

OCEAN HIGHWAY & PORT AUTHORITY NASSAU COUNTY



City Hall/Commission Chamber
204 Ash Street
Fernandina Beach, FL 32034

AGENDA July 12, 2023 6:00 PM

6:00 PM – Meeting Call to Order – Chairman

Invocation

Pledge of Allegiance

Roll Call: Miriam Hill, District 1; Danny Fullwood, District 2, Justin Taylor, District 3; Ray Nelson, District 4; Mike Cole, District 5

- 1. Comments - Audience** (Comments submitted prior to the meeting)
- 2. Approval of Minutes**
 - a. June 14, 2023 Monthly Meeting
 - b. June 28, 2023 Budget Workshop
- 3. Port Attorney Report**
- 4. Port Accountant Report**
 - a. Financial report – June 2023
 - b. ARPA reimbursement update
- 5. Port Executive Director Report**
- 6. Port of Fernandina Report (Operator)**
 - a. Tonnage report – June 2023
 - b. Annual Report

7. Old Business

- a. Customs and Border Protection (facility)
- b. Peck Center (lease details)

8. New Business

- a. Real Estate RFP (Candidates)
- b. Workman's Compensation
- c. Property coverage

9. Commissioner Reports and Comments

10. Administrative Office Manager Report

Adjourn

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 – Vice Chairperson, District 1
Danny Fullwood – Chairman, District 2
Justin Taylor – Secretary/Treasurer, District 3
Ray Nelson – Commissioner, District 4
Mike Cole – Commissioner, District 5

Monthly Meeting Minutes

June 14, 2023

The Ocean Highway and Port Authority of Nassau County held its Monthly Meeting on Wednesday, June 14, 2023 at the Nassau County Commission Chambers, James S. Page Government Complex, 96135 Nassau Place, Yulee, FL 32097.

The meeting was called to order at 6:00 PM by Chairman Fullwood.

The invocation was given by Commissioner Cole. The Pledge of Allegiance was led by Commissioner Taylor. Roll call was conducted by Rossana Hebron, Administrative Office Manager. All Commissioners were present. Also in attendance were David Kaufman, Port Executive Director; Pierre LaPorte, Port Accountant; and Butch Gilbert, Port Operator. Patrick Krechowski, Port Attorney, was absent.

1. **Comments** - Audience (Comments submitted prior to the meeting)

- Chip Ross; 210 N 3rd St., Fernandina Beach
Mr. Ross cited the Florida Special District handbook/October 2022/Financial Emergency conditions, in part:

All local governmental entities, which includes special districts, are subject to review and oversight by the Governor if any one of the following conditions occurs:

Failure to pay uncontested claims from creditors within 90 days after the claim is presented, as a result of a lack of funds...

He explained according to OHPA's financial statements, it has not paid its Attorney more than 90 days after presenting the bills. He continued to cite the handbook, in part:

Actions Required When a Financial Emergency Condition Occurs, or Will Occur If any one of the above conditions occur, or will occur if action is not taken to assist the special district, the special district must:

- *Notify the Governor's Office of the Chief Inspector General*
- *Notify the Joint Legislative Auditing Committee*

He inquired if OHPA has made such notifications per the aforementioned requirements.

Chairman Fullwood thanked Mr. Ross and replied he is not prepared to provide an answer without Mr. Krechowski, Port Attorney, present. He deferred to Mr. LaPorte, Port Accountant, when OHPA last paid its Attorney. Mr. LaPorte explained OHPA just processed a payment of about \$35K for the legal fees. The payments are not up to date; however, the Chairman explained payment terms were arranged with the Port Attorney.

2. Approval of Minutes

a. May 10, 2023 Monthly Meeting

Vice Chairperson Hill motioned to approve the May 10th minutes. Commissioner Cole second the motion.

Discussion: Vice Chairperson Hill suggested to change the language on page 2, paragraph 3, to reflect that Mr. Krechowski prepared the statement for the Chairman on behalf of the Board. The Chairman agreed.

Vice Chairperson Hill revised her initial motion to approve the May 10th minutes as amended.

The Board voted unanimously in favor of the motion.

b. May 24, 2023 Shade Meeting

Commissioner Taylor motioned to approve the May 24th minutes. Commissioner Nelson second the motion.

There were no discussions.

The Board voted unanimously in favor of the motion.

3. Port Attorney Report

Mr. Krechowski was absent. He submitted a written report included in the meeting packet. There were no discussions or inquiries. The Chairman directed the Board to contact Mr. Krechowski individually if there were questions.

