ADDITION TO FEES: Costs of travel, meals, accommodations, required memberships [other than bar memberships] and fees are in addition to the fees charged for legal services. These will simply be billed as incurred. Travel will be billed and reimbursed at the federal rate. Meals and accommodations will be billed and reimbursed at the State per diem rate. Again, given the financial realities of the OHPA, it is obvious that payment of these may also have to be deferred, and payment may be

dependent upon whether a particular project or development comes to fruition.

6. ADDITIONAL TERMS - PUBLIC RECORDS COMPLIANCE:

a. The Attorneys, as independent contractors, are required to comply with public records laws, and, specifically, to:

1. Keep and maintain public records required by OHPA, as the public agency to perform the services for OHPA;
2. Upon request from the public agency's custodian of public records, provide the public agency with a copy of the requested records or allow the records to be inspected or copied within a reasonable time at a cost that does not exceed the cost provided in Chapter 119, Florida Statutes or as otherwise provided by law.
3. Ensure that the public records that are exempt or confidential and exempt from public records disclosure requirements are not disclosed except as authorized by law for the duration of the contract term and following completion of the contract if the contractor does not transfer the records to OHPA as the public agency;
4. Upon completion of the contract, transfer, at no cost to OHPA, as the public agency all public records in possession of the contractor or keep and maintain public records required by OHPA, as the public agency, to perform the services. If the contractor transfers all of the public records to the agency upon completion of the contract, the contractor shall destroy any duplicate public records that are exempt or confidential and exempt from public records disclosure requirements. If the contractor keeps and maintains public records upon completion of the contract, the contractor shall meet all requirements of retaining public records. All records stored electronically must be provided to OHPA, as the public agency, upon request from the OHPA custodian of public records, in a format that is compatible with the information technology systems of the public agency.

b. Statement required by F.S. 119.0701(2)(a)

IF THE CONTRACTOR HAS A QUESTION REGARDING THE APPLICATION OF CHAPTER 119 FLORIDA STATUTES, TO THE CONTRACTOR'S DUTY TO PROVIDE PUBLIC RECORDS RELATING TO THIS CONTRACT, CONTACT THE CUSTODIAN OF RECORDS AT 904/491-7422

7. **COMPENSATION:** Attorneys shall be compensated by retainer in the amount of \$1,250.00 per month. Attorneys may bill for additional services over and above the responsibilities set forth in Paragraph 2 of this Memorandum of Understanding, with the prior consent of the OHPA. Attorneys will be reimbursed for normal expenses incurred on behalf of OHPA as set forth in item 5.C., above.

8. **INITIAL TERM/RENEWAL/TERMINATION:** The initial term of this agreement

shall be from October 1, 2017, and shall continue until September 30, 2018. Attorney may, thereafter, be re-appointed annually in September of each year, at the pleasure of the Authority, and shall continue in service until a successor is appointed. Unless modified in writing, signed and adopted by both parties, the above stated terms shall apply. Either party may terminate this agreement, at any time and without cause, upon giving the other thirty (30) days written notice. Upon such termination all accrued fees and charges will become immediately due and payable.

9. **SEVERANCE PAY:** Pursuant to the provisions of Florida Statute, no severance pay will be due to Attorney if terminated for misconduct, as defined by F. S. 443.036(29).

Witness our hands and seals this _____ day of _____ 2017,
effective October 1, 2017.

OCEAN HIGHWAY AND PORT AUTHORITY

By: _____
Chairman

DAVIS, BROUSSARD, & STEGER, PLLC.

By: _____
Attorney, CLYDE W. DAVIS



2398 Sadler Rd.
Fernandina Beach, FL 32034
Phone: (904) 261-7803
Fax: (904) 261-1011

September 9, 2017

OHPA of Nassau County
86130 License Road, Suite 9
Fernandina Beach, FL 32034

ENGAGEMENT LETTER

This letter sets forth the terms, scope and objectives of our proposed consulting engagement to the Ocean Highway and Port Authority ("OHPA"), for the 2017-2018 fiscal year, including the nature and limitations placed on any of our services. Any limitations place on our services are to ensure that we maintain high ethical standards that benefits our customers and third party users of information we prepare; and to ensure our compliance with professional standards as promulgated by the Florida Institute of CPA's and the American Institute of CPA's:

