

OCEAN HIGHWAY PORT AUTHORITY

NASSAU COUNTY

AGENDA

Wednesday, February 14, 2018

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; Lissa 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

1. Approval of Minutes

January 10, 2018 – Monthly Meeting

~~January 10, 2018 – Monthly Meeting~~

2. Consent Items

3. Secretary / Treasurer Report

- January Expenses
- Account Summary

4. Report by Pierre LaPorte – Accountant

- First Quarter Financial Report
- Auditors Visit

5. Report of Clyde W. Davis, Legal Counsel

- Attorney's Report
- Hal Jones Contractor, Inc. – New parent Company
- Letter US Customs- Lease on Customs House

6. Laura DiBella

- Port Director Update
- Economic Update

7. Port of Fernandina Report

- Port Operations & Commercial Report
- Port Projects Update

8. Old Business

- City of Fernandina Beach- Special Meeting with Commissioners 3/13/18 at 6 PM

9. New Business

- Committee Reports from Commissioners
 - Port Security – Commissioner Salzburg
 - Custom's House – Commissioner Franklin
 - Economic Development – Commissioner Fullwood
 - Emergency Management – Commissioner Franklin
 - Technical Coordinating Committee – Commissioner Franklin
 - TPO – Commissioner Salzburg
 - AIFBY Chamber – Commissioner Sturgess
 - Greater Nassau Chamber – Commissioner Braddock

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
Lissa Braddock - Commissioner, District 5

Minutes

January 10, 2018

The Ocean Highway and Port Authority of Nassau County held their regular monthly meeting on Wednesday, January 10, 2018, in the County Commission Chambers at the James Page Governmental Complex, Yulee, Florida.

The meeting was called to order at 6:06 P. M. by Vice Chairman Franklin.

The invocation was given by Commissioner Fullwood and the Pledge of Allegiance was led by Commissioner Braddock. Roll call was conducted by Ms. Cason. All Commissioners were present with the exception of Chairman Salzburg. Also present was Ms. Cason, Administrative Office Manager, Mr. Clyde Davis, Attorney for the Board, Mr. Pierre LaPorte, accountant for the Board, and Ms. Laura DiBella, Port Director.

Vice Chairman Franklin recognized City Commissioner Ross, who had signed up to speak to the Board.

Commissioner Ross stated that the City Commission had asked him to discuss the City Comprehensive Plan and provide this Board with the Planning Boards proposed changes related to the Port of Fernandina. He reminded the Board that the Port Element in the City Comprehensive plan has not been adopted by the City but the Port Master Plan has been approved by this Board. He further stated that the Planning Board has come back with suggested changes as the City is only concerned with items related to the Port of Fernandina and the City of Fernandina not items county wide. Attorney Davis stated that the Port Master Plan is a living document that which you can choose to change at your pleasure. He further stated that at the time the Port Master Plan was adopted it was not in conflict with the City's Comprehensive Plan. If there is conflict there is a method outlined in the

statutes for resolution of the conflicts. Commissioner Ross and Attorney Davis disagreed over how changes to the Port Master Plan are addressed. Commissioner Fullwood stated that he would like to look over the document that was just handed to him and then would suggest a workshop where the Board could further discuss. Attorney Davis stated that he would discuss this matter with the City of Attorney and work out a procedural method to address this. Commissioner Sturgess stated he would like to have the workshop first then have the Attorney meet with the City Attorney. Commissioner Fullwood asked if there was a deadline. Commissioner Ross stated he was not aware of a deadline but this information may come before the City in a couple of months. Attorney Davis further discussed planning at the Port, the City of Fernandina Beach and County projects. After further discussion, Vice Chairman Franklin asked Attorney Davis to discuss this matter with the City of Fernandina Attorney and asked Ms. Cason to follow up with the Chairman regarding a workshop. Vice Chairman Franklin asked Commissioner Ross if he is aware of a special meeting between our Boards on March 13th at 6 P.M. as requested by the City Manager, Mr. Martin. Commissioner Ross stated that he was not aware of this. Vice Chairman Franklin asked that Ms. Cason follow up with the Chairman once he returns.

Vice Chairman Franklin then moved to the minutes for approval from the December 13, 2017 Monthly Meeting. **Motion by Commissioner Fullwood to approve the Minutes from the December 13, 2017 Monthly Meeting as submitted. Motion was seconded by Commissioner Sturgess. Motion was unanimously approved.**

Vice Chairman Franklin then moved to the consent agenda and stated that we had one bill to approve. He then asked Ms. Cason to review this invoice from the Bank of New York Mellon. Ms. Cason stated that the Bond requires an Arbitrage rebate calculation annually and the Board contracted with Bank of New York Mellon for this service. Their invoice is for the contract amount of \$1,500.00. **Motion by Commissioner Fullwood to approve payment of the invoice from Bank of New York Mellon in the amount of \$1,500.00. Motion was seconded by Commissioner Sturgess. Motion was unanimously approved.**

Vice Chairman Franklin then moved to the Secretary/Treasurer's Report for October, 2017.

Commissioner Braddock then reviewed the Treasurer's Report for December. She stated that the water bill is still a little high for the Customs House and that Commissioner Franklin is checking on this. She then reviewed the account balances.

Vice Chairman Franklin then recognized Mr. LaPorte for his report.

Mr. LaPorte stated that he is working on documents for the auditors, who are scheduled to be here the last week of this month. He also stated that he is currently working on the First Quarter Financial Statement and he will present it to the Board at the next meeting. Commissioner Sturgess then asked Mr. LaPorte about his comments made in November 15th meeting regarding re-negotiating a new operating contract. Mr. LaPorte stated that his comments were in the first meeting with the new buyer and were associated with the ability to complete the re-negotiation of the operating contract prior to closing which would be around December 31th. Mr. LaPorte stated that he has heard that the new company will be operating under the existing contact and then within six months a new operating contract will be worked on. Commissioner Sturgess asked if he felt the new operator can operate the Port. Mr. LaPorte stated that he was not contracted to review their abilities nor had he been given any parameters to evaluate them.