4. Port Accountant Report

a. Financial report – May 2023

Mr. LaPorte submitted a copy of the financial report included in the meeting packet. He reported OHPA received funds for the quarterly fee from the Operator and reimbursement for the Master Plan. There will be a last payment for the completion of the Master Plan.

Additionally, Mr. LaPorte reported as funds becomes available, payments were processed for the Port Attorney. He noted the Board needs to consider how they want to receive the Customs House report moving forward, considering the Port

Operator pays for all the Customs House expenses. There were no unusual activities to report.

Discussion: To respond to Mr. Ross' inquiry (Public Comment) regarding Special District financial reporting, Vice Chairperson Hill inquired if, in the past, OHPA certified to the State regarding its financial situation and how that applies to its current financial situation. Mr. LaPorte explained 5 to 6 years ago, OHPA was in a financial emergency. The equity was negative because of depreciation and the like. Subsequently, OHPA had to substantiate to the Florida Auditor General that the emergency was under control. Eventually, Worldwide Terminals retired \$10M of debt on the balance sheet that relieved the financial emergency. Currently, OHPA is not in a financial emergency in that its equity is positive. As for the outstanding attorney's fees, the Port Attorney agreed to a payment plan. It was decided to use the ARPA reimbursements to pay for the Master Plan first. The Port Attorney is aware of this payment term. Hence, there is no state of emergency currently. However, Mr. LaPorte emphasized there is a limit when OHPA can no longer afford to pay for the legal fees. OHPA must avoid crossing that threshold. Chairman Fullwood added OHPA would not be in such legal financial distress if two government entities did not litigate.

b. ARPA reimbursement update

Discussed above.

c. Budget FY 2023-2024

Mr. LaPorte distributed copies of the proposed budget version 2. The main line-items revised were the Peck Center rent and increased Harbor Admin and Bunkering fees. He adjusted the inflation rate (CPI) to 4%. The rent for the Peck Center will increase in the next fiscal year according to the CPI. A budget workshop is scheduled later in June. The Chairman directed the Board to review the draft and provide suggestions/questions at the workshop.

Mr. Kaufman explained the forecasted amounts for the Harbor Admin and Bunkering fee are rough estimates. He requested the Port Operator review and provide a more accurate account in time for the budget workshop.

5. Port Executive Director Report

Mr. Kaufman apologized for not submitting a written report because of busy schedule. He provided updates on the following matters:

- Real Estate RFP
- City's approval of the Port District Road designation
- Resiliency Plan

Mr. Kaufman hopes to apply for federal grant. Under the Federal Protect Act, if OHPA's plan aligns with State and City plans, the matching requirement is 93% federal and 7% local. Local includes the State, OHPA, Port Operator, West Rock, railroad, and other participating agencies. A joint workshop is being considered between the City commission and OHPA's in July.

- Presentation at the Chamber Island Council
- Request to speak to the Leadership Nassau class

- Out of town from Thursday through Monday (available via phone)
- Mr. Kaufman and Mr. Gilbert are considering allowing field trips at the Port for interested schools as part of an outreach. Commissioner Nelson added Worldwide Terminals allowed such Port tours in the past to graduating classes from the local schools. It was successful. Chairman Fullwood directed Mr. Gilbert to create a tour plan with safety procedures in consideration.

6. Port of Fernandina Report (Operator)

a. Tonnage report – May 2023

Mr. Gilbert submitted a written report included in the meeting packet. He reported May 2023 tonnage was up from last month, 17,925 total. He introduced Matt McPhail, Senior Commercial Developer. Together, they are considering and pursuing opportunities. Mr. Gilbert reported the acquisition of Dupuy, supplier of coffee beans, tea, and sugar. Supplies will go out via truck and railway.

Additionally, Mr. Gilbert is in contact with the City regarding parking behind the warehouses. He does not have information as to when the City will vote on the matter.

7. Old Business

a. OHPA Financials/ARPA funds

Vice Chairperson Hill requested this item be added to the agenda in response to the financial email sent by Mr. LaPorte regarding ARPA funds committed to paying legal fees. Mr. LaPorte explained OHPA receives approximately \$11K per month from ARPA to pay for legal fees. However, the legal fees exceed that amount every month. There is approximately \$303K left in ARPA. It expires December 2024. He explained his email was sent to put the Board and the Port Attorney on notice that at some point there will be no funds to pay for legal fees after the ARPA funds are expended. Subsequently, only the quarterly fixed fee funding is available to pay for operations. OHPA receives FMIT reimbursements for a specific matter. Those funds are used to pay for legal fees when received and have a threshold per year. Mr. LaPorte also explained OHPA can only submit the wages of the Commissioners for ARPA reimbursements. There are sufficient ARPA funds to pay for the Port Executive Director's salary until it is exhausted. There are no reserves or excess funds in the bank accounts.

