

OCEAN HIGHWAY & PORT AUTHORITY
NASSAU COUNTY, Florida



Peck Center
Willie Mae Ashley Auditorium
516 S 10th Street
Fernandina Beach, FL 32034

AGENDA
March 12, 2025
6:00 PM

- 1. 6:00 PM – Meeting Call to Order – Chairman**
- 2. Invocation**
- 3. Pledge of Allegiance**
- 4. Roll Call:** Miriam Hill, District 1; Scott Moore, District 2, Justin Taylor, Chair-District 3; Ray Nelson, Vice Chair-District 4; Mike Cole, Sec/Treasurer-District 5
- 5. Welcome Guests** (Chair)
- 6. Public Comments** on non-agenda items (Comments submitted prior to the meeting, limit 3 minutes per speaker)
- 7. Approval of Minutes**
 - a. February 12, 2025
 - b. February 26, 2025
- 8. Port Attorney Report**
- 9. Port Accountant Report**
 - a. Financial report
 - b. Audited Financial Statements
- 10. Port Operator Report (Port of Fernandina)**
 - a. Tonnage Report
 - b. Facilities Report
 - c. New Business Report

- 11. Old Business** (Public comments permitted. Limit 3 minutes per speaker)
 - a. Parking OHPA lots (ideas, No Parking signs-liabilities)
 - b. RFP Fender Replacement (Operator recommendations, proposals, Action item)
- 12. New Business** (Public comments permitted. Limit 3 minutes per speaker)
 - a. Issue statement for Port (TPO)
- 13. Office Manager Report**
- 14. Port Commissioner Items** (Other business to come before the Board)
- 15. Adjournment**

If a person decides to appeal any decision made by the board, agency, or commission with respect to any matter considered at such meeting or hearing, he or she will need a record of the proceedings, and that, for such purpose, he or she may need to ensure that a verbatim record of the proceedings is made, which record includes the testimony and evidence upon which the appeal is to be based. Fla. Stat. § 286.0105.



Minutes

OCEAN HIGHWAY & PORT AUTHORITY



Miriam R. Hill – Commissioner, District 1
Scott Moore – Commissioner, District 2
Justin Taylor – Chairman, District 3
Ray Nelson – Vice Chair, District 4
Mike Cole – Secretary/Treasurer, District 5

Monthly Meeting Minutes

February 12, 2025

The Ocean Highway and Port Authority, Nassau County, held its monthly meeting on Wednesday, February 12, 2025 at the Peck Center, Willie Mae Ashley Auditorium, 516 S 10th Street, Fernandina Beach, FL 32034.

1. Public meeting (Call to Order) - Chair

Chair Taylor called the public meeting to order at 6:00 PM.

2. Invocation

Commissioner Cole gave the invocation.

3. Pledge of Allegiance

Chair Taylor led the pledge.

4. Roll Call: Miriam Hill, District 1; Scott Moore, District 2, Justin Taylor, District 3; Ray Nelson, District 4; Mike Cole, District 5.

Rossana Hebron, Administrative Office Manager, conducted the roll call. All Commissioners were present. Also in attendance were Patrick Krechowski, Port Attorney; Pierre LaPorte, Port Accountant; and Greg Haehl, Port Operator.

5. Welcome Guests (Chair)

Chair Taylor acknowledged and welcomed the audience.

6. Public Comments on non- agenda items (Comments submitted prior to the meeting, limit 3 minutes per speaker)

Mr. Virtue deferred to give his public comments until the item was up for discussion.

7. Approval of Minutes

a. January 8, 2025 Monthly meeting

Commissioner Moore motioned to approve the February 12th meeting minutes.

Commissioner Cole seconded the motion.

There were no revisions suggested.

The Board voted unanimously in favor of the motion.

8. Port Attorney Report

Mr. Krechowski submitted a written report included in the meeting packet. He provided updates on the Property Appraiser case which was still active. The motion to dismiss from the Property Appraiser is scheduled for February 27th. He filed the motion to consolidate for the 2024 tax year and to be heard on March 20th. An affidavit from Vice Chair Nelson will be attached to the Motion for Summary Judgment. It details OHPA's responsibilities and ownership. Vice Chair Nelson was chosen given his tenure at the Port, his experience, his past and current responsibilities as an OHPA Commissioner.

a. RFP for Legal Services

Mr. Krechowski provided a sample Request for Proposal (RFP) from the City of Mexico Beach. Chair Taylor announced that Mr. Krechowski tendered his resignation a few weeks prior and has given OHPA his 60 days' notice with the understanding that he plans to stay on as Port Attorney until OHPA finds a replacement. The Chair acknowledged Mr. Krechowski's years of service. Commissioner Hill echoed the Chair's gratitude. She clarified that OHPA did not ask Mr. Krechowski for his resignation. To the contrary, he was asked to reconsider but reasons prevented him from remaining as Port Attorney.

The Board favored posting an RFP over a newspaper advertisement. Mr. Kreschowski will prepare the RFP following the template from the City of Mexico Beach and detailing the necessary qualifications of the Port Attorney. The draft will be presented at the next meeting for Board review and vote.

He added that he received the draft RFP for the Engineering services from the Operator but was submitted too late to include in the agenda. It will be presented at the next meeting for Board review and vote.

Commissioner Hill asked for a detailed list of the Port Attorney qualifications. Mr. Krechowski recommended per his experience; government and Sunshine Law, public records, Board management and procedures, local government experience, grant management/approval/processes/procurement, human resources issues, general business of the Port, litigation experience, and the like. He asked for Board inputs. Commissioner Hill acknowledged the assistance from his associates, and that Mr. Krechowski was quick to respond to the Board's inquiries and requests. She encouraged the Board to be mindful of the phone calls placed to Mr. Krechowski and the costs incurred by doing so. Mr. Krechowski explained there is a flat monthly rate for the general business. He recommended to inquire about that with potential RFP candidates.

9. Port Accountant Report

a. Financial report – January 2025

Mr. LaPorte submitted a written financial report included in the meeting packet. He reported no significant activities/changes for the respective month. There were also no unusual reports for the account balances.

Additionally, the full Board received a copy of the auditor's financial report but was not included in the meeting packet as it was still in draft form. Mr. LaPorte encouraged the Board to provide comments and input. After the draft reaches the auditor's peer review and administrative processes, the report will be issued and will be difficult to change at that point. Similarly, the Management Discussion and Analysis (MD&A) will accompany the auditor's report. It was drafted by Mr. LaPorte and details OHPA's discussion of the financial results. He also encouraged the Board to provide comments and input.

b. Port Accountant Engagement letter

Mr. LaPorte submitted a draft of his Engagement letter for Board review. Chair Taylor explained this was an effort to update the agreements. The annual contract pertains to the current fiscal year (September 2024-September 2025) that included a 30-day notice and detailed the Port Accountant's duties

Commissioner Cole motioned to approve the Engagement letter. Commissioner Hill seconded the motion for discussion.

Discussion: Mr. LaPorte confirmed the flat rate of \$1900 per month stands.

The Board voted unanimously in favor of the motion.

10. Port Operator Report (Port of Fernandina)

a. Tonnage Report – January 2025

A copy was included in the meeting packet. Mr. Haehl reported a good start for the new year. The barge line to Puerto Rico is full on every voyage now. They are diligently optimizing the covered storages and warehouses to meet expanding demands. He explained the KLB count is indicative of the fluctuations in the business.

b. Facilities Report

Mr. Haehl reported the crane refurbishment continues. There are plans to replace nine forklifts and seek better and reliable equipment to mitigate maintenance issues.

c. New Business Report

Mr. Haehl drafted narratives for the Tribal and Rural Assistance applications for four projects at the Port with MARAD's guidance through the process. These will be submitted on March 4th at 2 pm.

11. Old Business (Public comments permitted. Limit 3 minutes per speaker)

a. Operating Agreement (OHPA-Nassau Marine Terminal Revenue details)

Mr. LaPorte reminded the Board the matter was discussed in a meeting with Commissioner Hill, Mr. Haehl, Mr. LaPorte, Mr. Krechowski, Mrs. Hebron, and NMT legal counsel in hopes of documenting a revenue share procedure and protocol. OHPA provided suggestions and was waiting for NMT's response.

Mr. LaPorte anticipated a shortfall of approximately \$10K to \$20K at the end of September this year to pay the PILOT settlement (\$50K total by October 1st). He explained the Operator imposed an administrative fee to garner the \$50K for a full fiscal year. However, the fee implementation was delayed; hence, the short fall. The first official report is due April 10th, ten days after the end of the quarter. It will indicate the amount of funds collected thus far. He questioned how OHPA can absorb the deficit. Mr. LaPorte started reviewing OHPA's cash flow in anticipation of any PILOT payment issues. Without the ARPA funds, OHPA depends on a fixed budget. Chair Taylor affirmed that the City will be paid when payment is due.

Mr. Haehl submitted a redline copy of the amended tariff and was waiting for Board approval to publish. Commissioner Hill inquired if the payment came from the Operator per the prior Operating agreement. Mr. LaPorte explained it came from the bond fund. In the past, the fixed fee of \$80K paid for the salaries. The Port revenue paid the bond trustee to pay off the bond. In turn, the other expenditures (audit, Florida Ports Council fees, PILOT and the like) were paid from that bond. There was a joint written request between the Operator and OHPA to the trustee to pay the aforementioned expenditures. With the current Operating agreement, the PILOT payment was presumed to end with the bonds which resulted in the recent PILOT settlement.

b. Grants G1W55 and G2W07 (compliance documents)

Mrs. Hebron explained there was concern about closing the G1W55 (fabric warehouse) grant since the Operator was currently in mediation with the City pertaining to a permitting matter. FDOT confirmed they had no issue with the latter and allowed the grant to be closed with the understanding that there was an outstanding invoice yet to be paid. When paid, that amount will not be reimbursed, and the Operator was aware.

G2W07 (USCBP facility design) also expired and closed. All invoices were paid in full and reimbursed by FDOT.

Mr. Krechowski affirmed there was Board consensus to execute and close both grants.

c. **Tariff** (publication requirement)

Mr. Krechowski reported there was nothing in the federal and state regulations that required third party publishing of tariffs. Additionally, it required the tariff to be readily available and free by OHPA for customers to access. He did not believe the tariff needed to be posted on the NMT's website.

d. **Port Operator's petition** (Fabric Warehouse permit, Action item)

This item covered the mediation between the City and the Port Operator. The Chair allowed public comments prior to the item discussions.

- **Bob Virtue**; Fernandina Beach resident. Mr. Virtue questioned why OHPA was named in the amended petition against the City. It was his opinion that OHPA was not involved in relocating the fabric warehouse at the terminal.

Mr. Krechowski introduced Jon Lasserre, legal counsel for the Operator, to the podium. Mr. Lasserre explained he and his partners prepared the amended petition to resolve the issue of the fabric warehouse. It was determined after meeting with the City, a petition be filed which allowed the parties to mediate with the City and generate a resolution that would satisfy all parties involved. They discovered that OHPA was the actual owner; therefore, his team decided to include OHPA as a petitioner in the mediation. He argued the matter affects OHPA ultimately. He clarified that his firm represents NMT exclusively and not OHPA. He asked OHPA to execute the Agent Authorization because without it, his team would be unable to accomplish what they need to do. Mr. Lasserre added this matter is not a litigation, only an effort to resolve issues and move to the next step.

Mr. Krechowski added it was pertinent that OHPA be included in the petition. First, OHPA needs to continue to act as owners, operators, and managers of the property. Second, OHPA entered the work agreement with the contractor (Coast to Coast). It was approved by this Board and signed by then Chair, Commissioner Hill. Hence, OHPA has interest in the matter. He encouraged the Board to direct their individual questions to Mr. Lasserre. Mr. Krechowski explained the Agent Authorization essentially asserts that OHPA is, in fact, involved, the owner of the property, the petitioner, and is giving the Operator the authorization to move forward with this matter. He questioned the authorization not providing indemnity language to protect OHPA. He also received, as an option, a draft letter essentially demanding that the contractor indemnify OHPA. It remains unresolved with the contractor. He recommended the Board move forward with the Agent Authorization and send the demand letter to the contractor. If the contractor refuses to indemnify OHPA, then he will negotiate an agreement with Mr. Lasserre and the Operator.

Mr. Krechowski advised the Board to take action on the Agent Authorization and provide direction to send the demand letter to the contractor or some other option from the Board.