Vice Chairman Franklin then recognized Attorney Davis for his report.

Attorney Davis reviewed his report. Attorney Davis stated he has not seen anything from the Customs House as of this date. He informed the Board the transaction between Kinder Morgan and World Wide has not closed but it is still being worked on. As a result, he requested to rescind the motion that approved the Joint Written Request for disbursement of funds from the Revenue, Surplus and Maintenance Funds from the Bank of New York to the OHPA as the balances will change and the Joint Written Request on the movement of the Reserve as the location has changed. Attorney Davis stated that the Resolutions passed at the last meeting would stay in place. Attorney Davis stated the method for the defeasance of the bonds has been agreed on by all parties and it is to use the Kinder Morgan Letter of Credit and the Reserve fund will be paid to Wells Fargo instead of being used for defeasance. **Motion by Commissioner Sturgess to cancel/rescind the two Joint Written Requests to the Trustee to disburse funds to the OHPA**

from the Revenue, Surplus, Maintenance Funds and the movement of the Reserve Funds which were approved in the November meeting. Motion was seconded by Commissioner Fullwood. Motion was unanimously approved. Attorney Davis informed Commissioner Sturgess that Mr. Ragucci does have terminal operation experience at the Port of New York. Attorney Davis is to invite Mr. Ragucci to the next meeting.

Vice Chairman Franklin then recognized Ms. DiBella for her report.

Ms. DiBella she stated that she is continuing to work with customers regarding the World Wide transition. She stated that Ligno Tech is providing additional information regarding the tanks that they will need. Ms. DiBella also stated that she has sent some general information to Mexico regarding the Port. She is also pursuing the Foreign Trade Zone qualifications. Ms. DiBella stated that she is working with FDOT and Mr. Ragucci on the North Ramp Project and other potential improvements at the Port. She reported that she plans to attend the AAPA conference and she will be attending the Port Council Meeting January 31 and February 1. Commissioner Fullwood asked if Mr. Ragucci is aware of any and all problems at the Port. Mr. DuBose stated there would be full disclosure reports given to the new operator.

Vice Chairman Franklin then recognized Mr. Stephen DuBose his reports.

Mr. DuBose reviewed the tonnage report for December. He stated that the total tonnage for the month of December was 20,442 tons which brings the year to date tonnage to 282,814 tons. He then reported that there were 8 vessel calls 23 dockage days, railcars-221 and an average of 16 trucks per working day.

Mr. DuBose reported that the revenue for December was \$124,624 and year to date revenue is \$1,562,750. He then reported the account balances as follows: revenue fund- \$76,999.00, Interest Fund- 0 and Redemption Fund - \$10, which brings the total to \$77,009.00. Mr. DuBose then moved to the Maintenance Trust Account and stated revenues into the account were \$5,000.00 which is the monthly transfer. He reported the only expense was the first draw by Hal Jones Contractor, Inc. in the amount of \$34,060.00 and the total in the Maintenance Trust Account is \$217,915.

Mr. DuBose stated that the Hal Jones has ordered the materials and hardware for the fender project. He then stated that the main concentration would be to work on a smooth transition between the Port customers and the new terminal operator.

Vice Chairman Franklin then moved to Old Business. There was none to discuss.

Vice Chairman Franklin then moved to Committee Reports.

Port Security –Chairman Salzburg was not present to report.

Custom's House –Vice Chairman Franklin stated that he is still working on the water. He then recognized the Terminal Manager, Scott Schlueter who stated that they had located the second leak and it has been corrected. Commissioner Fullwood asked him where the water comes from to wash equipment. He stated he did not know but would check on this. Vice Chairman Franklin stated that he and Attorney Davis would work on shrubs for the Customs House as requested by GSA and Ms. Cason would advise GSA regarding this matter.

Vice Chairman Franklin then recessed the meeting at 7:24 for Ms. Cason to change the recording disk. Vice Chairman Franklin reconvened the meeting at 7:27.

Economic Development – Commissioner Fullwood stated Ms. DiBella had reported on this earlier and he would be attending a Board meeting later this month.

Emergency Management – Vice Chairman Franklin stated that he had nothing to report at this time.

TCC – Vice Chairman Franklin reported that there was not a meeting this month.

TPO- Chairman Salzburg was not present to report.

Chamber News – Commissioner Sturgess reported he would be attending a luncheon tomorrow. Commissioner Braddock stated that she attended the last meeting and Senator Bean was the speaker and discuss the bills under consideration and drainage areas on the West side of the County. She then reported on ribbon cuttings and other activities. Commissioner Braddock then informed the

Board about the annual banquet on February 1st. Vice Chairman Franklin asked if we had the funds to purchase a table this year. Mr. LaPorte pointed out that there were budgeted funds available in conference and travel. After discussion by the Board, **motion by Commissioner Braddock to purchase a table of 8 in the amount of \$220.00 for the Greater Nassau Chamber's annual banquet. Motion was seconded by Commissioner Fullwood. Motion was unanimously approved.**

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

Vice Chairman then asked if there were other items to be brought by before the Board.

Vice Chairman Franklin stated that if there were no other comments the meeting stands adjourned at 7:34 P.M.