Work to be Done:

We will work with your Office Manager to jointly and seamlessly perform bookkeeping, accounting, and controller related functions for OHPA. In conjunction with your Office Manager we will perform functions as requested by the OHPA's management team. These functions will include;

Accountant / Controllership Services

- **Controllership** – Developing and maintaining accounting systems using QuickBooks to integrate the Office Managers monthly activities with our accounting processes, ensuring proper segregation of duties, defining policies and procedures.
- **Compliance Issues** – Ensuring compliance with federal, state and local income taxes, employment and administrative reporting requirements.
- **Maintaining Financial Records** – Keeping the Company's financial books, accounts, and other records in accordance with Generally Accepted Accounting Principles (GAAP). Preparing and posting accounting journal entries, accruals and quarterly closing entries.

YOUR SUCCESS IS OUR BUSINESS.

- Periodic Management Reporting – Preparing monthly reports as defined by management; these reports will be ready by the Friday before the monthly meeting.
- Quarterly Bond Trustee Reporting – Preparing quarterly financial reports including the Balance Sheet, and Statement of Operations for OHPA and Bond Trustee in accordance with GAAP. These reports will be available for Bond Trustee no later than forty-five (45) days after the end of each financial quarter.
- Annual Budget Preparation - Working with the Treasurer to define budget requirements, and goals as well as monitoring adherence to budgets and variance analysis.

Bookkeeping Services

- Receivables Administration – Monitoring amounts due to the OHPA and take appropriate action to ensure timely collection and administration of appropriately documented receivables.
- Payroll Processing - Processing periodic payroll, making tax liability payments, filing periodic federal, state and local required employment and other tax reports.

Limitations on Work:

- The reports we prepare are limited to presenting in the form of financial statements, information that is the representation of the OHPA's management. We will not audit the compiled financial statements and, accordingly, will not express an opinion or any other form of assurance on them.
- Additionally any and all reporting we prepare will omit substantially all of the disclosures required by generally accepted accounting principles. If the omitted disclosures were included in the financial statements, they might influence the user's conclusion about the OHPA's financial position, results of operations and cash flows. Accordingly, the financial statements we prepare are not designed for those who are not informed about such matters.
- Finally, our engagement cannot be relied upon to disclose errors, fraud, or illegal acts that may exist.

ADMINISTRATIVE OFFICE MANAGER'S REPORT
August, 2017

Hours Worked –56 hours Miles driven for OHPA purposes – 70
(out due to death in my family)
Checked emails and returning telephone calls.

Banks accounts reconciled with statements for July.

All August invoices paid and entered into Quick Books.

Completed meeting agenda (posted on website and at office, County Building) along with meeting materials on the website and Commissioner's meeting packet for the monthly meeting

Posted Notice of Gatherings- 0

Attended the Monthly Meeting

Minutes completed for the Monthly Meeting

Filing up to date

Scanned and indexed minutes.

Quick Books stick to Pierre for Treasurer's Report and the Third Quarter Financial Report

Public records requests received – 0

September

Complete September minutes for all meetings

Attend all scheduled meetings for September.

Pay all invoices that come in September, enter into Quick Books and provide Pierre information for Treasurer's report

Reconcile bank statements for August.

Continue scanning and indexing of minutes; work on records retention program as time allows

Process all public records requests received

Begin work on year end requirements

| | A | B | C | F | G | H |
|----|-----------------|------------------------------|---|----------------------|---|---|
| 1 | Joanna R. Casen | | | MONTHLY MILEAGE FORM | | |
| 2 | August 2017 | | | | | |
| 3 | | | | | | |
| 4 | DATE | TRAVEL TO | | MILES | | |
| 5 | 8/2/17 | County Bldg, Purrr | | 16 | | |
| 6 | 8/4/17 | FF Bank, Clyde, Denny Pierre | | 9 | | |
| 7 | 8/9/17 | Town of Calhoun | | 41 | | |
| 8 | 8/21/17 | FF Bank | | 2 | | |
| 9 | 8/22/17 | FF Bank | | 2 | | |
| 10 | | | | 70 x .54 = 37.80 | | |
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