Commissioner Cole asked if the Operator is managing all the legal expenses. Mr. Haehl confirmed. Vice Chair Nelson emphasized the Operator needs to take responsibility for taking action outside the Board's directions/decisions. Chair Taylor added the contractor needs to be held accountable for not obtaining a permit for the structure. Commissioner Moore stated it was the decision of the Operator to move the structure without the Board's approval. That resulted in the current situation with the City. Commissioner Hill responded to Mr. Virtue's public comments. She explained that permitting processes have to be followed which gave rise to the Agent Authorization. It is not the same as ratifying the Operator's actions. She asked Mr. Krechowski to review OHPA's contract with Coast to Coast, specifically, the permitting process before OHPA authorizes the request for defense and indemnity. She asked for alternative options for OHPA's indemnity and a path forward. Mr. Krechowski agreed to review further and asked to hold any Board actions on the Agent Authorization until the next meeting. Commissioner Hill requested to delete the last sentence of the letter to Coast to Coast and execute the Agent Authorization if the delay in filing the amended petition would pose an issue. Mr. Lasserre clarified the relocating of the fabric

warehouse was done with considerations for employees' safety, efficiency in moving traffic and people in and out of the structure, storm water drainage location, and the 30' setback historically used for Port operations. He ultimately agreed to delay Board action until the next meeting. He will, in turn, ask for authorization from his client to strike the last sentence.

Mr. Virtue blamed the fact that the City terminated its City Attorney in the midst of the mediation which delayed the proceedings from January 28th. He added the initial Agent Authorization would have sufficed then and did not include OHPA. He questioned the change in including OHPA in the petition. Vice Chair Nelson added Mr. Lasserre only heard from one side of the matter. It does not make that information true or transparent. The Operator should have informed the Board of the aforementioned issues resulting in the relocation of the fabric warehouse. He encouraged the Board to examine the activities at the Port.

12. **New Business** (Public comments permitted. Limit 3 minutes per speaker)

a. **Florida Association of Special Districts (FASD membership)**

Commissioner Moore thought it would be beneficial to join the FASD. Chair Taylor asked how much the membership is and what benefits OHPA will gain with the membership. Mrs. Hebron presented the fees involved. Commissioner Moore will research more and report at the next meeting. He understands OHPA is cash-strapped.

Commissioner Hill explained the Florida Ports Council lobbies and try to influence legislation affecting ports which are Special Districts. Also, OHPA has access to free online ethics training through the Florida League of Cities. She hopes that Tammi Bach's (former City Attorney) successor will continue to provide free ethics training and allow OHPA to join.

b. **Materials stored at Front Street property** (OHPA properties)

Commissioner Moore explained he noticed materials stored at the OHPA property on Front Street. He asked the Operator to remove the materials which they did expeditiously.

c. **Notice of Funding Opportunities (MARAD)**

Mrs. Hebron informed the Board that OHPA is working with MARAD in applying for fundings as mentioned by Mr. Haehl in his Operator's report.

d. **Florida Ports Council representative** (appoint a Commissioner)

Chair Taylor appointed Commissioner Moore as liaison to the Florida Ports Council. Commissioner Moore accepted.

e. **State Appropriation forms** (US CBP new facility construction)

Davis Bean, Partner/The Fiorentino Group/NMT, presented the House and Senate appropriation form seeking a state appropriation for the construction of a new CBP building at the Port. The Operator is seeking the funding for the project not OHPA.

These forms are required to pursue a State line-item appropriation, the first step in the process securing a House and Senate sponsorship before the budget conference towards the end of the legislation usually in mid to late April. . The current process is different from that of 2018.

The funding request is for approximately \$2.4M with a match/contributions from FSTED/FDOT (total \$171K) and the Operator (\$81K). The recipient of the request is OHPA; hence, the forms before the Board tonight. Both Senator Yarborough and Representative Black were informed and were in support of the request.

Commissioner Hill ensured transparency for all the different funding opportunities that OHPA enters into.

Mr. Krechowski advised the forms can be filed.

Mr. LaPorte brought up another item for Board consideration, redlined tariff. Mr. Krechowski stated that the item was not included in the packet; therefore, the item must be added to the next meeting agenda for Board consideration.

13. Office Manager Report

Mrs. Hebron submitted a written report included in the meeting packet. She asked to discuss some pending items/updates, as follow:

- BOCC meeting on February 19th at 9am for introductions and Port updates. The Board will consider attending the City meeting in April.
- OHPA lots to be used for paid parking during the Shrimp Festival (May). Commissioner Hill suggested to consider fundraising for the Maritime Day for the Port staff and asked the Operator if the Port can staff the event. Mr. Krechowski recommended to check with FMIT for liabilities. Will consider additional ideas in the coming meetings.
- MARAD Layberthing solicitation- Mr. Haehl suggested it was not a viable option because of the limited dock space at the Port. He will direct his staff to respond to the solicitation.
- FPC- VIDA (Vessel Incidental Discharge Act); Vice Chair Nelson suggested it would depend on what NMT is using for their procedures in the event of a spill. Mr. Haehl replied he was unaware of any spill at the terminal.
- The Chair suggested hosting a workshop to discuss goals focusing on OHPA in the future.

14. Port Commissioner Items (Other business to come before the Board)

Commissioner Hill prompted an update on the Port Priorities list for submission to TPO. Mrs. Hebron noted the list is the same as last year's with the addition of the crane repairs and the rail. The list must be approved by the Board to update it and can validate OHPA's funding requests. Mr. Haehl will review the list. This item will be added to the next meeting agenda for Board action. She reported meetings with FDOT for the monthly OHPA-FDOT Coordination meeting, Florida Seaports and Waterways, Branden Villalona (MARAD) for the Tribal and Rural Assistance Pilot Program (funding opportunity), and Revenue share with NMT team. She thanked Mr. LaPorte for his efforts and attending the majority of the aforementioned meetings. She will attend the TPO meeting tomorrow (update the 5-year Transportation Improvement Plan).

Commissioner Moore reported he attended the Technical Advisory Committee (TAC) meeting. He highlighted discussions on the Unified Planning Working Program/ transportation studies, 2-year cycle. All members were encouraged to submit/contribute to the study (transportation related).

Commissioner Cole reported he attended the Economic Forecast event promoted by the Economic Board. The full Board was present that day. There is an upcoming meeting with the Business Retention and Expansion Committee.

Vice Chair Nelson reported he joined the Army Corp of Engineers meeting (Beau Corbett/virtual). Funds have been allocated for the maintenance dredging to start in November/ time frame and completion in January 2026. The dredging is fully funded without cost to OHPA. He continues to monitor the crane issues that have not been rectified and asked Mr. Haehl for an update. Mr. Haehl replied that there was no safety issue while the cranes are being refurbished. Vice Chair Nelson was dissatisfied with the Operator's response. Mr. Haehl explained the crane refurbishment efforts may take until September to complete. Commissioner Hill added OHPA needs a longer-term perspective with its grant application process, to consider five years ahead with needs for maintenance and repairs and apply accordingly. One of the benefits of a public port is access to grant fundings. MARAD and FDOT are readily available to assist. She offered Vice Chair Nelson to attend one of the coordination meetings to learn about the processes. She concluded by suggesting if there are current safety concerns, those should be reported immediately not in a public meeting necessarily. Vice Chair Nelson thanked Commissioner Hill for her remarks but added that a commissioner should not have to bring an issue to the Operator's attention. Mr. Haehl questioned the Vice Chair's concern, that the latter did not bring the issue immediately upon discovery. Chair

Taylor recollected when Butch Gilbert, former Terminal Manager, presented a safety update. He requested for more similar updates moving forward. Mr. Haehl agreed.

15. Adjournment

With no other items brought before the Board, Chair Taylor adjourned the meeting at approximately 7:42 PM.

Date

OCEAN HIGHWAY & PORT AUTHORITY



Miriam R. Hill – Commissioner, District 1
Scott Moore – Commissioner, District 2
Justin Taylor – Chair, District 3
Ray Nelson – Vice Chair, District 4
Mike Cole – Secretary/Treasurer, District 5

Board Meeting Minutes

February 26, 2025

The Ocean Highway and Port Authority of Nassau County held its Board meeting on Wednesday, February 26, 2025 at the Peck Center, Willie Mae Ashley Auditorium, 516 S 10th Street, Fernandina Beach, Florida 32034.

1. Public meeting Call to Order – Chair

Chair Taylor called the meeting to order at 6PM.

2. Invocation

The invocation was given by Commissioner Cole.

3. Pledge of Allegiance

Chair Taylor led the Pledge of Allegiance.

4. Roll Call: Miriam Hill, District 1; Scott Moore, District 2, Justin Taylor, District 3; Ray Nelson, District 4; Mike Cole, District 5

Rossana Hebron, Administrative Office Manager, conducted the roll call. All Commissioners were present. Also in attendance were Patrick Krechowski, Port Attorney; Pierre LaPorte, Port Accountant; and Kyle Clark, for the Port Operator.

5. Welcome Guests(Chair))

Chair Taylor welcomed those in attendance.

6. Public Comments on non-agenda items (Comments submitted prior to the meeting, limit 3 minutes per speaker)

No public comments were submitted.

7. Old Business (Public comments permitted. Limit 3 minutes per speaker)

a. RFQ Legal services (Action item)

Mr. Krechowski suggested a March 31st deadline to accept qualifications. The RFQ will be posted on different platforms of the Florida Bar. This allows approximately 30 days for potential candidates to respond to the RFQ.

Commissioner Hill motioned to approve the RFQ. Commissioner Moore seconded the motion.

The Board voted unanimously in favor of the motion.

b. RFP Engineering services retainer (Action item)

Mr. Krechowski drafted the RFP and sent to the Operator and team for review an input. The draft is basic for continuing services.

Commissioner Hill commented that the list of scope of work was broad. She questioned if there should be more specifications. Mr. Krechowski explained the broad list would not disqualify any

firm. In addition, any other items proposed by a firm would be out of scope and considered supplementary. "MEP" means "mechanical, electrical, and plumbing."

Commissioner Hill motioned to approve the RFP noting a deadline of 60 days and Rossana Hebron as the point of contact. Commissioner Moore seconded the motion.

The Board voted unanimously in favor of the motion.

c. Tariff amendments 2 (publishing, Action item)

Chair Taylor reminded that a red line version was submitted shortly prior to the last meeting precluding the Board to review and discuss.

Commissioner Hill contacted Orlando Avila for his opinion on the tariff revisions. Mr. Avila did not have any particular objections. He also suggested perhaps publishing a one-pager version of the amended tariff for quick customer reference.

Mrs. Hebron will update the names of the Commissioners on the amended tariff.

Commissioner Hill motioned to adopt the tariff as presented. Commissioner Moore seconded the motion.

The Board voted unanimously in favor of the motion.

d. Fabric warehouse (Agent Authorization, Amended Petition for Relief, Defense-Indemnity, Action item)

There were two public comment speakers: (both are Fernandina Beach residents)

➤ **Bob Virtue**

Mr. Virtue continued to question the purpose of involving OHPA as a petitioner. An initial petition was submitted in January that did not name OHPA as a petitioner. It was his opinion that the Operator made the decision to move the fabric warehouse outside the guidance of OHPA. He was concerned about the potential cost that OHPA may incur from penalties, if any. OHPA should be indemnified.

➤ **Tammi Kosack**

Ms. Kosack also questioned OHPA as a petitioner in the fabric warehouse matter. She warned against possible optics or potential ramifications to OHPA. She also questioned if the initial approved location of the fabric warehouse was a concern (safety, flooding, etc.), it should have never been approved. The Operator should have followed the proper procedures to change the decision of the Board. She urged the Board to direct the contractor to move the warehouse.

In response, Mr. Krechowski reiterated from last the last meeting that the fabric warehouse was funded, in part, by grants (OHPA was the applicant) and located within OHPA property. Therefore, OHPA needs to be involved in the operation and management of its property. In addition, the contract was through the Operator but was in OHPA's name. Essentially, the Agent Authorization affidavit conveys the Operator can represent OHPA in the mediation. The Tender of Defense and Indemnity to the contractor states if any penalties, fines, or corrective actions result from finding the contractor responsible, the contractor owes OHPA defense and indemnity, that they are the responsible party. After reviewing the revisions to the letter, the counsel for the Operator had no issues with the draft. Mr. Krechowski recommended the Board proceed with the documents. Chair Taylor confirmed that if the City requires the removal of the warehouse from the current location, the contractor will be responsible to follow the directions.

John Lasserre, counsel for the Operator, echoed the aforementioned statements by Mr. Krechowski. He added that it was a statutory requirement that the property owner be part of the petition. He affirmed the indemnity portion of the matter. Therefore, he reiterated that OHPA needs to be part of the mediation. Chair Taylor agreed.

Commissioner Hill asked if Mr. Krechowski would attend the proceedings. The date was not established yet; however, Mr. Krechowski concurred if it was the will of the Board.