Carrol Franklin

Vice Chairman

NASSAU COUNTY OCEAN HIGHWAY & PORT AUTHORITY

Treasurers Report - January 2018

	Jan	YTD ACTUAL	BUDGET 2017-2018	Nov	Dec
INCOME					
Nassau Terminal Annual Fee	0.00	86,281.15	86,340.92	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	2,614.66	3,000.00	0.00	0.00
Cash CarryForward - MM Special Account	0.00	33,746.73	33,740.02	0.00	0.00
Operating Cash Carry Forward	0.00	1,250.85	294.00	0.00	0.00
Interest	10.52	31.01	20.00	8.72	11.77
TOTAL INCOME	10.52	123,924.40	123,394.94	8.72	11.77
COMMISSION DIRECT					
Salaries - Commissioners	5,000.00	20,000.00	60,000.00	5,000.00	5,000.00
Payroll Taxes	382.50	1,509.00	5,576.00	382.50	361.50
Unemployment	15.00	30.02	75.00	15.02	0.00
Conferences & Travel	220.00	220.00	1,000.00	0.00	0.00
Insurance	0.00	100.00	102.00	0.00	100.00
Salaries - Board Attorney	1,250.00	5,000.00	15,000.00	1,250.00	1,250.00
TOTAL COMMISSION DIRECT	6,867.50	26,859.02	81,753.00	6,647.52	6,711.50
COMMISSION OPERATION					
Salaries- Accountant	750.00	3,000.00	9,000.00	750.00	750.00
Salaries - Office Administrator	1,083.33	4,333.32	13,000.00	1,083.33	1,083.33
Expenses - Office Administrator	159.83	250.34	2,500.00	48.42	25.82
Travel - Office Administrator	57.78	165.78	1,000.00	29.16	34.02
TOTAL COMMISSION OPERATION	2,050.94	7,749.44	25,500.00	1,910.91	1,893.17
COMMISSION DISCRETIONARY					
Dept. of Revenue (Special Dist. Fee)	0.00	175.00	175.00	0.00	0.00
TPO - Membership	0.00	1,217.00	1,217.00	0.00	0.00
GNCCC-Membership	0.00	0.00	250.00	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	0.00	500.00	0.00	0.00
Special Meeting - Court Reporter	0.00	519.75	0.00	519.75	0.00
Web Site	0.00	0.00	2,500.00	0.00	0.00
Awards & Presentations	0.00	87.00	120.00	87.00	0.00
Nassau Cty Economic Dev Board	0.00	0.00	2,500.00	0.00	0.00
Discretionary	8.75	36.75	100.00	10.50	8.75
TOTAL COMMISSION DISCRETIONARY	8.75	2,315.50	7,642.00	617.25	8.75
CUSTOMS HOUSE					
GSA - Customs House - RENTAL INCOME	-2,258.90	-\$9,035.60	-27,106.80	-2,258.90	-2,258.90
Bug Out Pest Control	25.00	100.00	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	100.00	200.00	1,440.00	0.00	100.00
Raysor Cleaning Service	280.00	1,120.00	3,660.00	280.00	280.00
City of Fernandina Beach (Water)	158.49	683.81	1,500.00	152.50	149.32
Florida Public Utilities (Electric)	248.76	992.56	5,000.00	260.29	197.59
Maintenance	0.00	0.00	8,223.00	0.00	0.00
TOTAL CUSTOMS HOUSE	-1,446.65	-5,424.23	-6,468.80	-1,541.11	-1,506.99
TOTAL EXPENSES	7,480.54	31,499.73	108,426.20	7,634.57	7,106.43
Net Increase(decrease) in Funds	-7,470.02	54,812.43	-31,125.77	-7,625.85	-7,094.66

OCEAN HIGHWAY & PORT AUTHORITY
 BANK ACCOUNTS SUMMARY

ACCOUNT	Balances as of January 31, 2018	
1ST FEDERAL - ****3328	Operating	\$1,525.22
1ST FED PPORT PROJECT ACCOUNT		\$912.04
1ST FED. MMA SPECIAL - ****1552		\$23,591.85
1ST FED. MMA-OPERAT. - ****3310		\$67,161.95
1ST FED. ADMIN -6714		\$92.71

This is an unaudited report of funds in each account

Nassau County, Florida

Ocean Highway & Port Authority

FINANCIAL STATEMENTS

for the

Quarter ended

and

Year to Date period ended September 30, 2017



To the Board of Commissioners of
The Ocean Highway and Port Authority
of Nassau County, Florida

Management is responsible for the accompanying financial statements of the Ocean High and Port Authority of Nassau County (a not for profit Special District chartered by the Legislature of the State of Florida), which comprise the balance sheet as of December 31, 2017, and December 31, 2016 and the related statement of income and retained earnings for one quarter ended December 31, 2017 and December 31, 2016, and one quarter ended December 31, 2017 in accordance with accounting principles generally accepted in the United States of America.

We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

A statement of cash flows for the quarter ended December 31, 2017 and December 31, 2016, has not been presented. Accounting principles generally accepted in the United States of America require that such a statement be presented when financial statements purport to present financial position and results of operations.

Management has elected to 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 conclusions about the Ocean Highway and Port Authority's financial position. Accordingly, these financial statements are not designed for those who are not informed about such matters.

We are not independent with respect to the Ocean Highway and Port Authority of Nassau County.