Chairman Fullwood suggested to continue discussions in length at the budget workshop later in the month. Vice Chairperson Hill reminded OHPA cannot auto-renew the Port Executives Director's contract without discussing sufficient funding. Mr. LaPorte also reported Mr. Kaufman is aware after the ARPA fund is depleted, OHPA cannot pay for his position. His contract auto-renews on August 21st. There is a 60-day requirement for OHPA to provide notice to the Port Executive Director. Vice Chairperson Hill wanted to confirm there will be no auto-renewal of said contract.

b. Customs and Border Protection-CBP (facility)

Commissioner Nelson reported the CBP complained about the no-action on OHPA's part in response to their facility request. He read the lease agreement, in

part, that *after the expiration of this term, the lease will automatically renew on a year-to-year basis upon the anniversary of the Commencement date each year thereafter for three additional years but not beyond April 19, 2024.* He added there are no more extensions left. Current CBP facility does not meet CBP's requirements. He asked the Board if OHPA intends to search for a new facility or renegotiate the current one. There were plans with the cruise business to build a multi-purpose facility that would house CBP but that was voted out of the Master Plan. Mr. Kaufman explained to pursue federal grant funding for a facility would take some doing, special procreation, with the Congressional delegation and probably the State. Commissioner Nelson suggested be up front with CBP ahead of time. He fears if CBP leaves, they might discontinue to designate Port of Fernandina as a port of entry. The Chairman directed Mr. Kaufman and Mr. Gilbert to schedule a meeting with CBP.

8. New Business

a. Security contract (Amendment)

Mr. Kaufman recommended the Board approve an amendment to the current Allied Universal contract. Commissioner Nelson added there will be an hourly increase in pay by \$4.00 for the Site Supervisor. Savage Services agreed to the appointment of the Site Supervisor and the pay increase.

Vice Chairperson Hill motioned to approve the amendment to the contract. Commissioner Nelson second the motion.

Discussion: Vice Chairperson Hill acknowledged the positive contributions the Port Operator brought to the Port. It is evident with Port staff and the community.

The Board voted unanimously in favor of the motion.

b. Peck Center office space (Lease agreement update)

Mr. Kaufman presented a lease agreement with the City to rent an office space at the Peck Center. It is a 3-month agreement to align with the City's fiscal year and renews annually. Subsequently, the lease agreement will be presented to the City Commission for approval.

Commissioner Taylor suggested the Board consider holding its meetings at the Peck auditorium. He motioned to approve the lease agreement. Commissioner Nelson second the motion.

The Board voted unanimously in favor of the motion.

c. Business Opportunities (Port Director report)

Vice Chairperson Hill reminded she asked for a business plan/future revenue report from the Port Director at the last meeting. Mr. Kaufman explained his search for business opportunities continues and is on-going. One specific opportunity is the potential sale of OHPA real estate. There are conversations in progress regarding the use of property along the waterfront. Additionally, there

are preliminary opportunity negotiations that are not yet ready for public disclosure.

Vice Chairperson Hill reminded the Board when Mr. Kaufman was hired, he was tasked to find additional revenue. She acknowledged all his efforts thus far. However, past revenue ideas were non-viable. Time had been spent for the better part of the year trying to establish a sustainable business model, and OHPA has yet to see any revenue aside from the Harbor administration and bunkering fees. Mr. Kaufman explained the business opportunities are works in progress. It takes time to come to fruition. Vice Chairperson Hill remarked the Board has yet to see a business plan to address OHPA's revenue needs, especially to fund the Port Director position, since it was requested from a month ago. She suggested it is responsible practice to have a plan that will move OHPA from its current status to the next level. Commissioner Taylor agreed and suggested to search for opportunities outside the Port. Mr. Kaufman offered to discuss the opportunities he is working on offline, individually with the Board. Commissioner Nelson reminded the Port Operator just introduced Mr. McPhail as the Senior Commercial Developer. It seems redundant to have a Port Director on OHPA's side and a Commercial Developer on the Port's side. The Board asked for more tangible results rather than reports of business conversations. Chairman Fullwood defended Mr. Kaufman and conveyed he is diligently at work in search of outside opportunities. OHPA's finances will dictate whether his position will be sustainable at the end of the ARPA funding. Mr. LaPorte asked the Board to consider what it expects from its Port Director besides the revenue matter. Commissioner Cole added Mr. Kaufman represents OHPA in the Florida Ports Council and attends many meetings specifically at the Transportation Planning Organization-TPO. The Chairman directed Mr. Kaufman to provide a list of all the contacts he has had to demonstrate his efforts in the past year. The matter will be discussed at the Budget workshop, June 28th, 3PM, at the Florida State College, Jacksonville.