Commissioner Hill motioned to adopt the Indemnity letter as presented and to direct Chair Taylor to execute said letter on behalf of OHPA. Commissioner Cole seconded the motion. Mr. Krechowski clarified that the letter was drafted on his firm's letterhead. Commissioner Hill amended her motion to allow Mr. Krechowski to execute instead of the Chair to avoid updating the draft. Commissioner Cole amended his second.

The Board voted unanimously in favor of the motion.

Commissioner Hill cited a portion of the Agent Authorization as follows:
OHPA further states that Rogers Towers, P.A., exclusively represents NMT and does not represent OHPA in any legal capacity in the proceedings. Further, NMT agrees to pay OHPA's reasonable attorney's fees related to attending the described proceeding. OHPA agrees to send a letter to Coast to Coast to reserve its rights against the Contractor available in its Work Agreement.

She emphasized that OHPA would want legal counsel to represent and be reimbursed for any incurred legal expenses. She further asked if the aforementioned prevents Rogers Towers from representing OHPA in any future proceedings. Mr. Krechowski explained it depends on what the future proceeding would be. If there was a conflict, Mr. Lasserre would follow conflict waiver protocol. OHPA was not adverse to Rogers Towers and Nassau Marine Terminals (NMT). Mr. Krechowski added, as it stands currently, OHPA was not adverse to Coast to Coast.

Commissioner Hill motioned adopt the Agent Authorization affidavit as presented. Commissioner Moore seconded the motion.

Discussion: Commissioner Hill addressed the comments that Mr. Virtue made. When the warehouse was relocated and brought to her attention, she advised NMT through Mr. Haehl that the Operator would proceed at their own risk. NMT explained the warehouse was relocated for logistics purposes. The warehouse helps serve the forestry products at the terminal as storage and mitigates issues with flooding or potential water damage to the products. However, the process of relocating was not followed. It was possible that the Board would have voted in favor of the relocation. If a permit was obtained, the Board would have discovered some of the other potential objections regarding setbacks. She assured the public was heard. This process was necessary in order for OHPA to fulfill its obligations to the Operator under the Operating Agreement. She would not insist on applying punitive measures against the Operator. She believes the Operator is paying dearly for the mistake.

The Board voted unanimously in favor of the motion.

e. Port Priorities list (Action item)

Mr. Virtue submitted a public comment for this item prior to the start of the meeting. The list was marked as 2024, Mr. Virtue questioned if the list should be labeled 2025. Commissioner Hill explained that last year's list (2024) was being updated for 2025. He asked if the item "Addition of new covered storage/transit facilities" was completed or if more storage is expected.

Commissioner Hill explained the Transportation Planning Organization (TPO) updates the list each year. OHPA holds one of two seats on the TPO Board representing Nassau County. Through the TPO, the FDOT budget is approved. The list is used to procure potential funding for Authority-related projects. It also shows consistency with goals over a 5-year period.

Mr. Virtue suggested that NMT do its due diligence when implementing projects to avoid issues such as the current mediation for the fabric warehouse relocation.

It was the Board consensus to submit the Port Priorities list to TPO.

Discussion: Commissioner Moore suggested to review the list, line by line, and remove the addition of new storage from the list. He believed the Port does not need another storage for 2025. Mr. LaPorte explained the Operator is seeking potential grants for additional storage. Commissioner Cole explained the list was merely a “wish list” and subsequent projects are subject to Board approval. Commissioner Hill added Mr. Haehl confirmed that additional storage is needed to fulfill customer demands. The Operator will search for other locations to place the warehouses not necessarily at the terminal. The list is OHPA’s rolling list for the next five years. The list stands as presented.

f. Port parking (Shrimp fest, No Parking signs)

This item was brought to the Board’s attention at the last meeting. Chair Taylor revisited the idea of paid parking for the Shrimp Festival with the intent to support a nonprofit entity or raise money to give back to the community.

The Chair encouraged public input. Lou Tharin, Fernandina Beach resident, advocated to allow the neighbors to use the OHPA properties for parking as a gesture of goodwill.

Commissioner Hill asked the Operator if they were willing to assist with staffing the lots during the festival. She reiterated her idea of the proceeds going to Maritime/logistics scholarship, possibly partner with Nassau Education Foundation. Mr. Clark explained the challenge was committing to something that far out especially with varying vessel calls at the Port. He suggested seeking support from a nonprofit. Commissioner Hill offered to volunteer for a portion of that weekend.

Chair Taylor will continue to research the idea and suggested to keep the item on the agenda for more ideas and discussions.

Commissioner Moore explained the “No Parking” signs were to mitigate the potential liability for OHPA as owners. Mr. Krechowski recommended to confirm with the insurance carrier before implementing a liability waiver.

8. New Business (Public comments permitted. Limit 3 minutes per speaker)

a. OHPA property sale (offer review, Phil Griffin)

There were two speakers for this item:

- **Bob Virtue** – He expressed his concerns about the deed restrictions and suggested those need to be filed with the County.

- **Tammi Kosack** – She reminded the Board of the many hours of meetings and years of discussions regarding the OHPA lots. The majority of the community did not want the lots sold. They hoped for true vegetative buffers. Instead, they suggested deed restrictions of single-family units- unattached and 50 ft lot minimums. She recommended for said deed restrictions to be filed at the county level. In addition, she advocated for the current buyers because they live in the area, they are aware of the conditions surrounding the property and would mitigate the complaints about truck traffic and noise.

Mr. Krechowski explained that generally the recording of deed restrictions is done at closing. He added he had qualms with parts of the contract but would listen for Board feedback first before challenging the offer. He reminded that OHPA’s previous vote was just to list the property and was not obligated to enter into any given contract. He cautioned about the language in the contract that would require OHPA do certain things to the property that he advised against. It puts the burden of expense, time, and approvals on OHPA that should be on the buyer.

Phillip Griffin, broker/Amelia Coastal Realty, summarized the offer that was not included in the meeting packet because it was a protected/certified document. Instead, it was posted as an addendum on OHPA’s website. He explained the offer was a cash sale of \$265K with a \$2,500 down payment subject to refund if the buyers, for any reason, find the deal unsuitable for their needs. The contract will be terminated thereafter. Closing is anticipated on March 27th, no contingencies, no liabilities. The buyers asked that OHPA pay the closing cost and complete a property survey. Mr. Griffin recommended OHPA engage a local surveyor to create three legal

lots of record (50 ft wide lots) at OHPA's cost. The buyers acknowledged the lot is adjacent to the Port of Fernandina property.

Mr. Krechowski explained the approach from the Board was to sell the lot. He concurred with Mr. Griffin about dividing the land into three lots, but the Board did not specify it as such. Commissioner Moore's understanding was to sell the property as a whole. Commissioner Hill concurred. She also asked for records to verify the cost of a survey in the Historic District.

Vice Chair Nelson motioned to proceed with the sale and surveying of the property. Commissioner Cole seconded the motion.

Discussion: Commissioner Hill reiterated her stance not to sell the property for many reasons she stated at past meetings. She added the property is difficult to develop because it is within the historic district. She disagreed with OHPA doing the pre-development work to subdivide the lot. It will be an expensive endeavor. Chair Taylor also disagreed with the sale. Commissioner Hill explained the operations at the Port should not require OHPA to sell capital assets. The Operator sees a good value in matching grants and investing. She will ask State, City, and County officials for letters of support for the major infrastructure projects. They may, in turn, speculate why OHPA is selling land. Vice Chair replied that the Board wasted enough time arguing about this item. The funds will give OHPA some sustainability. OHPA cannot depend on the Operator. There was a motion on the floor, and he asked to proceed with the vote.

Poll vote: Moore – No, Cole – Yes, Nelson – Yes, Hill – No, Taylor – No. The motion failed by a 3 to 2 vote.

Chair Taylor confirmed it was the direction of the Board to sell the lot as a whole. Mr. Griffin conceded and will search for a buyer for the lot as a whole. He recommended OHPA define the three separate lots, and place deed restrictions on each. Mr. Krechowski will inquire with the City about the fees and costs to subdivide the lot. Commissioner Hill suggested OHPA should maintain buffers surrounding the Port. Commissioner Cole admitted he misunderstood the offer to be for the whole lot. Commissioner Moore wondered if OHPA had approached the City for their interests. Chair Taylor explained the City knows about the OHPA property sale. If they were interested, they would have approached OHPA. Commissioner Hill added the City passed a resolution to use the PILOT funds for their conservation plan.

b. Florida Ports Council events (2025 Legislative Forum and FSTED Spring meeting, 2025 DC Fly-In, Action item)

There are two separate Florida Ports Council events. The Board consented to send Commissioner Moore to the 2025 Legislative Forum in Tallahassee and forego the 2025 DC Fly-In event. The Board also consented to send Mrs. Hebron to accompany Commissioner Moore to Tallahassee for consistency and as a liaison. Commissioner Moore accepted.

Mrs. Hebron that March 26th is OHPA's scheduled meeting. Chair Taylor instructed to cancel that second meeting.

c. Tribal and Rural Assistance Pilot Program (Port projects NOFO, update)

Commissioner Hill reported that Mrs. Hebron collaborated with Kyle Clark, Greg Haehl, Mr. LaPorte, and MARAD representative to prepare grant applications. This program is competitive and on a first come-first served basis. Mrs. Hebron and Mr. Clark will submit the applications on March 4th. The two Port projects were the Custom and Border Protection (CBP) facility design and Port Structural repairs. Mr. LaPorte clarified that it is only for the design and engineering phase of the projects. These are OHPA's expression of interest in receiving the grants.

There were two resolutions to authorize the grant application submissions presented to the Board, Resolution 2025-R02 (CBP) and R03 (Port).

Commissioner Moore motioned to accept Resolution 2025-R02 (CBP facility design). Commissioner Hill seconded the motion.

Commissioner Hill recommended to reference OHPA's Charter, Section 9 in the resolutions.

Commissioner Moore amended his motion to include the reference of the Charter, Section 9. Commissioner Hill amended her second.

Commissioner Moore motioned to accept Resolution 2025-R03 (Port Structural repairs) with the Charter, Section 9 verbiage. Commissioner Hill seconded the motion.

The Board voted unanimously in favor of the motion.

- d. Authorization of Duly Authorized Representative** (Stormwater testing, Action item)
Mr. Clark explained a stormwater testing is required quarterly at the Port. The authorization designates Chair Taylor as the Duly Authorized Representative.

Commissioner Hill motioned to approve. Commissioner Moore seconded the motion.

The Board voted unanimously in favor of the motion.

- e. Maintenance Dredging** (Florida Environmental Protection)
A Consent Order and Temporary Use Agreement (COTUA) was attached to the meeting packet. Basically, the document corrects the fact that OHPA does not have an active state lands authorization to use sovereign submerged lands at the Port Facility. Chair Taylor was designated as OHPA's representative in this matter. Mr. Krechowski suggested he will review the COTUA document, and the Board to provide conditional approval if he finds no issues or concerns. The Chair will execute subject to Mr. Krechowski's approval of the document.

Commissioner Hill motioned to approve pending Mr. Krechowski's legal review of the document. Commissioner Moore seconded the motion.

The Board voted unanimously in favor of the motion.

- f. RFP Fender Replacement project** (proposals, Action item)
There were two proposals submitted for Board consideration that were included in the meeting packet. Mr. Clark was still waiting for the project manager to provide feedback. Chair Taylor recommended to defer this item to the next meeting agenda.

9. Port Commissioner Items (Other business to come before the Board)

Commissioner Moore reported that he attempted to contact the Florida Association of Special District (FASD) about membership and received no replies. He also met virtually with a company for website design along with Mrs. Hebron to possibly restructure OHPA's website. The Department of Justice (DOJ) requires all government websites to be ADA compliant by April 2027. The fee was approximately \$4K. Lastly, he inquired about marketing materials for networking for other businesses outside the Port. He recognized OHPA is cash-challenged. Chair Taylor hoped to schedule a workshop to discuss a path forward for OHPA. Commissioner Hill suggested to prioritize the ADA compliance requirement at the next meeting.

Commissioner Hill announced a TPO Drone technology demonstration on March 24th for 10 am to noon at the RTMC Command Center. She encouraged the Board to attend. She will send details to Mrs. Hebron for distribution.

Chair Taylor acknowledged efforts by Mr. Clark for quickly responding to complaints about truck queuing on Dade Street.

10. Adjournment

With no other items brought before the Board, the Chair adjourned at approximately 8:06 pm.