Courson and Stam LLC

February 7, 2018

OCEAN HIGHWAY & PORT AUTHORITY
Balance Sheet
As of December 31, 2017 and December 31, 2016

	Dec 31, 17	Dec 31, 16
ASSETS		
Current Assets		
Checking/Savings		
First Federal-Admin	252.54	143.51
FCCB- Port Projects	34,060.00	0.00
First Federal -MMA	74,216.95	67,736.82
First Federal - Operating	1,815.93	1,996.23
1010 · Petty Cash	150.00	150.00
1044 · Cash in Bank-First Fed MM-1552	23,591.85	33,734.11
Total Checking/Savings	134,087.27	103,760.67
Other Current Assets		
1065 · Prepaid Expense	10,271.80	10,271.80
1060 · Accounts Receivable	204,690.12	328,179.70
1062 · Annual Fee Receivable	21,570.00	21,162.01
1510 · Bank of NY - Revenue Fund	13,697.29	150.99
1515 · Bank of NY - Interest Fund	9,362.84	5,909.67
1522 · Bank of NY - Maintenance Acct	217,915.52	197,138.80
1525 · Bank of NY - Reserve Fund	2,200,799.97	2,200,013.77
1531 · Bank of NY - Surplus Fund	63,301.96	68,301.96
1534 · Bank of NY - LOC Redemption Fd	9.86	9.86
Total Other Current Assets	2,741,619.36	2,831,138.56
Total Current Assets	2,875,706.63	2,934,899.23
Fixed Assets		
2010 · Land - Port	3,183,736.29	3,183,736.29
2020 · Buildings	772,000.00	772,000.00
2025 · 1997,1998,1999 - Warehouse	2,060,166.47	2,060,166.47
2026 · 1997,1998,1999 - Bulk Pier	191,099.29	191,099.29
2027 · Warehouse #1 - Refurbish	918,327.92	918,327.92
2028 · Road Project	347,150.95	347,150.95
2030 · Equipment	805,054.69	805,054.69
2040 · Port Improvements	24,118,284.68	24,118,284.68
2043 · Tradeplex Improvements	1,013,339.04	1,013,339.04
2045 · Dredge Project	929,083.69	929,083.69
2046 · Gate Entry/Storage Yard	251,709.73	251,709.73
2047 · New Pier - 2003	611,546.36	611,546.36
2050 · Security	762,117.44	762,117.44
2100 · Accumulated Depreciation	-25,960,836.82	-24,905,596.43
Total Fixed Assets	10,002,779.73	11,058,020.12
TOTAL ASSETS	12,878,486.36	13,992,919.35

OCEAN HIGHWAY & PORT AUTHORITY

Balance Sheet

As of December 31, 2017 and December 31, 2016

	Dec 31, 17	Dec 31, 16
LIABILITIES & EQUITY		
Liabilities		
Current Liabilities		
Other Current Liabilities		
3021 · Due to Kinder Morgan	40,500.00	46,122.00
3030 · Accrued Payroll	5,000.00	5,000.00
3056 · Advanced Revenue Bond	500,000.00	500,000.00
3020 · Accounts Payable	23,853.73	13,871.00
3022 · Annual Fee Payable	62,498.00	0.00
3042 · Unemployment Taxes Payable	-36.00	-36.00
Total Other Current Liabilities	631,815.73	564,957.00
Total Current Liabilities	631,815.73	564,957.00
Long Term Liabilities		
4011 · Revenue Bonds Payable	8,200,000.00	9,300,000.00
4012 · Advance Revenue Payable	4,055,986.00	4,055,986.00
Total Long Term Liabilities	12,255,986.00	13,355,986.00
Total Liabilities	12,887,801.73	13,920,943.00
Equity		
5010 · Contrib. Capital - Dpt 2012	389,750.24	389,750.24
5006 · Contrib. Capital - Audit 9/98	442,681.32	442,681.32
5007 · Contrib. Capital - Audit 9/97	8,813.00	8,813.00
5008 · Contrib. Capital - Audit 9/96	59,665.00	59,665.00
5009 · Contrib. Capital - Audit 9/95	854,456.00	854,456.00
5020 · Beginning Fund Deficit	-9,270,843.41	-9,270,843.41
5025 · YTD Fund (Deficit)/Excess	7,508,974.38	7,580,949.35
Net Income	-2,811.90	6,504.85
Total Equity	-9,315.37	71,976.35
TOTAL LIABILITIES & EQUITY	12,878,486.36	13,992,919.35

OCEAN HIGHWAY & PORT AUTHORITY

Balance Sheet

As of December 31, 2017

	Dec 31, 17	Sep 30, 17
ASSETS		
Current Assets		
Checking/Savings		
First Federal-Admin	252.54	100.05
FCCB- Port Projects	34,060.00	0.00
First Federal -MMA	74,216.95	2,614.66
First Federal - Operating	1,815.93	1,250.85
1010 · Petty Cash	150.00	150.00
1044 · Cash in Bank-First Fed MM-1552	23,591.85	33,746.73
Total Checking/Savings	134,087.27	37,862.29
Other Current Assets		
1065 · Prepaid Expense	10,271.80	10,271.80
1060 · Accounts Receivable	204,690.12	163,443.26
1062 · Annual Fee Receivable	21,570.00	86,281.15
1510 · Bank of NY - Revenue Fund	13,697.29	1,024,732.84
1515 · Bank of NY - Interest Fund	9,362.84	3.61
1522 · Bank of NY - Maintenance Acct	217,915.52	236,721.34
1525 · Bank of NY - Reserve Fund	2,200,799.97	2,201,406.24
1531 · Bank of NY - Surplus Fund	63,301.96	63,301.96
1534 · Bank of NY - LOC Redemption Fd	9.86	9.86
Total Other Current Assets	2,741,619.36	3,786,172.06
Total Current Assets	2,875,706.63	3,824,034.35
Fixed Assets		
2010 · Land - Port	3,183,736.29	3,183,736.29
2020 · Buildings	772,000.00	772,000.00
2025 · 1997,1998,1999 - Warehouse	2,060,166.47	2,060,166.47
2026 · 1997,1998,1999 - Bulk Pier	191,099.29	191,099.29
2027 · Warehouse #1 - Refurbish	918,327.92	918,327.92
2028 · Road Project	347,150.95	347,150.95
2030 · Equipment	805,054.69	805,054.69
2040 · Port Improvements	24,118,284.68	24,118,284.68
2043 · Tradeplex Improvements	1,013,339.04	1,013,339.04
2045 · Dredge Project	929,083.69	929,083.69
2046 · Gate Entry/Storage Yard	251,709.73	251,709.73
2047 · New Pier - 2003	611,546.36	611,546.36
2050 · Security	762,117.44	762,117.44
2100 · Accumulated Depreciation	-25,960,836.82	-25,697,023.34
Total Fixed Assets	10,002,779.73	10,266,593.21
TOTAL ASSETS	12,878,486.36	14,090,627.56