9. Committee Reports

Commissioner Nelson provided a written report for his committee reports.

- **Port Security** – Commissioner Nelson
New Site Supervisor is in place.
No other issues reported at this time of this report.
- **FDOT** – Commissioner Fullwood
Daniel Hubbard is leaving FDOT to Boston.
- **Customs House and Port Facilities** – Commissioner Nelson
CBP Port Facility Office:
Commissioner Nelson met with CBP Port Director Steve Parrott to discuss the requirements of the current contract for the CBP office. Mr. Parrott provided him a copy of the contract between OHPA and CBP that covers the requirements for CBP. In looking at the contract, all of the extensions have been used with nothing done to meet the contractual requirements. Mr. Parrott stated that the current CBP office facility does not meet any of the CBP requirements. This will require

further attention by the OHPA Board of Commissioners. Mr. Parrott stated that a contractor was selected to complete the final stage of connecting the new IT equipment that was previously installed. Scheduling to be determined by the contractor. No further issues were noted with the office at the time of the aforementioned discussion.

Tug Boat (Fort Clinch):

The Tug Captain and crew completed the major deficiencies that were noted in the survey completed by (TBS Marine Safety and Compliance). There are still several minor issues that still remain to be corrected by the Captain and crew. The Drop-Dead Deadline to have the Haul Out inspection and All documentation completed is Thursday, August 31, 2023.

Liebherr Container Crane # 9:

Savage Services Maintenance crew continues to work on the spreader electrical issues.

Liebherr Container Crane # 10:

No issues reported at the time of this report.

Liebherr Mobile Harbour Crane:

No issues reported at the time of this report.

OHPA Yard Trucks:

Trucks # 619, 620, 621, 622, 623 and 624. All trucks are in service and with no issues reported at the time of this report.

Warehouse # 3 (Corrosion) / Rail Dock Canopy (Storm Damage):

Estimates should have been sent to OHPA for Commissioners review.

Note: Copy of the CBP Contract given to Rossana Hebron at the conclusion of the 6/14/2023 meeting.

- **Army Corp of Engineers** – Commissioner Fullwood
Dredging was completed.
- **Economic Development** – Commissioner Cole
The recent business contract for a space at the Crawford Diamond fell through.
- **Emergency Management** – Commissioner Cole
Nothing to report.
- **Technical Coordinating Committee (TCC)** – Commissioner Taylor
Nothing to report except there are funds available for conversion to alternative fuel. Mr. Gilbert will review.
- **Transportation Planning Organization (TPO)** – Commissioner Cole

Nothing to report. Vice Chairperson noted there is a new Jaxport representative, Suzie Wu. Also, Jaxport announced two new investments in the port.

FDOT group was present at the meeting to introduce Target Zero Outreach focused on distracted drivers and behavior modification among young people to promote safe driving. Vice Chairperson Hill will share the contact information for the group.

- **Nassau Chamber of Commerce**– Commissioner Hill
Vice Chairperson Hill requested Regina Duncan’s presentation to the upcoming August meeting.
There is a Business After Hours event at First Port City bank tonight at 4:30 PM.
- **City of Fernandina Beach** – Commissioner Fullwood
PILOT matter discussion is in progress. Mr. Krechowski will update accordingly.
- **Community Outreach** – All Commissioners per District
Commissioner Taylor noted the school district recently held an entrepreneur camp for middle school students where they presented business plans.

10. Administrative Office Manager Report

Mrs. Hebron submitted a written report included in the meeting packet. She reminded the Board the budget workshop is June 28th at the FSCJ campus at 3PM. She will process the \$20 payment for custodial fee. Also, the facility requires a crowd manager for the workshop, and Mrs. Hebron will assume the role for OHPA.

Additionally, Mrs. Hebron noted OHPA received a credit of \$5201 from the legal fees for the invoices paid thus far (February to September 2022) that reflects the corrected payrate of \$350 per hour.

Mrs. Hebron addressed the agenda posting complaint from last meeting. Per Mr. Krechowski, the Florida Statute 120.525 and 120.52 do not apply to OHPA because of the definition of an “agency”. Thus, OHPA is not required to post its agenda 7 days prior to the meetings. She will try; however, to post as early as possible as a courtesy to the public.

She asked the Board to submit their items to include in the Port Operator’s anniversary report.

Finally, as an update on the change of OHPA meeting time from 6 PM to 5 PM, BOCC denied that request because the Chamber is not available.