Date _____



Port Accountant Report

NASSAU COUNTY OCEAN HIGHWAY & PORT AUTHORITY

Monthly Financial Report - February 2025

	February	YTD ACTUAL	BUDGET 2024-2025
Revenues			
Quarterly Fee	78,551.99	157,103.98	318,165
FEDERAL/STATE/DOT GRANTS	0.00	60,906.84	60,907
Port Revenue - Harbor Admin	1,312.50	6,037.50	14,500
Port Revenue - Bunkering	600.00	3,975.00	7,500
Facility Use Fee (Tonnage)	0.00	0.00	2,882
Misc Income	0.00	0.00	3,300
TOTAL REVENUES	80,464.49	228,023.32	407,254
EXPENSES			
COMMISSION DIRECT			
Salaries - Commissioners	10,000.00	60,000.00	120,000
Payroll Taxes	1,243.75	7,207.61	11,361
Unemployment	0.00	92.35	75
Travel-Commissioners	0.00	0.00	1,000
Insurance	0.00	0.00	1,135
W/C Insurance	0.00	0.00	3,000
Salaries- Board Attorney Specific Cases	3,045.00	6,160.00	10,000
Salaries - Board Attorney General	9,169.03	22,299.53	54,000
TOTAL COMMISSION DIRECT	23,457.78	95,759.49	200,571
COMMISSION OPERATION			
Salaries- Accountant	1,900.00	9,500.00	22,800
Salaries - Office Administrator	6,342.75	36,630.42	64,113
Expenses - Office	1,163.20	3,042.32	4,000
Travel - Office Admin	0.00	34.31	300
Rent-Peck Center	289.91	1,449.55	3,479
TOTAL COMMISSION OPERATION	9,695.86	50,656.60	94,692
COMMISSION DISCRETIONARY			
Dept of Revenue Special District Fee	0.00	175.00	225
TPO Membership	0.00	1,574.00	1,497
Greater Nassau Chamber of Commerce	0.00	0.00	335
Website/IT Support	37.55	735.74	500
Awards & Presentations	0.00	114.00	120
Advertisement	0.00	0.00	600
Discretionary	0.00	90.83	720
TOTAL COMMISSION DISCRETIONARY	37.55	2,689.57	3,997
PORT OPERATIONS			
FB Annual Fee - PILOT	0.00	87,000.00	87,000
CSX Right of Way Fee	0.00	700.00	700
Insurance	0.00	0.00	18,752
Audit	0.00	15,000.00	31,300
FL Ports Council Dues	0.00	15,500.00	15,500
Nassau Cty Economic Dev Board	0.00	0.00	1,000
TOTAL PORT OPERATIONS	0.00	118,200.00	154,252
TOTAL EXPENSES	33,191.19	267,305.66	453,512
Excess Revenues over Expenditures	47,273.30	-39,282.34	-46,258

NASSAU COUNTY OCEAN HIGHWAY & PORT AUTHORITY

Account Balances - February 28, 2025

Account Name	Acct Num	28-Feb	31-Jan
Operating	x3328	119,863.75	72,002.39
Other - Admin Acct	x6714	270.14	97.69
Maintenance	x4519	53,267.26	48,142.72



Audited Financial Statements
FY 2023-24

GOING FURTHER

OCEAN HIGHWAY AND PORT AUTHORITY
OF NASSAU COUNTY

ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEARS ENDED
SEPTEMBER 30, 2024 AND 2023

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FINANCIAL SECTION

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Independent Auditor's Report

**Board of Commissioners
Ocean Highway and Port Authority of Nassau County
Fernandina Beach, Florida**

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the Ocean Highway and Port Authority (the "Authority") as of and for the years ended September 30, 2024 and 2023, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Authority as of September 30, 2024 and 2023, and the changes in financial position and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (on pages 4 through 7) be presented to supplement the 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. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about 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 do 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.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the schedule of revenues, expenses and changes in net position – budget and actual but does not include the basic financial statements and our auditor’s report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 25, 2025, on our consideration of the Authority’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our 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 Authority’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority’s internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Mauldin & Jenkins, LLC". The signature is written in a cursive, flowing style.

Bradenton, Florida
February 25, 2025

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Ocean Highway and Port Authority

STATEMENTS OF NET POSITION

SEPTEMBER 30, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
ASSETS		
Current assets		
Unrestricted cash and cash equivalents	\$ 262,591	\$ 273,703
Accounts receivable, (less allowance for doubtful accounts of \$0 and \$0 for 2024 and 2023, respectively)	337,401	128,424
Due from other governments	833,262	77,261
Total current assets	<u>1,433,254</u>	<u>479,388</u>
Non-current assets		
Capital assets		
Non-depreciable	3,183,736	3,183,736
Depreciable, net of accumulated depreciation	11,327,046	11,230,239
Total non-current assets	<u>14,510,782</u>	<u>14,413,975</u>
Total assets	<u>\$ 15,944,036</u>	<u>\$ 14,893,363</u>
LIABILITIES AND NET POSITION		
Current liabilities		
Accounts and contracts payable	\$ 1,061,018	\$ 227,389
Accrued liabilities	16,016	27,437
Unearned revenue	60	60
Total current liabilities	<u>1,077,094</u>	<u>254,886</u>
Total liabilities	<u>1,077,094</u>	<u>254,886</u>
Net position		
Investment in capital assets	14,510,782	14,413,975
Unrestricted	356,160	224,502
Total net position	<u>\$ 14,866,942</u>	<u>\$ 14,638,477</u>

The accompanying notes are an integral part of these financial statements.

Ocean Highway and Port Authority

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION FOR THE YEARS ENDED SEPTEMBER 30, 2024 AND 2023

	2024	2023
Operating revenues		
Contract payments	\$ 331,089	\$ 332,246
Miscellaneous	115,627	151,733
Operating revenues	<u>446,716</u>	<u>483,979</u>
Operating expenses		
Port security	267,643	255,943
Professional fees	201,684	357,094
Commissioners fees	120,000	120,000
Annual fees to the City of Fernandina Beach	87,000	-
Miscellaneous	448,240	476,514
Dues and subscriptions	19,645	18,453
Depreciation	1,004,783	800,302
Operating expenses	<u>2,148,995</u>	<u>2,028,306</u>
Operating loss	<u>(1,702,279)</u>	<u>(1,544,327)</u>
Non-operating income		
Port security reimbursements	267,643	255,943
Non-operating income, net	<u>267,643</u>	<u>255,943</u>
Capital contributions	<u>1,663,101</u>	<u>895,788</u>
Change in net position	228,465	(392,596)
Total net position, beginning of year	<u>14,638,477</u>	<u>15,031,073</u>
Total net position, end of year	<u>\$ 14,866,942</u>	<u>\$ 14,638,477</u>

The accompanying notes are an integral part of these financial statements.

Ocean Highway and Port Authority

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED SEPTEMBER 30, 2024 AND 2023

	2024	2023
Cash flows from operating activities		
Receipts from customers and users	\$ 237,739	\$ 534,583
Payments to suppliers	(190,583)	(1,502,837)
Payments to employees	(131,421)	(115,720)
Net cash used in operating activities	<u>(84,265)</u>	<u>(1,083,974)</u>
Cash flows from non-capital financing activities		
Receipts from operating grants	267,643	255,943
Net cash provided by non-capital financing activities	<u>267,643</u>	<u>255,943</u>
Cash flows from capital and related financing activities		
Purchases of capital assets	(1,101,590)	-
Receipts from capital grants	139,476	846,070
Capital contributions	767,624	125,796
Net cash provided by (used in) capital and related financing activities	<u>(194,490)</u>	<u>971,866</u>
Net change in cash and cash equivalents	(11,112)	143,835
Cash and cash equivalents		
Beginning	<u>273,703</u>	<u>129,868</u>
Ending	<u>\$ 262,591</u>	<u>\$ 273,703</u>

(Continued)

Ocean Highway and Port Authority

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED SEPTEMBER 30, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
Reconciliation of operating loss to net cash used in operating activities		
Operating loss	\$ (1,702,279)	\$ (1,544,327)
Adjustments to reconcile operating loss to net cash used in operating activities		
Depreciation	1,004,783	800,302
Changes in assets and liabilities		
(Increase) decrease in accounts receivable	(208,977)	50,604
Increase (decrease) in accounts payable and accrued liabilities	822,208	(390,553)
Net cash used in operating activities	<u>\$ (84,265)</u>	<u>\$ (1,083,974)</u>

The accompanying notes are an integral part of these financial statements.

Management's Discussion and Analysis

This section of the Ocean Highway and Port Authority of Nassau County, Florida's (the "Authority"), annual financial report presents a narrative overview and analysis of the Authority's financial performance during its most recent fiscal year, which ended September 30, 2024. The discussion is intended to assist readers in focusing on the significant financial issues and activities of the Authority and to identify any significant changes in financial position. All presented amounts are in thousands. We encourage readers to consider the information contained in this discussion in conjunction with the Authority's financial statements.

FINANCIAL HIGHLIGHTS *(in thousands of dollars)*

2024 vs. 2023

The Authority's operating revenue was \$447 during fiscal year 2024, compared to \$484 in the prior fiscal year. Fiscal year 2024 operating expenses (excluding depreciation) of \$1,144 were approximately 7% lower than the previous fiscal year of \$1,228. Depreciation expense increased to \$1,005 compared to \$800 in the prior year. As a result, the Authority had an operating loss of (\$1,702) for the fiscal year ended September 30, 2024, compared to the operating loss of (\$1,544) for the previous fiscal year. The Authority recognized net non-operating revenue of \$268 in fiscal year 2024, compared to net non-operating revenue of \$256 in the prior year. The Authority received \$679 in Florida Department of Transportation grants in fiscal year 2024 and \$398 in 2023 and \$216 in ARPA reimbursements in 2024 and \$372 in 2023. The Authority also received \$567 in contributions from Worldwide Terminals in 2024. At the close of fiscal year 2024, the Authority had a net position of \$14,867.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion is to introduce the Authority's financial statements. Since the Authority is engaged in a single business-type activity only, no fund level statements are shown. The basic financial statements also include notes essential to a full understanding of the statements.

The statement of net position presents information on all of the Authority's assets and liabilities, with the difference reported as net position. The statement of revenues, expenses and changes in net position shows how the Authority's net position changed during the fiscal year. All changes in net position are reported as soon as the underlying event occurs, regardless of when cash flows may take place. As a result, some revenues and expenses in this statement are reported for items that will result in cash flows in future fiscal periods. The statement of cash flows represents cash and cash equivalent activity for the fiscal year, resulting from operating, non-capital financing, capital financing, and investing activities. The net result of these activities is added to the beginning balance of cash and cash equivalents to reconcile to the ending balance of cash and cash equivalents at the end of the fiscal year.

Taken together, these financial statements demonstrate how the Authority's net position has changed. Net position is one way of assessing the Authority's current financial condition. Increases or decreases in net position are good indicators of whether the Authority's financial health is improving or deteriorating over time. Other non-financial factors, such as diversity in the local economy, are important in evaluating the Authority's overall financial condition.

Notes to the financial statements

The notes provide additional information and explanation that is necessary for a full understanding of the basic financial statements.

FINANCIAL ANALYSIS OF THE AUTHORITY

Net Position

2024 vs. 2023

Net position is a key indicator of an entity's financial position. At September 30, 2024, the Authority's net position was \$14,867. This represented a change from the prior year net of \$14,638. The Authority is engaged in a capital-intensive industry and, as such, its largest portion of net position is invested in capital assets (e.g., land, buildings, etc.).

Net Position

(In thousands of dollars)

	2024	2023	2022
Current assets	\$ 1,433	\$ 479	\$ 462
Capital assets	14,511	14,414	15,214
Total assets	<u>15,944</u>	<u>14,893</u>	<u>15,676</u>
Current liabilities	1,077	255	645
Total liabilities	<u>1,077</u>	<u>255</u>	<u>645</u>
Net position			
Net investment in capital assets	14,511	14,414	15,214
Unrestricted	356	224	(183)
Total net position	<u>\$ 14,867</u>	<u>\$ 14,638</u>	<u>\$ 15,031</u>

Revenues, Expenses and Changes in Net Position

2024 vs. 2023

Operating revenues for fiscal year 2024 were \$447, a decrease from the prior fiscal year. Operating expenses, including depreciation, for fiscal year 2024 were \$2,149, an increase of (\$120) compared to the prior fiscal year. As a result, the operating loss for fiscal year 2024 was (\$1,702), as compared to operating loss of (\$1,545) in fiscal year 2023.

The Authority experienced net non-operating revenues of \$268 in 2024, compared to a net non-operating revenue of \$256 in 2023. Additionally, capital contributions including state and federal grants \$1,663 in 2024, as compared to \$896 in 2023.

As a result of the items addressed above, the Authority experienced a \$229 increase in net position during fiscal year 2024, compared to a (\$393) decrease for fiscal year 2023.