OCEAN HIGHWAY & PORT AUTHORITY

Balance Sheet

As of December 31, 2017

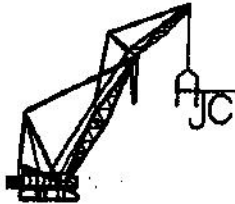
	Dec 31, 17	Sep 30, 17
LIABILITIES & EQUITY		
Liabilities		
Current Liabilities		
Other Current Liabilities		
3021 · Due to Kinder Morgan	40,500.00	162,327.30
3030 · Accrued Payroll	5,000.00	5,000.00
3056 · Advanced Revenue Bond	500,000.00	500,000.00
3020 · Accounts Payable	23,853.73	23,853.73
3022 · Annual Fee Payable	62,498.00	50,000.00
3042 · Unemployment Taxes Payable	-36.00	-36.00
Total Other Current Liabilities	631,815.73	741,145.03
Total Current Liabilities	631,815.73	741,145.03
Long Term Liabilities		
4011 · Revenue Bonds Payable	8,200,000.00	9,300,000.00
4012 · Advance Revenue Payable	4,055,986.00	4,055,986.00
Total Long Term Liabilities	12,255,986.00	13,355,986.00
Total Liabilities	12,887,801.73	14,097,131.03
Equity		
5010 · Contrib. Capital - Dot 2012	389,750.24	389,750.24
5006 · Contrib. Capital - Audit 9/98	442,681.32	442,681.32
5007 · Contrib. Capital - Audit 9/97	8,813.00	8,813.00
5008 · Contrib. Capital - Audit 9/96	59,665.00	59,665.00
5009 · Contrib. Capital - Audit 9/95	854,456.00	854,456.00
5020 · Beginning Fund Deficit	-9,270,843.41	-9,270,843.41
5025 · YTD Fund (Deficit)/Excess	7,508,974.38	7,580,949.35
Net Income	-2,811.90	-71,974.97
Total Equity	-9,315.37	-6,503.47
TOTAL LIABILITIES & EQUITY	12,878,486.36	14,090,627.56

OCEAN HIGHWAY & PORT AUTHORITY
Statement of Operations
For the One Quarter Ended Dec 31, 2017 and Dec 31, 2016

	Oct - Dec 17	Oct - Dec 16
Ordinary Income/Expense		
Income		
6015 · Interest Income	3,818.55	11.33
6020 · Port Revenue	375,339.51	358,620.41
6024 · Port Security Revenue	40,721.45	45,326.39
6025 · Rental Income	6,776.70	6,703.05
6028 · Annual Fee	21,570.00	21,162.00
6030 · Maintenance Contribution - KM	0.00	15,000.00
6035 · State of Florida - DOT Funds	0.00	0.00
Total Income	448,226.21	446,823.18
Expense		
Awards & Presentations	87.00	0.00
Transfer	0.00	0.00
8135 · Office Manager Travel	108.00	105.84
8279 · Donation	0.00	2,500.00
8122 · Customs House Maintenance	0.00	1,900.00
Project Construction Costs	0.00	0.00
8020 · Advertising	0.00	83.14
8065 · Commissioners Fees	12,799.50	12,772.50
8075 · Depreciation	263,813.48	263,809.00
8080 · Dues & Subscriptions	22,172.00	21,975.00
8100 · Insurance	11,394.80	0.00
8110 · Interest Expense	22,067.75	19,367.91
8120 · Janitorial	840.00	840.00
8121 · Lawn Maintenance	100.00	360.00
8125 · Letter of Credit Expense	40,500.00	47,371.97
8128 · Quarterly Marketing Fees	8,718.75	3,280.57
8130 · Office Supplies	222.50	175.07
8140 · Outside Services	3,769.74	3,249.99
8150 · Payroll Taxes	3,348.00	3,375.00
8154 · State Unemployment Tax	15.02	15.00
8165 · Pest Control	565.00	590.00
8166 · Port Security	40,721.45	45,326.39
8180 · Professional Fees		
8180B · Port Attorney	3,750.00	3,750.00
8180A · Accountant	2,250.00	2,250.00
8180 · Professional Fees - Other	0.00	5,000.00
Total 8180 · Professional Fees	6,000.00	11,000.00

OCEAN HIGHWAY & PORT AUTHORITY
Statement of Operations
For the One Quarter Ended Dec 31, 2017 and Dec 31, 2016

	Oct - Dec 17	Oct - Dec 16
8200 · Repairs & Maintenance	0.00	749.00
8235 · Taxes - Annual Fee	12,498.00	0.00
8240 · Taxes & Licenses	0.00	175.00
8270 · Utilities		
8270B · City of FB Utility	525.32	285.60
8270A · FPU	743.80	813.35
Total 8270 · Utilities	1,269.12	1,098.95
8280 · Miscellaneous Expense	28.00	198.00
8281 · ask my account	0.00	0.00
Total Expense	451,038.11	440,318.33
Net Ordinary Income	-2,811.90	6,504.85
Net Income	-2,811.90	6,504.85



CGC013772

HAL JONES CONTRACTOR, INC.