11. Other items to be brought by Commissioners

a. Legal invoices

Chairman Fullwood reminded OHPA is charged a fee for every time a Commissioner requests counsel from the Port Attorney. He cautioned the Board to use discretion to limit the cost of the Attorney’s services. Vice Chairperson Hill suggested advance planning on the Commissioners’ part to mitigate the cost. For

example, Mr. Krechowski charged \$900 to prepare a statement for the Chairman at the last meeting. She noted Balch & Bingham might allow a blanket discount on the unpaid invoices. She asked for the Board's consensus for a specific number to request for a discount. She suggested 15% off the outstanding invoices and emphasized OHPA needs to pay the invoices on time. The Board will discuss at the Budget workshop.

Adjourn

With no other questions brought before the Board, the meeting was adjourned at 8:00 PM.

Danny Fullwood, Chairman

Date

OCEAN HIGHWAY & PORT AUTHORITY



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

Budget FY 2023-24 Workshop Minutes

June 28, 2023

The Ocean Highway and Port Authority of Nassau County held its Budget FY 2023-34 Workshop on Wednesday, June 28, 2023 at the FSCJ- Betty P Cook Nassau Center, 76346 William Burgess Blvd, Yulee Room A-114, Yulee, FL 32097.

The Budget workshop was called to order at 3:00 PM by Chairman Fullwood. The invocation and pledge were led by Chairman Fullwood. Roll call was not conducted. Notably, all Commissioners were present. Also in attendance were David Kaufman, Port Executive Director, Patrick Krechowski, Port Attorney, and Pierre LaPorte, Port Accountant.

There was no meeting agenda submitted. Discussions strictly pertained to the proposed budget for FY 2023-24.

Mr. LaPorte distributed copies of version 3 of the budget and provided a copy to Mr. Lednovich, Observer newspaper representative.

Chairman Fullwood directed the Board to provide input and changes to the budget. Every line item was explained and discussed.

Some highlighted items:

- Mr. LaPorte explained the only qualified expense/source of reimbursement from ARPA comes from the OHPA wages/salaries (Commissioners, Port Executive Director, and Office Manager) only. These are submitted to ARPA every quarter since April 2021. To date, OHPA received \$439,366.23 of the \$806,772 total amount awarded to OHPA. The remaining amount is \$367,405.77. ARPA expires December 2024.

He continued to explain the items paid by ARPA funds are; the Port Master Plan (50% local match)- \$149K, Port Director salary- \$129,996, and legal fees- \$160,370. The planned expenditures for the funds are; Port Director salary- \$144,662 (July 2023-September 2024), legal fees (currently due)- \$77,169, and unallocated funds- \$145,576.

Mr. Krechowski disputed the amount of \$77,169. Per his record, the outstanding amount should be \$115,577 as of May 2023. Mrs. Hebron will reconcile the numbers from her spreadsheet. To clarify, Mr. LaPorte emphasized when the ARPA funds are depleted, OHPA has to limit the budgeted items for the coming fiscal year starting October 1, 2023, particularly, the legal fees. Mr. Krechowski stated his firm is willing to discuss and apply discounts/right offs after the outstanding total amount is confirmed.

Mr. LaPorte confirmed for Vice Chairperson Hill most of the revised legal invoices pertained to the PILOT matter. The legal invoices are not considered for ARPA reimbursements per the grant requirements, only the OHPA wages. Only the Property Appraiser matter is subject to FMIT reimbursements (\$100K per year). Vice Chairperson Hill thought ARPA funds can be used for infrastructure projects. Mr. LaPorte confirmed, only after following federal procurement process. OHPA has not had any infrastructure project that would satisfy that criterion. The Security invoices were rejected for reimbursements. She suggested bidding for the Customs House as a federal facility project. He confirmed; however, the funds have to be spent by December 2024, a short timeline. There may not even be enough left from the funds for such a project. Mr. LaPorte suggested reallocating funds from the budget for the legal invoices.

- **Proposed Budget FY 2023-34**

An inflation rate of 4% was applied and will adjust accordingly per the September rates.

Mr. LaPorte asked for directions on what to do with the Miscellaneous Income line item under Revenue, the \$2K Bond conduit annual fee due to OHPA from the trustee. Payments have never been received since its inception in 2019. Mr. Krechowski will review past correspondence with RBC (trustee).

The Operator provided updated dollar amounts for the Harbor Administration and Bunkering revenues.

Under Expenses/Commission Direct, line-item Workman's Compensation was added per the State Division of Worker's Compensation requirement. Mr. Kaufman is researching different policy quotes.

From past conversation with the Port Attorney, Mr. LaPorte advised the outstanding legal fees will be paid as funds become available. The Port Attorney is aware and accepted the payment terms.