Change in Net Position

(In thousands of dollars)

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Operating revenues	\$ 447	\$ 484	\$ 399
Operating expenses	2,149	2,029	1,960
Operating loss	<u>(1,702)</u>	<u>(1,545)</u>	<u>(1,561)</u>
Non-operating income, net	<u>268</u>	<u>256</u>	<u>223</u>
Capital contributions	<u>1,663</u>	<u>896</u>	<u>2,260</u>
Change in net position	<u>229</u>	<u>(393)</u>	<u>922</u>
Beginning net position	<u>14,638</u>	<u>15,031</u>	<u>14,109</u>
Ending net position	<u>\$ 14,867</u>	<u>\$ 14,638</u>	<u>\$ 15,031</u>

Cash Flows

2024 vs. 2023

Net cash used by operating activities was (\$84) in 2024 and (\$1,084) in 2023. Net cash provided by non-capital financing activities was \$267 in 2024 and \$256 in 2023. Net cash provided by (used in) capital and related financing activities was (\$194) in 2024 and \$972 in 2023. There was no net cash provided by investing activities in 2024 or 2023.

Budgetary Highlights

The Ocean Highway and Port Authority of Nassau County, Florida, approves and adopts the Authority's annual operating and capital budget.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

Capital assets include land, land improvements, buildings, equipment, and other improvements.

2024 vs. 2023

The Authority had \$14,511 net of accumulated depreciation, invested in capital assets as of September 30, 2024 compared to \$14,414 as of September 30, 2023.

Capital Assets
(net of depreciation)
(In thousands of dollars)

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Land	\$ 3,184	\$ 3,184	\$ 3,184
Port improvements	4,055	3,298	3,656
Tradeplex improvements	11	40	74
Machinery and equipment	6,985	7,590	7,973
Security projects	276	302	327
Total	<u>\$ 14,511</u>	<u>\$ 14,414</u>	<u>\$ 15,214</u>

Long-Term Debt

2024 vs. 2023

As of September 30, 2024, the Authority had no long-term debt outstanding.

REQUESTS FOR INFORMATION

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the Authority's finances and to demonstrate the Authority's accountability to each of those groups. Questions concerning any information included in this report or any request for additional information should be addressed to the Ocean Highway and Port Authority of Nassau County, Florida, 86130 License Road, Suite 9, Fernandina Beach, Florida 32034.

Ocean Highway and Port Authority

STATEMENTS OF NET POSITION

SEPTEMBER 30, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
ASSETS		
Current assets		
Unrestricted cash and cash equivalents	\$ 262,591	\$ 273,703
Accounts receivable, (less allowance for doubtful accounts of \$0 and \$0 for 2024 and 2023, respectively)	337,401	128,424
Due from other governments	833,262	77,261
Total current assets	<u>1,433,254</u>	<u>479,388</u>
Non-current assets		
Capital assets		
Non-depreciable	3,183,736	3,183,736
Depreciable, net of accumulated depreciation	11,327,046	11,230,239
Total non-current assets	<u>14,510,782</u>	<u>14,413,975</u>
Total assets	<u>\$ 15,944,036</u>	<u>\$ 14,893,363</u>
LIABILITIES AND NET POSITION		
Current liabilities		
Accounts and contracts payable	\$ 1,061,018	\$ 227,389
Accrued liabilities	16,016	27,437
Unearned revenue	60	60
Total current liabilities	<u>1,077,094</u>	<u>254,886</u>
Total liabilities	<u>1,077,094</u>	<u>254,886</u>
Net position		
Investment in capital assets	14,510,782	14,413,975
Unrestricted	356,160	224,502
Total net position	<u>\$ 14,866,942</u>	<u>\$ 14,638,477</u>

The accompanying notes are an integral part of these financial statements.

Ocean Highway and Port Authority

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION FOR THE YEARS ENDED SEPTEMBER 30, 2024 AND 2023

	2024	2023
Operating revenues		
Contract payments	\$ 331,089	\$ 332,246
Miscellaneous	115,627	151,733
Operating revenues	<u>446,716</u>	<u>483,979</u>
Operating expenses		
Port security	267,643	255,943
Professional fees	201,684	357,094
Commissioners fees	120,000	120,000
Annual fees to the City of Fernandina Beach	87,000	-
Miscellaneous	448,240	476,514
Dues and subscriptions	19,645	18,453
Depreciation	1,004,783	800,302
Operating expenses	<u>2,148,995</u>	<u>2,028,306</u>
Operating loss	<u>(1,702,279)</u>	<u>(1,544,327)</u>
Non-operating income		
Port security reimbursements	267,643	255,943
Non-operating income, net	<u>267,643</u>	<u>255,943</u>
Capital contributions	<u>1,663,101</u>	<u>895,788</u>
Change in net position	228,465	(392,596)
Total net position, beginning of year	<u>14,638,477</u>	<u>15,031,073</u>
Total net position, end of year	<u>\$ 14,866,942</u>	<u>\$ 14,638,477</u>

The accompanying notes are an integral part of these financial statements.

Ocean Highway and Port Authority

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED SEPTEMBER 30, 2024 AND 2023

	2024	2023
Cash flows from operating activities		
Receipts from customers and users	\$ 237,739	\$ 534,583
Payments to suppliers	(190,583)	(1,502,837)
Payments to employees	(131,421)	(115,720)
Net cash used in operating activities	<u>(84,265)</u>	<u>(1,083,974)</u>
Cash flows from non-capital financing activities		
Receipts from operating grants	267,643	255,943
Net cash provided by non-capital financing activities	<u>267,643</u>	<u>255,943</u>
Cash flows from capital and related financing activities		
Purchases of capital assets	(1,101,590)	-
Receipts from capital grants	139,476	846,070
Capital contributions	767,624	125,796
Net cash provided by (used in) capital and related financing activities	<u>(194,490)</u>	<u>971,866</u>
Net change in cash and cash equivalents	(11,112)	143,835
Cash and cash equivalents		
Beginning	<u>273,703</u>	<u>129,868</u>
Ending	<u>\$ 262,591</u>	<u>\$ 273,703</u>

(Continued)

Ocean Highway and Port Authority

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED SEPTEMBER 30, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
Reconciliation of operating loss to net cash used in operating activities		
Operating loss	\$ (1,702,279)	\$ (1,544,327)
Adjustments to reconcile operating loss to net cash used in operating activities		
Depreciation	1,004,783	800,302
Changes in assets and liabilities		
(Increase) decrease in accounts receivable	(208,977)	50,604
Increase (decrease) in accounts payable and accrued liabilities	822,208	(390,553)
Net cash used in operating activities	<u>\$ (84,265)</u>	<u>\$ (1,083,974)</u>

The accompanying notes are an integral part of these financial statements.

Notes To Financial Statements

NOTE 1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

Organization

The Ocean Highway and Port Authority of Nassau County (the "Authority") was created by the Florida Legislature and established in Florida Statutes on June 16, 1941 as an "Independent Special District" (specifically Chapters 2005-293 and 2015-196, Laws of Florida). The Authority provides oversight of the Port of Fernandina and aids in the establishment and expansion of commercial enterprises for the benefit of the citizens of Nassau County and the State of Florida. The Authority's facilities handle import and export containerized, bulk and general cargos.

The Authority operates primarily as a self-supporting governmental enterprise and uses the accrual basis of accounting applicable to governmental enterprise funds. The Authority has no stockholders or equity holders and is directed by a five-member governing board of port commissioners who serve staggered terms of four years. The five members are duly elected from the five congruent districts within Nassau County, Florida.

Significant Accounting Policies

Basis of Accounting

The accompanying financial statements are prepared on the accrual basis of accounting, under which revenues are recognized when earned and measurable and expenses are recognized when they are incurred, if measurable, regardless of the timing of the related cash flows. Grants and similar items are recognized as revenue when all eligibility requirements imposed by the provider are met. Revenues collected on an advance basis, including certain federal and state grant revenue, to which the Authority does not yet have legal entitlement, are not recognized as revenue until the related commitment arises. In accounting and reporting for its operations, the Authority applies all Governmental Accounting Standards Board (GASB) pronouncements.

The Authority is considered a special purpose government engaged in business-type activities which are those activities primarily supported by user fees and charges. As such, the Authority presents only the statements required of enterprise funds, which includes the statement of net position, statement of revenues, expenses and changes in net position, and the statement of cash flows.

The Authority has sole jurisdiction to set rates for the services rendered to customers. These rates are not currently subject to regulation by any federal, State of Florida, or similar agency. Reserves for doubtful accounts, allowances and rebates are maintained based on historical results adjusted to reflect current conditions.

Proprietary funds distinguish operating revenues and expenses from non-operating revenues and expenses. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the fund's principal ongoing operation. The principal operating revenues for the Authority's proprietary fund are charges to customers for sales and services. Operating expenses include direct expenses of providing the goods and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Revenues are invoiced and collected per the contractual agreement with the port operator, Nassau Terminals, a subsidiary of Worldwide Terminals.

When both restricted and unrestricted resources are available for use, it is the Authority's policy to use restricted resources first.

NOTE 1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Significant Accounting Policies (Continued)

Cash and Cash Equivalents

For the purposes of the statement of cash flows, the Authority considers all demand deposits, money market funds, bond reserve funds, and short-term investments purchased with an initial maturity of three months or less to be cash equivalents.

Accounts Receivable

Trade accounts receivable include billed, but uncollected amounts. Allowances for doubtful accounts are maintained based on historical results adjusted to reflect current conditions. Determination as to the collectability is based on the aging of the receivable and payment history of the customer.

Capital Assets

Capital assets constructed or purchased are stated at cost. Capital assets are defined by the Authority as assets with an initial, individual cost of \$1,000 and an estimated useful life in excess of one year. Expenditures for maintenance, repairs and minor renewals and betterments are expensed as incurred. Major renewals and betterments are treated as property additions. Maintenance and repairs of capital assets are charged to operations and major improvements are capitalized. Upon retirement, sale or other disposition of capital assets, the cost and accumulated depreciation is eliminated from the accounts and gain or loss is recognized. There were no gains or losses recognized on disposals for the years ended September 30, 2024 and 2023.

Depreciation commences when a project is ready for its intended use or when equipment is placed in service and is computed using the straight-line method over the following estimated useful lives of assets:

Port improvements	10 to 30 years
Tradeplex improvements	30 years
Buildings	30 years
Machinery and equipment	3 to 20 years
Dredge project	10 years
Security projects	30 years

Management Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that may affect the reported amounts of certain assets and liabilities and disclosures of contingencies at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Budgets and Budgetary Accounting

The Authority adopts an annual budget for its operations. The budget is formally reviewed and approved by the Authority's Board of Commissioners. Budgets are prepared on the accrual basis. Neither the Authority's statute nor any bond covenants require the Authority to report budgetary information in its financial statements.

NOTE 1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Significant Accounting Policies (Continued)

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then. The Authority did not have any items that qualified for reporting in this category.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net assets that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Authority did not have any items that qualified for reporting in this category.

NOTE 2. CASH AND CASH EQUIVALENTS

As of September 30, 2024 and 2023, deposits that are considered cash and cash equivalents include bank demand accounts and bond reserve funds which are invested in U.S. Treasury funds. The Authority maintains its cash balances at various financial institutions, which are insured by the FDIC for up to \$250,000. As of September 30, 2024 and 2023, the Authority did not have any uninsured demand account cash balances.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of a depository financial institution's failure, the Authority's deposits may not be returned. The Authority's policy for custodial credit risk requires collateral to be held in the Authority's name by its agent or by the bank's trust department.

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. As the Authority currently has no investments, credit risk is not applicable as of September 30, 2024.

Interest Rate Risk

The Authority does not have a formal investment policy limiting investment maturities as part of managing its exposure to fair value losses arising from increasing interest rates. However, the Authority has minimal interest rate risk as cash and cash equivalents have maturity dates of less than one year. In addition, the majority of cash is held in short-term U.S. Treasury investments.