720 Talleyrand Avenue
Jacksonville, FL 32202
P.O. Box 3257 Jacksonville, FL 32206

Dennis E. Harrison
Paul C. Kirkland
Hal L. Jones, III

Phone 904-355-5885
Facsimile 904-355-7648
website haljonescontractor.com

January 10, 2018

Ocean Highway and Port Authority
86130 License Street, Suite 9
Fernandina Beach, Florida 32034

Re: Consent and Confirmation – Contract Between Authority and Contractor dated February 14, 2017 (the "Agreement") between Hal Jones Contractor, Inc., a Florida corporation ("Seller") and Ocean Highway and Port Authority ("Authority")

Ladies and Gentlemen:

Seller and Vecellio & Grogan, Inc., a West Virginia corporation ("Purchaser") have entered into an Asset Purchase Agreement pursuant to which Seller will assign and transfer substantially all of its assets to Purchaser, including all of Seller's right, title and interest in, to and under the Agreement (the "Assignment"). Authority hereby consents to and approves the Assignment as it relates to the Agreement, including the assignment and transfer of all of Seller's right, title and interest in, to and under the Agreement to the Purchaser, and confirms that the Agreement is valid, binding and enforceable, that Seller is not in breach or default under the Agreement, and that Authority has no claims or demands against Seller under the Agreement.

Authority and Seller acknowledge and agree that the parties have entered into this letter in anticipation of the consummation of the Assignment, and that in the event that the Assignment is not consummated, this letter shall be deemed null and void, and shall have no force or effect. The parties to this letter expressly waive notice of acceptance of this letter by Purchaser, and agree that Purchaser is an intended third party beneficiary of this letter. This letter shall be binding on Authority and Seller, and their respective successors and assigns, and shall inure to the benefit of Authority, Seller and Purchaser, and their respective successors and assigns.

Very truly yours,

Hal Jones Contractor, Inc.

By: 
Dennis E. Harrison, President

Accepted and agreed to by:

Ocean Highway and Port Authority

By: _____
Name: _____
Title: _____

Dated as of the date first written above.

License search

CLYDE W. DAVIS
MICHAEL L. BROUSSARD
BRETT L. STEGER *
LEIGH G. MOONEY**

**DAVIS, BROUSSARD
& STEGER, PLLC.**
ATTORNEYS AT LAW

AMELIA ISLAND OFFICE
960185 GATEWAY BLVD. #104
AMELIA ISLAND, FLORIDA 32034
904-261-2848

www.NEFLAW.com

YULEE OFFICE
463049 STATE ROAD 200
YULEE, FLORIDA 32097
904-225-8885

* LICENSED IN FL AND GA
** LICENSED IN FL, SC, AND AL.

February 2, 2018

BY FAX; 904/355-7648
Dennis E. Harrison, President
Hal Jones Contractor, Inc.
720 Talleyrand Avenue
Jacksonville, FL 32206

Re: Ocean Highway and Port Authority Dock Fendering
System Contract – Asset Purchase Agreement with Vecellio
& Grogan, Inc.

Dear Mr. Harrison,

I have in hand your letter which requests the consent of OHPA to the assignment of the contract between OHPA and Hal Jones as part of an asset purchase agreement between Hal Jones and Vecellio & Grogan. It was good to talk to you.

At this time I cannot recommend to my client that they consent to the assignment as requested. I do not mean to say that this cannot be done because I believe that it can be accomplished by our next meeting on February 14. In anticipation that we can close the loop in that time I will get it on our agenda for that evening.

Here is what I want: I would suggest that there be included:

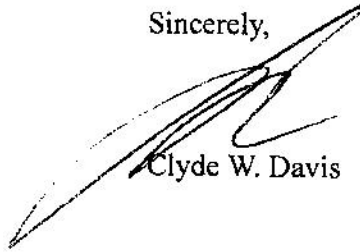
- a. An outline of the parent company, their experience and the expertise of its Florida subsidiary in marine terminal construction;
- b. Confirmation that they have purchased the assets of Hal Jones but will continue the business under that name;
- c. Sufficient written confirmation from the purchaser that they will abide by the terms of the contract, assume all of its burdens and obligations, and deliver the completed project on a timely basis. Of critical importance is their confirmation that they will abide by all of the provisions of Florida's public records law as set forth in the original contract; and
- d. Licensing information as required to verify that you will continue or identify who is responsible if you are going to cease to be the qualifying agent under the new structure.

I know that they are a well recognized corporation and certainly bring a lot to the table.

Just the fact that they want to acquire your business says a lot for both sides. However, both the commissioners and the port operator, along with the public, need these assurances

Let me put this into some context: My client is a political body. We are currently dealing with the sale of the port operator by Kinder Morgan. Our port commissioners now understand that they need to be prepared to answer questions posed by their constituents. This will, in turn, drive their questions in this transaction. If your request does not contain the basic information they want and if I do not have the information at my fingertips then you cannot reasonably expect them to approve it. If they don't approve it then our next meeting is not until mid-March.

Sincerely,

A handwritten signature in black ink, appearing to be 'Clyde W. Davis', written over a horizontal line.

Clyde W. Davis

CWD/
cc: OHPA

HP Officejet Pro 8630 Series

Fax Log for
Davis, Broussard, Martin
904-261-4476
Feb 02 2018 3:09PM

Last Transaction

Date	Time	Type	Station ID	Duration	Pages	Result
				Digital Fax		
Feb 2	3:07PM	Fax Sent	19043557648	1:02 N/A	2	OK

Note:

An image of page 1 will appear here only for faxes that are sent as Scan and Fax.



VECELLIO & GROGAN, INC.

February 5, 2018

Mr. Clyde Davis
Davis, Broussard, & Steger, PLLC
960185 Gateway Blvd. #104
Amelia Island, FL 32034

RE: Ocean Highway and Port Authority
Port of Fernandina Dock Fendering System
Project NO. 43503419401
Request for Assignment

Dear Mr. Davis:

Vecellio & Grogan, Inc. ("V&G") is in receipt of your letter dated February 2, 2018 requesting clarification and additional information regarding the above referenced assignment. I would like to offer you the following information to ease your concerns regarding this assignment.