The current fixed fee for the Port Attorney salary is \$60K annually, up to 15 hours per month (\$300/hour) of general legal representation/meetings. It does not include litigation representation (\$350/hour). Mr. Krechowski clarified that if he is not working on a case while waiting on court decision (Property Appraiser matter), OHPA is not charged.

The rental fee for the Peck Center starts July 1, 2023 was added as another line item under Expenses/Commission Operation. The lease agreement is pending approval by the City Commission on July 5th. It increases by 4% inflation rate.

Mr. LaPorte asked for Board direction if the budgeted wages for the Office Manager (\$41,261) should be maintained or reduced. Mrs. Hebron is averaging 80 hours per month on an hourly rate. To date, she earned \$15K of said budgeted amount. Chairman Fullwood suggested to hold the budgeted \$41K.

Mr. LaPorte suggested increasing the Office expenses budget, currently at \$4K, for office equipment and furniture. A conference table, chairs, and additional desk are needed. Will search for surplus office furniture from other organizations. Mr. Kaufman proposed a security service for OHPA meetings should the Board decide to relocate to the Peck auditorium from the BOCC Chambers.

Mr. Kaufman updated the allocated amount for the TPO membership to \$1497.

Mrs. Hebron confirmed Special meetings need to be noticed in the newspaper; therefore, the allocated \$600 should hold. The consensus is to maintain said amount.

Mr. Kaufman suggested adding IT support to the Website line item.

Mr. LaPorte explained the insurance includes the Port equipment. If OHPA does not have enough funds to pay for the policy, then the Operator is incumbent to pay. However, the Port Operator may decide at some point to self-insure.

As it stands, there is \$4,494.01 in excess revenues over expenditures.

- **Discussions**

Commissioner Taylor conveyed his concern the excess of \$4500 is tight. He suggested introducing a pay cut for the Commissioners' salaries by \$500 per month. Chairman Fullwood suggested to refrain from taking action until the need arises. Commissioner Cole concurred with the Chairman.

Mr. Krechowski offered to review his general hours after six months and determine if an adjustment is needed to the flat fee \$4500 per month.

Commissioner Nelson agreed with Commissioner Taylor that the \$4500 excess is not fiscally responsible. He is not opposed to the suggestion of decreasing the Commissioners' salaries. He emphasized the Board has the responsibility to protect the integrity of the Ocean Highway and Port Authority.

Mr. LaPorte explained the fixed fee is spent to run the Port Authority. The one major concern is the litigation. Decreasing the Commissioners' salaries by \$30K will only alleviate the financial issues for two months. It will not fix the issue. OHPA needs to control the litigations and bring it to an end. Commissioner

Taylor agreed decreasing the pay will not fix the issues but will alleviate some of it. Additionally, Mr. LaPorte suggested the Board focus on the Port Director and decide what the Board needs him to accomplish in the next year. OHPA is investing \$150K in its Port Director. The Board needs to direct him.

Mr. Krechowski emphasized the Operating agreement is the source of all the financial issues. It is his opinion that OHPA will continue to have conflict with the Operator, the City, and the County because of the Operating agreement. The Operator declined to renegotiate said agreement. Mr. LaPorte added the same Operating agreement had been in place for thirty years. There are no substantive changes from it. Commissioner Nelson read the Operating agreement and determined it is written by the Operator for the Operator. He suggested the Board needs to standfast and make the necessary corrections. The Chairman stated the Operating agreement is the reason for the Property Appraiser's litigation against OHPA. Commissioner Cole recommended the Board needs to be aggressive with the Port Director's duties and the Operating agreement instead of focusing on decreasing salaries.

Mr. LaPorte suggested if the Board decides to renegotiate the Operating agreement, it will cost more than the proposed \$30K from the Commissioners' pay cut. Therefore, before going down that avenue, the Board needs to understand the cost that will incur.

Mr. Kaufman stated a lot rests on the current legal matters. He does not advise the Board to enter into another legal situation in renegotiating the Operating agreement. To date, the Operator is unwilling to renegotiate.

Vice Chairperson Hill proposed raising the Office Manager's salary to the median salary of \$45K on a full-time level and consider the matter for a vote at the next meeting. She also concurred about decreasing the Commissioners' salaries temporarily. Lastly, she reiterated the Executive Director was given notice from last meeting the Board will not renew his contract until after the budget process and requested he submits a business plan at the next meeting.

Mr. Kaufman asked for Board consensus for travel expenses to attend the Florida Ports Council meeting in Ft. Lauderdale on August 1-3. Mr. Krechowski advised the Board cannot take final actions at this meeting. The estimated cost is not to exceed \$700. The Chairman emphasized OHPA needs representation at the FPC meeting.