NOTE 3. CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2024 is as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending Balance</u>
Capital assets, not being depreciated					
Land	\$ 3,183,736	\$ -	\$ -	\$ -	\$ 3,183,736
Total	<u>3,183,736</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,183,736</u>
Capital assets, being depreciated					
Port improvements	29,356,433	1,101,590	-	-	30,458,023
Tradeplex improvements	1,013,339	-	-	-	1,013,339
Machinery and equipment	9,351,603	-	-	-	9,351,603
Buildings	772,000	-	-	-	772,000
Security projects	762,118	-	-	-	762,118
Dredge project	929,084	-	-	-	929,084
Total	<u>42,184,577</u>	<u>1,101,590</u>	<u>-</u>	<u>-</u>	<u>43,286,167</u>
Less accumulated depreciation for					
Port improvements	(26,058,466)	(344,168)	-	-	(26,402,634)
Tradeplex improvements	(972,558)	(30,539)	-	-	(1,003,097)
Machinery and equipment	(1,761,745)	(604,672)	-	-	(2,366,417)
Buildings	(772,000)	-	-	-	(772,000)
Security projects	(460,485)	(25,404)	-	-	(485,889)
Dredge project	(929,084)	-	-	-	(929,084)
Total	<u>(30,954,338)</u>	<u>(1,004,783)</u>	<u>-</u>	<u>-</u>	<u>(31,959,121)</u>
Total capital assets, being depreciated, net	<u>11,230,239</u>	<u>96,807</u>	<u>-</u>	<u>-</u>	<u>11,327,046</u>
Total capital assets, net	<u>\$ 14,413,975</u>	<u>\$ 96,807</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,510,782</u>

NOTE 3. CAPITAL ASSETS (CONTINUED)

Capital asset activity for the year ended September 30, 2023 is as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending Balance</u>
Capital assets, not being depreciated					
Land	\$ 3,183,736	\$ -	\$ -	\$ -	\$ 3,183,736
Construction in progress	-	-	-	-	-
Total	<u>3,183,736</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,183,736</u>
Capital assets, being depreciated					
Port improvements	29,356,433	-	-	-	29,356,433
Tradeplex improvements	1,013,339	-	-	-	1,013,339
Machinery and equipment	9,351,603	-	-	-	9,351,603
Buildings	772,000	-	-	-	772,000
Security projects	762,118	-	-	-	762,118
Dredge project	929,084	-	-	-	929,084
Total	<u>42,184,577</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>42,184,577</u>
Less accumulated depreciation for					
Port improvements	(25,700,243)	(358,223)	-	-	(26,058,466)
Tradeplex improvements	(938,780)	(33,778)	-	-	(972,558)
Machinery and equipment	(1,378,848)	(382,897)	-	-	(1,761,745)
Buildings	(772,000)	-	-	-	(772,000)
Security projects	(435,081)	(25,404)	-	-	(460,485)
Dredge project	(929,084)	-	-	-	(929,084)
Total	<u>(30,154,036)</u>	<u>(800,302)</u>	<u>-</u>	<u>-</u>	<u>(30,954,338)</u>
Total capital assets, being depreciated, net	<u>12,030,541</u>	<u>(800,302)</u>	<u>-</u>	<u>-</u>	<u>11,230,239</u>
Total capital assets, net	<u>\$ 15,214,277</u>	<u>\$ (800,302)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,413,975</u>

Depreciation expense for the years ended September 30, 2024 and 2023 was \$1,004,783 and \$800,302, respectively.

NOTE 4. CONDUIT DEBT

The Authority in prior years has issued conduit debt in the form of a solid waste pollution control revenue bond to provide financial assistance to a private-sector entity for the construction of wastewater treatment facilities deemed to be in the public interest. Conduit debt refers to certain limited-obligation revenue bonds or similar debt instruments issued by the Authority for the express purpose of providing capital financing for a specific nongovernmental third-party. Although conduit debt bears the name of the Authority as issuer, it is collateralized by the resources provided by the loan with the third-party on whose behalf they are issued. The Authority acts solely as a conduit issuer with respect to the debt.

Conduit debt is collateralized by the property financed and is payable solely from payments received on the underlying mortgage loans. Upon repayment of the revenue bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issue. None of the assets or revenues of the Authority are pledged to the payment of the revenue bonds and under the constitution and laws of Florida, the Authority may not legally pledge any of its revenues or assets to the payment thereof. Neither the Authority, the state nor any political subdivision thereof, is obligated in any manner for the repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. The private sector entity was unable to provide the carrying amount of the outstanding bonds at September 30, 2024 and 2023.

NOTE 5. MANAGEMENT AGREEMENT

Through October 18, 2018, Nassau Terminals operated the Port of Fernandina under an 11-year contract, with an option of an additional 11-year term. Nassau Terminals exercised its option for an additional 11-year term on December 1, 2011. Under the terms of the contract, Nassau Terminals agrees to pay the Authority an annual fee, which is adjusted annually by the consumer price index. During fiscal year 2019, the annual fee was \$84,648. In addition, Nassau Terminals agreed to pay the Authority dockage and wharfage that is invoiced and collected. The current tariff for wharfage is \$3.05 and \$2.50 per ton on general and containerized cargo, respectively. In addition, Nassau Terminals pays the Authority \$1.50 per short ton as a use fee. The agreement provided for equal distribution to Nassau Terminals and the Authority of any excess of port revenue over debt service based on certain mutually agreed-upon conditions.

Effective October 19, 2018, the above agreement was amended and the duration extended for a period of ten years, with two optional additional terms of 12 years. Nassau Terminals agrees to pay the Authority \$251,675 (can be adjusted for inflation) annually for the entire term of the contract. During 2024, this amount was increased to \$306,452 for inflation. In addition, Nassau Terminals agrees to contribute \$50,000 in 2019 and 2020 toward the Development of Regional Impact payments due from the Authority to the City of Fernandina Beach. Nassau Terminals further agrees to pay the Authority \$1.50 per short ton up to 549,999 tons per annum, \$1.25 per short ton from 550,000 tons up to 649,999 tons per annum, \$1.00 per short ton over 650,000 tons per annum, and \$.91 per short ton in facility use fees for bulk and general cargo. The agreement provides for equal distribution to Nassau Terminals and the Authority of any new revenue streams added subsequent to the date of the agreement.

The agreement meets the requirements of GASB 60, *Accounting and Financial Reporting for Service Concession Arrangements*.

NOTE 6. RISK MANAGEMENT

The Authority is exposed to various risks of loss related to torts, including, but not limited to: theft of assets; damage to and destruction of assets; errors and omissions; general liabilities; and natural disasters for which the Authority carries commercial insurance. There have been no significant reductions of insurance coverage, and settlement amounts have not exceeded insurance coverage for the current or the three prior years. The operating agreement provides for the operating company to provide liability and workers' compensation insurance for the facility.

NOTE 7. COMMITMENTS AND CONTINGENCIES

During 1995, the Authority installed water and wastewater facilities on Tradeplex County Road and Tradeplex Secondary Road as part of the Ocean Highway and Port Authority Nassau County Industrial Complex (the "Project"). On February 25, 1999, the Authority agreed to a long-term rent free, lease agreement for the equipment and facilities to United Water Florida, Inc. in exchange for the operation and maintenance of the leased facilities. The lease agreement expires on December 31, 2097.

The Authority receives revenues from various federal and state grants. These grants are for specific purposes and are subject to review and audit by the grantor agencies. Such audits could result in disallowed expenditures under the terms of the grants. Based upon prior experience, Authority management believes such disallowances, if any, would be immaterial.

The Authority is involved in legal actions which, in the opinion of management, will not have a material effect on the financial statements of the Authority.

NOTE 8. SUBSEQUENT EVENTS

The Authority has evaluated all subsequent events through February 25, 2025 the date the financial statements were available to be issued.

On October 7, 2024 the Authority sold equipment (Tugboat and multiple trucks) for a purchase price of \$1,000,000.00 to Nassau Terminals, LLC.

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REQUIRED SUPPLEMENTARY INFORMATION

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Ocean Highway and Port Authority

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - BUDGET AND ACTUAL FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Original and Final Budget	Actual	Variance with Final Budget
Operating revenues			
Contract payments	\$ 330,898	\$ 331,089	\$ 191
Miscellaneous	69,100	115,627	46,527
Operating revenues	<u>399,998</u>	<u>446,716</u>	<u>46,718</u>
Operating expenses			
Port security	254,800	267,643	(12,843)
Professional fees	206,300	201,684	4,616
Commissioners fees	120,000	120,000	-
Miscellaneous	134,770	448,240	(313,470)
Dues and subscriptions	2,047	19,645	(17,598)
Depreciation	-	1,004,783	(1,004,783)
Operating expenses	<u>717,917</u>	<u>2,148,995</u>	<u>(1,257,078)</u>
Operating loss	<u>(317,919)</u>	<u>(1,702,279)</u>	<u>(1,210,360)</u>
Non-operating income			
Port security reimbursements	254,800	267,643	12,843
Non-operating income, net	<u>254,800</u>	<u>267,643</u>	<u>12,843</u>
Capital contributions	<u>150,000</u>	<u>1,663,101</u>	<u>1,513,101</u>
Change in net position	86,881	228,465	315,584
Total net position, beginning of year	<u>14,638,477</u>	<u>14,638,477</u>	<u>-</u>
Total net position, end of year	<u>\$ 14,725,358</u>	<u>\$ 14,866,942</u>	<u>\$ 315,584</u>

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OTHER INDEPENDENT AUDITOR'S REPORTS

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Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

**Board of Commissioners
Ocean Highway and Port Authority of Nassau County
Fernandina Beach, Florida**

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Ocean Highway and Port Authority of Nassau County (the "Authority"), as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated February 25, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Bradenton, Florida
February 25, 2025



Independent Auditor's Management Letter

**Board of Commissioners
Ocean Highway and Port Authority of Nassau County
Fernandina Beach, Florida**

Report on the Financial Statements

We have audited the financial statements of the Ocean Highway and Port Authority of Nassau County (the "Authority") as of and for the fiscal year ended September 30, 2024, and have issued our report thereon dated February 25, 2025.

Auditor's Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Chapter 10.550, Rules of the Auditor General.

Other Reports and Schedule

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and On Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; Schedule of Findings and Responses; and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated February 25, 2025, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. There were no findings or recommendations in the preceding annual financial audit report requiring correction.

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The Ocean Highway and Port Authority of Nassau County is an independent special district, created by the Florida Legislature and established in Florida Statutes in 1941. The Authority has no component units.

Financial Condition and Management

Sections 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether or not the Authority has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific condition(s) met. In connection with our audit, we determined that the Authority did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures. It is management's responsibility to monitor the Authority's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Specific Information

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)6, Rules of the Auditor General, the Authority reported:

- a. There were six employees compensated in the last pay period of the Authority's fiscal year.
- b. There were no independent contractors to whom nonemployee compensation was paid in the last month of the Authority's fiscal year.
- c. Total compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency for the year was \$245,083.
- d. The compensation earned or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency for the year was \$0.
- e. There was one construction project (total of \$1,101,590) with a total cost of at least \$65,000 approved by the Authority that began on or after October 1 of the fiscal year being reported.
- f. A budget variance based on the budget adopted under Section 189.016(4), Florida Statutes, before the beginning of the fiscal year being reported if the Authority amends a final adopted budget under Section 189.016(6), Florida Statutes, is reflected on page 20.

Additional Matters

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not note any such findings.

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, federal and other granting agencies, the Board of Commissioners and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

Mauldin & Jenkins, LLC

Bradenton, Florida
February 25, 2025

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Ocean Highway and Port Authority of Nassau County

SCHEDULE OF FINDINGS AND RESPONSES SEPTEMBER 30, 2024

SECTION I SUMMARY OF AUDIT RESULTS

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:
Material weaknesses identified? Yes No

Significant deficiency identified not considered to be material weaknesses? Yes None reported

Noncompliance material to financial statements noted? Yes No

Federal Programs and State Financial Assistance Projects

There was not an audit of major federal award programs or state financial assistance projects as of September 30, 2024 due to the total amount expended being less than \$750,000.

SECTION II FINANCIAL STATEMENT FINDINGS AND RESPONSES

None noted.

SECTION III STATE AWARDS FINDINGS AND QUESTIONED COSTS

None noted.

Ocean Highway and Port Authority of Nassau County

SCHEDULE OF PRIOR YEAR FINDINGS FOR THE YEAR ENDED SEPTEMBER 30, 2024

None reported.



Independent Accountant's Report

**Board of Commissioners
Ocean Highway and Port Authority of Nassau County
Fernandina Beach, Florida**

We have examined the Ocean Highway and Port Authority of Nassau County's (the "Authority") compliance with Section 218.415, Florida Statutes, regarding the investment of public funds during the year ended September 30, 2024. Management of the Authority is responsible for the Authority's compliance with those requirements. Our responsibility is to express an opinion on the Authority's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Authority complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Authority complied with the specified requirements. The nature, timing and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

We are required to be independent and to meet our ethical responsibilities in accordance with relevant ethical requirements relating to the examination engagement.

Our examination does not provide a legal determination on the Authority's compliance with specified requirements.

In our opinion, the Authority complied, in all material respects, with the aforementioned requirements during the year ended September 30, 2024.

This report is intended solely for the information and use of the Authority and the Auditor General, State of Florida, and is not intended to be and should not be used by anyone other than these specified parties.