V&G is a West Virginia corporation and has been in business since 1938. We are known as a premier excavation, grading and bridge contractor, qualified to do work in 11 states in the Mid-Atlantic region. V&G now has three divisions, White Rock Quarries, a producer of aggregates located in south Florida; Sharpe Brothers, a paving company with operations in Greensboro, NC, and most recently, the Hal Jones division. V&G is owned by the parent company, Vecellio Group, Inc. ("VGI"). VGI is parent to not only V&G, but to:

- Vecenergy, the energy division of VGI, which includes terminals, distribution, marketing, and fuel additization in Florida and in other states;
- Ranger Construction Industries, Inc., a general contractor specializing in asphalt production and placement, as well as grading and excavation.

V&G intends to continue the business operations of Hal Jones, under the name: Hal Jones Contractor, a Division of Vecellio & Grogan, Inc. V&G has retained all employees of Hal Jones (the former). The officers of Hal Jones Contractor are as follows:

- Dennis Harrison, Division President;
- Paul Kirkland, Division Vice President; and
- Hal Jones III, Division Vice President.

It is the intent of V&G to continue Hal Jones Contractor operations, with as little impact to our Clients as possible. V&G has retained all employees and equipment to ensure this transition goes smoothly, and that the operations of Hal Jones Contractor will not be impacted. Furthermore, V&G has accepted all terms and conditions of contracts previously held by Hal Jones Contractor.

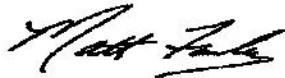
V&G remains committed to safety and compliance, and Hal Jones Contractor will continue that tradition of excellence.

V&G is registered to do business in the State of Florida and holds a current prequalification certificate with FDOT.

- Dennis Harrison, Division President, will maintain his Contractor's License to ensure compliance with all requirements within the State of Florida (CGC013772).
- V&G's Registration with the Florida Division of Corporations is listed under document number 845817.
- Vecellio & Grogan, Inc. can be found in the FDOT prequalified contractors list under vendor number F550345840004.

If you need further clarification or wish to discuss this, please call (304-673-8987) me anytime.

Regards,
VECELLIO & GROGAN, INC.



Matt Farley
Vice President

Port Everglades contractor closes \$44M loan amid port expansion

Broward commission approved \$437.5M expansion project in May

By Amanda Bahner | June 05, 2017 11:23:00PM



Port Everglades

A company tied to West Palm Beach-based Ranger Construction Industries Inc. just scored a \$44 million loan for a terminal amid one of the port's most expensive expansion projects.

Property records show Port Everglades Terminal Land LLC secured the financing from BB&T Bank.

Ranger is an arm of the family-owned contracting company West Virginia-based Vecellio & Grogan. Vecellio's previous experience includes building the Port of Palm Beach terminal in 2004, according to its website.

The mortgage covers the land at 1200 Southeast 32nd Street, on Eller Drive and on Southeast 32nd Street in Dania Beach, including Vecenergy's new fuel terminal.

Two weeks ago, Port Everglades was granted approval by the Broward County Commission to begin a \$437.5 million expansion.

That project will nearly triple its existing deepwater turn-around area, and install crane rail infrastructure for new Super Post-Panamax cranes. More specifically, it will add 1,500 feet to the port's turn-around area that will allow for five new cargo berths and space for larger cargo ships. Moss/Kiewit, a joint venture of Moss & Associates and Kiewit Infrastructure South Co. has signed on as the managing general contractor.

Separately, last year, a nearby 11-story parking garage with about 645 spaces and 1,400 square feet of ground floor commercial space was approved by the Hollywood Planning and Development Board to serve travelers taking cruises and flights.

Last year, the port handled more than 1 million 20-foot cargo container units.

Vecellio Group could not immediately be reached for comment.

Tags: Commercial Real Estate, port everglades, Port Everglades Terminal, Real Estate Finance

6

Grand Rivers, Kentucky

The Northern Gateway to the Land Between The Lakes. Explore 3,000+ miles of lake shoreline.



Grand Rivers, Kentucky



**U.S. Customs and
Border Protection**

Carrol Franklin
Port Authority
Ocean Highway and Port Authority
86130 License Road, Suite 9
Fernandina Beach, FL 32034

Dear Mr. Franklin:

This is to provide an official response to the Ocean Highway and Port Authority Board's (OHPA) initial refusal to cancel paid lease No. LFL60314, and provide CBP the existing space as Free/Nominal (\$1) Fee Space for the provision of Federal Inspection Services (FIS), at no cost to the Government. As was a long established custom, CBP has rented approximately 700 square feet (s.f.) of paid space via the U.S. General Services Administration (GSA) since 1998. Historically, CBP has rented this space from the Authority to enforce import and export laws and regulations by inspecting and examining people, goods, and vessels from an on-Port of Fernandina location, in support and facilitation of Port of Fernandina business.

However, previously established practices changed with the creation of the U.S. Department of Homeland Security, and CBP. After creation, CBP studied the various statutory and regulatory authorities, and policies that also transitioned. While no single statute expressly mandates that seaports provide CBP Free/Nominal (\$1) Fee FIS space, it is CBP's position that every seaport must provide suitable FIS space in which CBP can conduct its inspections. The Port of Fernandina currently needs CBP FIS for agricultural, anti-terrorism, immigration, and customs inspections of vessels, cargo, and crew arriving from foreign at or exiting to foreign from the port, without which the Government would have no need to be present at the location. Port of Fernandina business has included examinations of imports and exports from/to South and Central America, the Caribbean, Asia and Middle East, Europe, North America, African Continent, and Australia and Oceania.