Additionally, Mr. Kaufman reminded the Board he would like to hold a joint workshop for the Resiliency Plan with the City on July 12th before the OHPA monthly meeting. Location to be determined. Vice Chairperson Hill suggested holding both the workshop and the OHPA meeting at the Peck Center starting at 5PM pending the City Commission's confirmation.

Adjourn

With no other questions brought before the Board, the meeting was adjourned at approximately 4:40 PM.

Danny Fullwood, Chairman

Date



Port Attorney Report

TO: OCEAN HIGHWAY AND PORT AUTHORITY

FROM: PATRICK W. KRECHOWSKI, PORT ATTORNEY

RE: ATTORNEY'S REPORT

DATE: July 10, 2023

Nassau County Property Appraiser

Hickox v. OHPA & OHPA v. Hickox

Current cases remains pending. Discovery initiated.

Cases consolidated by Order of the Court on March 1, 2023.

Savage issued denial of OHPA demand for indemnity on July 3, 2023.

Virtual meeting with bond administrator and bond counsel to discuss indemnity on July 10, 2023.

Active litigation is subject to attorney-client confidentiality privilege.

COFB v. OHPA

Case remains pending and will not be consolidated with *Hickox* cases.

March 1, Court Ordered parties to confer on trial schedule.

Savage has acknowledged obligation to provide PILOT payment contributions directly to OHPA, per terms and conditions of Operating Agreement.

Active litigation is subject to attorney-client confidentiality privilege.

Bond Conduit Fee

Virtual meeting with bond administrator and bond counsel to discuss bond fee on July 10, 2023.

State of Florida Auditor General

Notice received from Auditor General's Office regarding outstanding legal invoices. Port Attorney to contact Auditor General to discuss.

Public Records Requests

Port in receipt of two separate public records requests from C. Ross. Searching and reviewing responsive documents accordingly.

Legal Invoices

Invoices reviewed and updated to reflect appropriate arrangement and billing rates.

Miscellaneous

Remaining OHPA assigned tasks actively being worked on.



Port Accountant Report

NASSAU COUNTY OCEAN HIGHWAY & PORT AUTHORITY

Monthly Financial Report - June 2023

	June	YTD ACTUAL	BUDGET 2022-2023
Revenues			
Quarterly Fee	0.00	242,686.32	297,017.00
2019-2022 COLA Quarterly Fee	0.00	33,540.00	0.00
Audit Fee Reimbursement	0.00	0.00	0.00
FMIT Reimbursement	25,356.85	60,014.53	0.00
Misc Income	0.00	582.23	2,000.00
Legal fee Reimbursement	0.00	0.00	0.00
ARPA Reimbursement	0.00	220,574.59	481,596.68
FDOT Grant Reimbursement	0.00	81,875.83	48,000.00
Port Revenue - Cruise	0.00	0.00	15,000.00
Port Revenue - Harbor Admin	0.00	0.00	20,000.00
Port Revenue - Other	0.00	0.00	0.00
Port Revenue- Admin & Bunkering	2,737.50	10,312.50	0.00
Interest	0.00	0.01	0.00
TOTAL REVENUES	28,094.35	649,586.01	863,613.68
EXPENSES			
COMMISSION DIRECT			
Salaries - Commissioners	10,000.00	90,000.00	120,000.00
Payroll Taxes	1,749.63	16,192.36	11,361.00
Unemployment	0.00	204.65	75.00
Conferences & Travel	0.00	174.16	1,000.00
Insurance	0.00	0.00	1,134.00
Unpaid Legal Fees	0.00	81,569.75	110,000.00
Salaries - Board Attorney	28,955.75	187,234.97	60,000.00
TOTAL COMMISSION DIRECT	40,705.38	375,375.89	303,570.00
COMMISSION OPERATION			
Salaries - Exec Director	10,833.33	97,499.97	141,700.00
Bus Dev Expenses	0.00	969.14	5,000.00
Travel	0.00	0.00	1,000.00
Salaries- Accountant	1,900.00	17,100.00	22,800.00
Salaries - Office Administrator	2,037.65	17,195.09	41,261.00
Expenses - Office	1,016.86	25,868.36	4,000.00
Travel - Office Admin	0.00	100.00	100.00
TOTAL COMMISSION OPERATION	15,787.84	158,732.56	215,861.00
COMMISSION DISCRETIONARY			
Dept. of Revenue (Special Dist. Fee)	0.00	175.00	225.00
TPO. - Membership	0.00	1,453.00	1,329.00
Greater Nassau Chamber of Commerce	0.00	300.00	300.00
Advertisement	0.00	0.00	600.00
Web Site	0.00	266.92	500.00
Awards & Presentations	0.00	110.00	120.00
Masterplan	39,051.70	97,345.71	98,600.00
Discretionary	0.00	0.00	720.00
TOTAL COMMISSION DISCRETIONARY	39,051.70	99,650.63	102,394.00
PORT OPERATIONS			
FB Annual Fee - PILOT	0.00	0.00	0.00
CSX Right of Way Fee	0.00	0.00	750.00
Insurance	0.00	13,758.00	13,758.00
Audit	0.00	31,800.00	25,800.00
FL Ports Council Dues	0.00	15,500.00	15,500.00
Nassau Cty Economic Dev Board	0.00	0.00	1,000.00
Sponsorships	0.00	0.00	0.00
TOTAL PORT OPERATIONS	0.00	61,058.00	56,808.00
TOTAL EXPENSES	95,544.92	694,817.08	678,633.00
Excess Revenues over Expenditures	-67,450.57	-45,231.07	184,980.68