Mauldin & Jenkins, LLC

Bradenton, Florida
February 25, 2025

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LOCAL GOVERNMENTAL ENTITY AUDIT REPORT SUBMITTAL CHECKLIST

Entity Name: Ocean Highway and Port Authority of Nassau County

Entity Address: 86130 License Rd., Suite 9, Fernandina Beach, FL 32034

Entity Contact Person:

Name: Rossana Hebron

Title: Office Manager

Phone Number: 904-468-2073

E-mail Address: ohpanc@gmail.com

CPA Firm Contact Person:

Name: Wade Sansbury

Title: Partner

Phone Number: 941-747-4483

E-mail Address: wsansbury@mjcpa.com

Fiscal Year Audited: 9/30/2024

Date the auditor delivered the audit report to the entity: February 25, 2025

Does the audit report include the following items required by Section 10.557(3), Rules of the Auditor General?

Required for municipalities, special districts, the county as a whole, and county agencies¹

Yes The financial statements described in Sections 10.556(3) and (4), Rules of the Auditor General, as applicable, together with related notes to financial statements?

Yes Required supplementary information (RSI) such as the management's discussion and analysis (not required for county agencies), or the budgetary comparison schedule (required as RSI if not presented as part of the financial statements)?

Yes The auditor's report on the financial statements?

Yes The auditor's report on compliance and internal control?

Yes The management letter² defined in Section 10.554(1)(i), Rules of the Auditor General?

¹ Pursuant to Section 218.39(2), Florida Statutes, an audit of the board of county commissioners is not required. However, if the county report includes an audit of the board of county commissioners, it should, pursuant to Section 10.554(1)(e), Rules of the Auditor General, include the items required by Section 10.557(3), Rules of the Auditor General.

² If required reporting information for a dependent special district is fulfilled by inclusion in the primary local government audit report, a statement to that effect should be made in the dependent special districts' audit reports, and vice versa.

N/A The written statement of explanation or rebuttal, including corrective action to be taken, required by Section 10.558(2), Rules of the Auditor General?

Yes The auditor's report based on an examination conducted in accordance with *AICPA Professional Standards*, prepared in accordance with AT-C Section 315, promulgated by the American Institute of Certified Public Accountants, regarding the compliance requirements referenced in Section 10.556(10), Rules of the Auditor General?

Required for municipalities, special districts, and the county as a whole

N/A If applicable, any other auditor's reports, related financial information, and auditee-prepared documents required pursuant to Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); or other applicable Federal law?

N/A Any auditor's reports and related financial information required pursuant to the *Florida Single Audit Act* (see Section 10.557(3)(e), Rules of the Auditor General)?

N/A For any fiscal year in which funds related to the Deepwater Horizon oil spill are received or expended, a schedule of receipts and expenditures of such funds required by Section 10.557(3)(m), Rules of the Auditor General?

N/A For any fiscal year in which funds related to the Deepwater Horizon oil spill are received or expended, a report that includes an opinion (or disclaimer of opinion) as to whether the schedule of receipts and expenditures of such funds required by Section 10.557(3)(m), Rules of the Auditor General, is presented fairly in all material respects in relation to the financial statements taken as a whole? The report must be prepared in accordance with AICPA Professional Standards, AU-C Section 725, promulgated by the American Institute of Certified Public Accountants (see Section 10.557(3)(f), Rules of the Auditor General)?

In addition to the above, have the following requirements been complied with:

Yes Are all the above elements of the audit report included in a **single document** as required by Section 10.557(3), Rules of the Auditor General?

Yes Are **one** paper copy and **one** electronic copy of the audit report being submitted as required by Section 10.558(4), Rules of the Auditor General?

Yes Is the audit report being submitted within 45 days after receipt of the audit report from the auditor, but no later than **9 months** after the end of the fiscal year? **NOTE:** There is no provision in law authorizing an extension for filing the audit report.

Yes Is the electronic copy named using all lower-case letters as follows: [fiscal year] [name of entity].pdf? Counties should include the word "county" in the entity name; however, it is not necessary for municipalities to include "city of," "town of," etc. in the file name. For example, the converted document for the 2023-24 fiscal year for Alachua County should be named "2024 alachua county.pdf", while the converted document for the 2023-24 fiscal year for the City of Alachua should be named "2023 alachua.pdf".

N/A For entities that have adopted an impact fee by ordinance or resolution, was the affidavit referred to in Section 10.558(1), Rules of the Auditor General, submitted with the audit report if not submitted with the annual financial report?

N/A

If the audit report is for a county or municipality, and a dependent special district was audited as part of the county or municipality audit, did the notes to financial statements clearly indicate that the special district had been included as part of the county or municipality reporting entity? **NOTE:** Pursuant to Section 218.39(3), Florida Statutes, an independent special district may not be audited as part of a county or municipality audit. When a dependent special district is audited as part of the county or municipality audit, the county or municipality notes to financial statements should clearly disclose that the special district is a component unit included within the county or municipality reporting entity.

This checklist should accompany the audit report. It is suggested that you retain a copy of the checklist for your files. Do not hesitate to contact us if assistance or clarification is needed regarding reporting requirements. Our contact information is as follows:

Auditor General
Local Government Audits/251
Claude Pepper Building, Room
401 111 West Madison Street
Tallahassee, FL 32399-1450
Telephone: (850) 412-2892

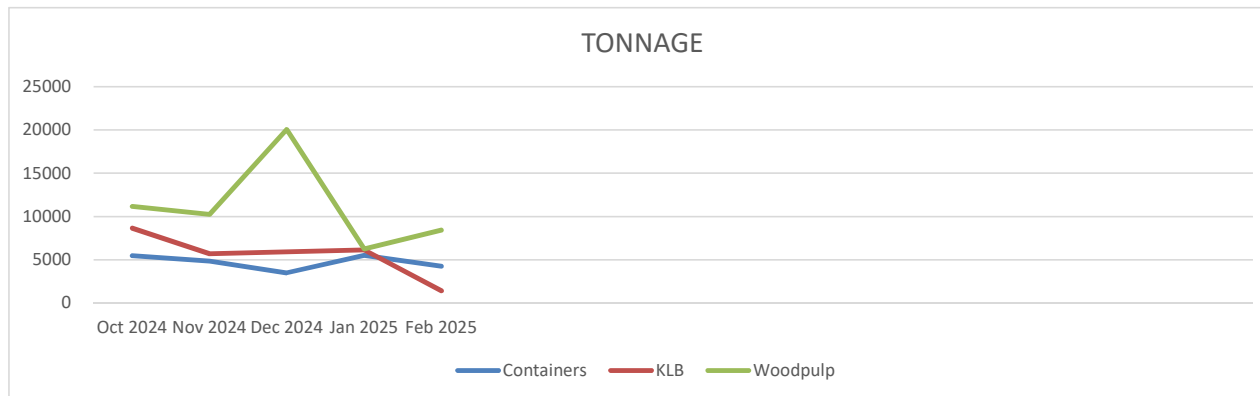
E-mail Address: flaudgen_localgovt@aud.state.fl.us
Web Site Address: FLAuditor.gov



Port Operator Report

**Worldwide Terminals
Port of Fernandina
Tonnage By Commodity
2025**

Commodity	2024 Total	2025 Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	2025 YTD	2024 YTD	Variance
Containers																
Throughput Number	7,429	854	532											1,386	975	411
Container Tons	57,422	5,505	4,249											9,754	10,118	(364)
Total Equivalent Units (TEUS)	7,536	859	532											1,391	984	407
Restow TEUS	0	0	0											0	0	0
Breakbulk Cargo																
Kraft Liner Board (KLB)	89,654	6,151	1,415											7,567	10,499	(2,932)
Lumber	9,390	4,080												4,080	0	4,080
Plywood/Hardboard	20,879		9,330											9,330	0	3,960
Steel	2,862	606												606	0	606
Woodpulp	140,528	6,255	8,444											14,698	24,049	(9,351)
Breakbulk Other	45	9												9	0	9
Bulk Cargo	388	68	27											95	23	72
Oats	0	0												0	0	-
Total General Tons	263,746	17,169	19,216	0	0	0	0	0	0	0	0	0	0	36,385	34,571	1,814
Total Tons	321,168	22,674	23,465	0	0	0	0	0	0	0	0	0	0	46,139	44,689	1,450
Operational Metrics																
Dockage Days	250	31	15											46	35	11
Vessel Port Calls	74	7	5											12	17	(5)
Total rail cars	1,831	155	175											330	266	64
Average trucks per day		17	20											0		





Old Business



RFP – Fender Replacement Proposals



Seacoast Inc.



Seacoast Inc
765 Dunbar Avenue
Oldsmar, FL 34677
PHONE: 813.925.3555
FAX: 813.925.3553
EMAIL: d.owsley@seacoastinc.net

February 19, 2025

OPHA
516 S 10th Street, Suite 103
Fernandina Beach, FL 32034

RE: Bridge No(s): N/A
FPID No: N/A
Federal Job Number: N/A
Contract No: N/A
Counties: Nassau

Installation of Trelleborg Fender System

Subject: Submission of Proposal

Dear OPHA,

Seacoast is pleased to submit the following pricing for the above listed project as outlined in the RFP. We acknowledge receipt and review of Addenda 1 and 2.

3a Civil: N/A
3b Mechanical: N/A
3c Installation of Fenders: \$231,206; ~2,344 man-hours, no anticipated subcontracts
Administrative Overhead (G&A): \$50,000
Equipment Design and Fabrication by Trelleborg, includes shipping: \$127,075
Installation Support: \$111,577; ~320 man-hours

Total Price: \$519,858
five hundred nineteen thousand eight hundred fifty-eight dollars

Trelleborg Fender System Replacement

- 1) Mobilization
- 2) Remove current fender leg system and replace with new fender leg system. To be completed at each location before advancing to next location.
- 3) Demobilize

Seacoast is providing primary access to the fender locations via water. Seconding access via wharf at designated working space per fender location. Removed fender system will be disposed of in dumpsters staged at designated working space.

Special conditions / qualifications include the following:

1. Detailed drawings, calculations, and submittal information from Trelleborg to be submitted after award.

Movable Bridge
Rehabilitation

Structural Steel
Fabricators

Sectional Barge Sales
and Rental

General Contractors



Seacoast Inc
765 Dunbar Avenue
Oldsmar, FL 34677
PHONE: 813.925.3555
FAX: 813.925.3553
EMAIL: d.owsley@seacoastinc.net

2. Current estimated lead time for fender leg system is 18 to 24 weeks after receipt of order and approved construction documents referenced in #1 immediately above.
3. Trelleborg material to be foreign sourced.
4. Onsite laydown will be provided and understand it might not be on the wharf.
5. All work to be performed in compliance with local, state, and federal regulations. Seacoast's Health & Safety Policy to be provided if successful.

Please reference attached Exhibits for Company History and Organization, and Insurance.

Should you have any questions please contact me directly at (912) 677-6350.

Sincerely,
Daniel Owsley
Project Manager

Movable Bridge
Rehabilitation

Structural Steel
Fabricators

Sectional Barge Sales
and Rental

General Contractors



The Industrial Company (TIC)



February 19, 2025

Ocean Highway & Port Authority
of Nassau County
86130 License Road, Suite 9
Fernandina Beach, FL 32034

Attention: Patrick Marler

Reference: Install of Trelleborg Fender System

Sir:

TIC – The Industrial Company is pleased to submit our proposal for construction services for the Ocean Highway and Port Authority of Nassau County’s installation of the Trelleborg Fender System in Fernandina Beach, FL.

The following submittal responds to the Request for Bids requirements and provides insight into our Company showing that we have the knowledge, experience, safety, attention to quality, and resources to successfully complete this project for the Ocean Highway & Port Authority of Nassau County.

Sincerely,

TIC – THE INDUSTRIAL COMPANY

A handwritten signature in blue ink that reads 'Charles E. Hucks, Jr.'.

Charles E. Hucks, Jr., P.E.
District Manager/Vice President
(303) 549-2790 Cell
Charles.HucksJr@Kiewit.com

Physical Address Physical Address

205 Hutchinson Island Road
Savannah, GA 31421

Billing Address

P.O. Box 9207
Savannah, GA 31412

Contents

Company History and Organization 3

Management Approach 6

Cost Proposal and Invoicing 7

Insurance 8

Company History and Organization

HISTORY

TIC – The Industrial Company (TIC) is a well-known and respected General Contractor and is a wholly-owned subsidiary of Kiewit Corporation. TIC has held a presence in the coastal area since 1986. The Marine & Heavy Civil District is headquartered on the Savannah River on Hutchinson Island in Savannah, Georgia and has extensive experience in the region with varying sized bridge, port, and marine construction projects.

EXPERIENCE

TIC has extensive experience with the installation of many types of marine fenders including similar leg fender systems. We specialize in the design and construction of lasting, quality projects. Evidence of our work can be seen along the Savannah River and throughout Savannah and the East Coast.