On average, OHPA business required CBP FIS for 653 Commercial Seaport Containers monthly in 2015 and 819 in 2016, and 214 Rail; in addition to Bulk Cargo; Vessel and Small Boats; Brokers; and airport international traveler inspections at the Port of Fernandina. Reportedly, the Port of Fernandina has/will experience(d) exceptional growth track of imports from 475K Fiscal Years (FY) 2016-2017, to a projected 1,1M by FY19, and 3.9M in FY20, which has also spurred other development and growth that enables OHPA's capture of additional cargo. The port was also noted by the Florida Governor's office for having both import and export growth in 2016, with "import values having surged up 8.4 percent. On the export side, Fernandina showed significant growth, defying national trends and registering a 19.9 percent increase in value to \$135.4 million. These inspections comply with preventing implements of terrorism from entering the United States.

CBP's obligation to provide FIS at the Port of Fernandina gives rise to inherent authority that require the OHPA to provide CBP adequate inspectional space at no cost. However, CBP has long provided these FIS at the Port of Fernandina from within the existing Government paid space centrally located to CBP FIS operations on the port. Moving forth, the Government will no longer pay the OHPA for on port FIS space for OHPA to meet its business or legal requirements. To efficiently, and successfully perform its mission, CBP requires sufficient FIS space at each port. To this end, the OHPA must fully meet CBP's Free/Nominal (\$1) Fee FIS space requirements by either transitioning the existing space currently occupied by CBP to no cost space, or provide CBP

with separate FIS space at each of the Port of Fernandina locations where federal inspections are required, i.e., each import and export seaport cargo terminal; rail; small boat marina; and the airport, to ensure the Government has suitable FIS space for each type inspection required at the port, and CBP will relocate off the port.

When deciding the option that OHPA will move forth with, it should be noted that this requirement to provide free FIS space to CBP best serves the economic interests of the ports and enables a port to profit from the efficient flow of international commerce by having Government inspectors readily available on port to lawfully, and timely, permit goods and individuals to enter the United States. Ports provide suitable space to CBP, at no cost to the Government, as a service and convenience to their customers, whose business might be drawn to other ports if inspections were hampered due to the insufficiency of CBP's FIS space or distance from the port.

CBP defines suitable FIS space as combined inspections and Operations Support space, that satisfies minimum operational requirements including various specialized spaces (e.g., secure communications room and secure storage), plus secured parking for one CBP vehicle and two personally owned vehicles. While the existing 700 s.f. of Port of Fernandina space occupied by CBP is less than that usually required for CBP seaport operations, and only meets some, but not all of CBP's specialized space requirements, the Government is willing to accept the existing space as its required Free/Nominal (\$1) Fee FIS space at the port, until and unless port business continues to grow as planned. If so, additional discussions would be required in regard to expanding the existing space to accommodate increased operations by CBP.

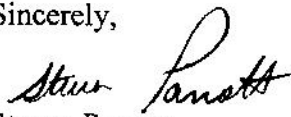
OHPA's transition of the existing CBP paid FIS space to Free/Nominal (\$1) Fee FIS space should occur as immediately as is possible in conformance with the existing GSA paid lease terms and provisions, which would otherwise expire April 2020.

For the reasons explained above, it is imperative that the OHPA agrees to transition the existing paid space to Free/Nominal (\$1) Fee FIS space at the Port of Fernandina, at no cost to CBP, by or before April 2018 to ensure that CBP services can continue at the port without interruption. In the interim, CBP is willing to meet with the Port of Fernandina, and importer and exporter officials engaged in international shipping at the port, to determine their willingness to fund CBP space requirements to keep the Government on the port. Otherwise, CBP will be forced to complete a Market Survey with the GSA for built-to-suit space that fully meets CBP requirements, off port.

Please respond in writing by Monday, February 26, 2018, with the OHPA's decision on the path forward. For additional discussion prior to the response date, I can be reached by telephone at 904-497-2432, and email at steven.parrott@cbp.dhs.gov.

I look forward to working with you to amicably reach a solution in the near term.

Sincerely,


Steven Parrott
Port Director
Port of Fernandina

ADMINISTRATIVE OFFICE MANAGER'S REPORT
January 2018

Hours Worked –65 hours

Miles driven for OHPA purposes – 159

Banks accounts reconciled with statements for December.

All January invoices paid and entered into Quick Books.

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

Posted Notice of Gatherings- 0

Attended the Monthly Meeting and Special Meeting

Minutes completed for the Monthly Meeting and Special Meeting

Filing up to date

Scanned and indexed minutes.

Quick Books stick to Pierre for Treasurer's Report and quarterly financial report

Public records requests received – 0

Worked on sale of Nassau Terminals as needed
Financial information to Pierre's office for the auditors
Met with the auditors

February

Complete February minutes for all meetings

Attend all scheduled meetings for February.

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

Reconcile bank statements for January.

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

Process all public records requests received

Provide information as needed related to the sale of Nassau Terminals and work with the new operator to establish policies and procedures.

	A	B	C	F	G	H
1	MONTHLY MILEAGE FORM					
2	Joanna R Caser					
3	January 2018					
4	DATE	TRAVEL TO			MILES	
5	1/2	Pierre			7	
6	1/4	FF Bank, County Building			3	
7	1/5	Cycle, Janny			7	
8	1/9	Pierre			7	
9	1/10	County Building			6	
10	1/11	Pierre			7	
11	1/16	Bank, Staples, Nissau km.			14	
12	1/19	Salisbury			26	
13	1/23	FF Bank, Nissau Terminal			8	
14	1/25	Nissau Terminal, Pierre			15	
15	1/26	FF Bank			14	
16	1/30	Bradford			36	
17	1/31	Cycle, Auditors			15	
18					159 x .54 = \$85.86	
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