Colonial Dock 2 Fender Replacement

\$2,796,970.00

Fender system replacement at Colonial Terminals Dock 2 – Savannah, GA.

Mayor's Point Fender System

\$3,355,533.00

1200 LF of Fender System Replacement – Brunswick, GA.

Jaxport Berth 22 Additional Dolphins

\$5,119,395.00

Included the demolition and installation of the Berth 22 Cone Fender System – Jacksonville, FL.

Colonial Terminals Dock 2 Fender Replacement and Mooring Improvements

\$2,796,970.00

Included the demolition and installation of the Dock 2 Cone Fender System and Mooring Bollards – Savannah, GA.



2024 - 2025 LOCAL BUSINESS TAX RECEIPT
JIM OVERTON, DUVAL COUNTY TAX COLLECTOR

231 E. Forsyth Street, Suite 130, Jacksonville, FL 32202-3370
Phone: (904) 255-5700, option 3 Fax: (904) 255-8403
<https://taxcollector.coj.net/>

Note – A penalty is imposed for failure to keep this receipt exhibited conspicuously at your place of business. This business tax receipt is furnished pursuant to Municipal Ordinance Code, Chapters 770-772, for the period October 01, 2024 through September 30, 2025.

TIC-THE INDUSTRIAL COMPANY
PO BOX 9207
SAVANNAH, GA 31412-9207

ACCOUNT NUMBER: 413434
BUSINESS NAME: TIC-THE INDUSTRIAL COMPANY
PHYSICAL ADDRESS: 205 HUTCHINSON ISLAND RD
SAVANNAH, GA 31421-7010
CLASSIFICATION CODE: 309001 CONTRACTOR - ALL TYPES

STATE LICENSE NO: CGC1529121

COUNTY TAX: 11.25
MUNICIPAL TAX: 76.25
COUNTY LATE PENALTY: 0.00
MUNICIPAL LATE PENALTY: 0.00
TOTAL TAX: 87.50

RENEWAL

VALID UNTIL September 30, 2025

2024 - 2025

*****ATTENTION*****

THIS RECEIPT IS FOR BUSINESS TAX RECEIPT ONLY.
CERTAIN BUSINESSES MAY REQUIRE ADDITIONAL STATE LICENSING.

This is a business tax receipt only. It does not permit the receipt holder to violate any existing regulatory or zoning laws of the County or City. It does not exempt the receipt holder from any other license or permit required by law. This is not a certification of the receipt holder's qualifications.


JIM OVERTON, TAX COLLECTOR

THIS BECOMES A RECEIPT AFTER VALIDATION.

Paid TAX-25-00649618 08/14/2024 # 87.50



Ron DeSantis, Governor

Melanie S. Griffin, Secretary



STATE OF FLORIDA
DEPARTMENT OF BUSINESS AND PROFESSIONAL REGULATION

CONSTRUCTION INDUSTRY LICENSING BOARD

THE GENERAL CONTRACTOR HEREIN IS CERTIFIED UNDER THE
PROVISIONS OF CHAPTER 489, FLORIDA STATUTES

ADKISON, THOMAS JOSHUA

TIC - THE INDUSTRIAL COMPANY
4800 NORTH POINT PARKWAY SUITE 100
* ALPHARETTA GA 30022 *

LICENSE NUMBER: CGC1529121

EXPIRATION DATE: AUGUST 31, 2026

Always verify licenses online at MyFloridaLicense.com

ISSUED: 08/22/2024

Do not alter this document in any form.

This is your license. It is unlawful for anyone other than the licensee to use this document.



Management Approach

Once TIC is awarded the project and provided with an NTP, we will work with Trelleborg to get submittal approval for the designed fender system. After the 4-week submittal process and the 24-weeks for estimated delivery, TIC will work with the Port to coordinate the location to unload, handle and store the fenders on site. Once the vessel schedule allows TIC will proceed with installation of the Trelleborg fender system in place.

Clarifications:

1. All testing or monitoring is not included, unless noted otherwise.
2. All permits, if required, are not included.
3. Erosion control is not included.
4. Traffic control is not included.
5. As-builts are not included.
6. Handling, disposal, or abatement of any contaminated or hazardous materials is not included.
7. Vibration monitoring and pre-construction surveys are not included.
8. Locating, removal, modifications, or protection of any utilities or existing structures are not included.
9. Site must be free from all unknown above and below ground obstructions.
10. Removals of any latent or unforeseeable underground obstructions are not included. If any underground obstructions are encountered, TIC will not be liable for any damages.
11. Equipment and vehicles must be able to access the site under their own power. Site access improvements are not included.
12. Pricing schedule is for information only, no prices are intended to be used as stand-alone prices unless noted otherwise.
13. No retainage withheld, all monies due net 30 days.
14. Work is to be continuous without delays, impediments, or interruption.
15. The schedule is based on working one shift Monday through Friday, but we reserve the right to adjust as necessary. Base bid duration is approximately 1 week after material procurement and assembly.
16. Bond is not included, add 0.5% if required.
17. Please see attachment "Notice of Potential Impacts Related to Tariffs".
18. There could be the possibility of significant savings to the owner if an alternate fender manufacturer is approved for this project.
19. Trelleborg Marine Systems informed TIC that the fender system drawings and specifications provided by OHPA in the RFP is an older, outdated system. Trelleborg commented that they would not be willing to provide their Professional Engineering stamp for the system, but could supply the system. If they were required to design and stamp the system then a new system would be quoted. The newer system would include larger leg fenders as well as additional pad eyes therefore would be more costly. TIC has included the cost for the original fender system that was included by OHPA in the RFP in this proposal. Any future changes to the system that is required could result in increased cost.

Schedule of events:

- Final design and material procurement – 4 weeks for submittal approval + 24 weeks estimated delivery.
- Site delivery and mobilization – 1 working day
- Installation – 5 working day contingent on vessel schedule and wharf availability

Cost Proposal and Invoicing

- a. Civil – Not applicable
- b. Mechanical – Not applicable
- c. Install of Fenders – See below

Discipline	Cost	Hours	Subcontract
Administration Overhead	\$14,622.00	0	\$0
Equipment Design	\$0	0	\$0
Equipment Fab	\$85,822.00	0	\$0
Installation Support	\$66,465.00	317	\$12,528.00

TIC – The Industrial Company proposes to provide supervision, labor, material, and equipment for the construction of the Trelleborg Fender System for the Ocean Highway and Port Authority of Nassau County in Fernandina Beach, FL for the lump sum price of \$179,437.00.



CERTIFICATE OF LIABILITY INSURANCE

Evidence of Coverage

DATE (MM/DD/YYYY)

2/18/2025

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Midwest Agencies, Inc. 1550 Mike Fahey Street Omaha, NE 68102	CONTACT NAME: Traci Sutton PHONE (A/C, No, Ext): 402-271-2956 FAX (A/C, No): 402-271-2830 E-MAIL ADDRESS: Traci.Sutton@Midwestagenciesinc.com
	INSURER(S) AFFORDING COVERAGE
INSURED TIC - The Industrial Company Post Office Box 9207 Savannah GA 31412	INSURER A: Old Republic Insurance Company NAIC # 24147
	INSURER B: Swiss Re Corporate Solutions America Ins 29874
	INSURER C:
	INSURER D:
	INSURER E:
	INSURER F:

COVERAGES **CERTIFICATE NUMBER:** 83983692 **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL SUBR INSP, WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR <input checked="" type="checkbox"/> Contractual Liability <input checked="" type="checkbox"/> XCU Included GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input checked="" type="checkbox"/> PROJECT <input type="checkbox"/> LOC OTHER:		MWZY 312911	3/1/2025	3/1/2026	EACH OCCURRENCE \$5,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$5,000,000 MED EXP (Any one person) \$10,000 PERSONAL & ADV INJURY \$5,000,000 GENERAL AGGREGATE \$10,000,000 PRODUCTS - COMP/OP AGG \$10,000,000 \$
	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS ONLY <input type="checkbox"/> NON-OWNED AUTOS ONLY					COMBINED SINGLE LIMIT (Ea accident) \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
B	<input type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR <input checked="" type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> DED <input checked="" type="checkbox"/> RETENTION \$N/A		EXS 2000809	3/1/2025	3/1/2026	EACH OCCURRENCE \$20,000,000 AGGREGATE \$20,000,000 \$
A	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N N	MWC 312908 MWXS 312909 MWFX 312928-FL MWXS 316021-CA USL&H & Jones Act StopGap	3/1/2025 3/1/2025 3/1/2025 3/1/2025	3/1/2026 3/1/2026 3/1/2026 3/1/2026	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$5,000,000 E.L. DISEASE - EA EMPLOYEE \$5,000,000 E.L. DISEASE - POLICY LIMIT \$5,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

RE: Evidence of Coverage Only

CERTIFICATE HOLDER Ocean Highway & Port Authority of Nassau County 86130 License Road, Suite 9 Fernandina Beach FL 32034	CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE Philip G. Dehn
--	--

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ACORD 25 (2016/03)

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IL 10 (12/06) OLD REPUBLIC INSURANCE COMPANY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**NOTICE OF CANCELLATION, NONRENEWAL OR MATERIAL CHANGE IN COVERAGE
TO SCHEDULED PERSON(S) OR ORGANIZATION(S)**

SCHEDULE

Person(s) or Organization(s):

All Certificate Holders where Notice of Cancellation is required by written contract with the Named Insured

Address:

Reasons:

Number of Days Notice

Nonpayment Of Premium: 10 Days

Cancellation For Any Other Reason: 90 Days

Nonrenewal (When We Do Not Renew): 90 Days

Material Change In Coverage: 90 Days

For any reasons described in the above Schedule for which the Number of Days Notice is completed, we agree to mail advance written notice of not less than the Number of Days shown in the above Schedule to the Person(s) or Organization(s) at the Address shown in the above Schedule.

OLD REPUBLIC INSURANCE COMPANY

WORKERS' COMPENSATION AND EMPLOYERS' LIABILITY POLICY

DESIGNATED ENTITY - NOTICE OF CANCELATION PROVIDED BY US ENDORSEMENT

SCHEDULE

Number of Days Notice of Cancellation: 90

Person or Organization:

ALL CERTIFICATE HOLDERS WHERE NOTICE OF CANCELLATION IS
REQUIRED BY WRITTEN CONTRACT WITH THE NAMED INSURED

Address:

If we cancel this policy for any statutorily permitted reason other than nonpayment of premium, and a number of days is shown for cancellation in the schedule above, we will mail notice of cancellation to the person or organization shown in the schedule above. We will mail such notice to the address shown in the schedule above at least the number of days shown for cancellation in the schedule above before the effective date of cancellation.

WC 99 03 65 (03/11)

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Re: Notice of Potential Impacts Related to Tariffs

Dear, Patrick Marler

On February 1, 2025, President Donald Trump issued three executive orders directing the United States to impose new tariffs on imports from Canada, Mexico, and China (“the Tariffs”) scheduled to take effect on February 4, 2025.¹ The Tariffs impose an additional 25% ad valorem rate of duty on imports from Canada and Mexico and 10% on imports from China. The Tariffs will apply to all imports from the listed nations; provided that Canadian energy and energy resources imports will be subject to a 10% tariff instead.

TIC – The Industrial Company (TIC) is issuing a Notice to Ocean Highway & Port Authority (“Owner”) in accordance with the agreement between the parties dated February 19, 2025 (the “Agreement”) for the Install of Trelleborg Fender System (“Project”) regarding the Tariffs.

The Tariffs constitute a CHANGE IN LAW under the Agreement. Accordingly, TIC is entitled to an adjustment to the Agreement price and schedule for any resulting impacts. Therefore, please accept this letter as formal Notice, and of TIC’s intent to seek an equitable adjustment as permitted by the Agreement.

TIC has begun the process of identifying resultant impacts to the Project. The situation continues to evolve but, given the breadth of the Tariffs, the effects on the Project could be significant. It is currently not possible to accurately assess and quantify these effects. Consequently, we are unable to provide a comprehensive list of impacts at this time. TIC reserves all rights under the Agreement to supplement this Notice with identification of impacts caused by the Tariffs.

At this time, we have identified the following preliminary impacts:

- 10% tariff on all imports for goods produced in China.

The Trelleborg Fenders panels are produced in China. This 10% tariff has been included in our price.

Please be assured that we understand the importance of acting in a proactive manner to identify the nature and scope of any resultant impacts to the Project and to address such impacts. We are committed to providing additional information as it becomes known and quantifiable, and to appropriately mitigating the impacts as required in the Agreement.

If you have any questions or wish to discuss in further detail, please feel free to contact me.

Sincerely,

Charles E. Hucks, Jr., P.E.
District Manager / Vice President

¹ Currently, the Tariffs applied to imports from Mexico and Canada have been paused for a thirty (30) day period.