NASSAU COUNTY OCEAN HIGHWAY & PORT AUTHORITY

Customs House

Monthly Financial Report - June 2023

	<u>June</u>	<u>YTD ACTUAL</u>	<u>BUDGET 2022-2023</u>
INCOME			
GSA - Customs House - RENTAL INCOME	0.00	0.00	0.00
Reimbursements	343.63	3,682.19	0.00
Miscellaneous	0.00	0.00	10,262.00
TOTAL INCOME	343.63	3,682.19	10,262.00
 CUSTOMS HOUSE			
Bug Out Pest Control	0.00	600.00	1,062.00
River Pest Control Termite Bond	0.00	0.00	0.00
Bug Out Termite Bond	0.00	0.00	0.00
Cleaning Service	0.00	0.00	2,700.00
City of Fernandina Beach (Water)	82.06	802.71	1,500.00
Florida Public Utilities (Electric)	310.21	2,236.03	5,000.00
Maintenance	0.00	0.00	0.00
 TOTAL CUSTOMS HOUSE	 392.27	 3,638.74	 10,262.00
 <u>Net Increase(decrease) in Funds</u>	 -48.64	 43.45	 0.00

NASSAU COUNTY OCEAN HIGHWAY & PORT AUTHORITY

Account Balances - June 30, 2023

Account Name	Acct Num	30-Jun	31-May
Operating	x3328	114,181.47	132,974.66
Other - Admin Acct	x6714	294.49	214.98
Maintenance	x4519	112,427.85	142,216.97



Port Executive Director Report

Ocean Highway and Port Authority Board Submission

Item Number: BD-23-07-01

Title: Real Estate Advisory and Brokerage Services

Background:

At the May 10, 2023, OHPA Commission Meeting, the Board authorized the solicitation of a Request for Proposals (RFP) for Real Estate Advisory and Brokerage Services associated with the OHPA-owned non-industrial parcels of property adjacent to the Port of Fernandina. The RFP was advertised on May 24, 2023, by placement on our website, through Demandstar and direct emails to individual members of the Amelia Island Nassau County Association of Realtors. A deadline reminder email was then sent to all members of the Association on June 25th.

The deadline for responding to the RFP was advertised as 3:00pm on June 30, 2023. As of that date/time, six apparent qualified and responsive bids were submitted. The Respondents included:

Amelia Coast Realty

Cabana Lane Realty

Exp Commercial

John Stack Realty

KW Commercial

Marcus & Millichap

Recommendation:

It is recommended that the Commission form an Evaluation Committee comprised of myself, Mr. Krechowski and one Commissioner to

independently review and rank the firms based on their written responses to the information requested in the RFP. Once completed, the Committee will then reach consensus on a shortlist of respondents to interview. Based on the written responses and individual interviews, the Evaluation Committee will then prepare a final ranking and present a recommendation to the full Commission at the August Board Meeting. The recommendation will include the recommended firm and a proposed listing agreement.

Submitted By:

David Kaufman

Executive Director

2022/23 Executive Director Self-Assessment-Major Activities-Business Plan

Major Activities Performed

Tariff Update

Provided a full review of the Port of Fernandina Tariff, including Rules and Rates, which had not occurred for several years prior. Identified two new revenue opportunities for the Port Authority including a Port Administrative Fee and a Bunkering Fee, both of which were approved by the Commission and put into effect. Combined, these two new fees should generate between \$20,000 and \$24,000 annually based on current levels of activity. As the number of ship calls increase, the amount of fees that are generated will also increase. All Tariff changes were coordinated with the Terminal Operator, affected industry, and outside legal counsel.

Port Master Plan

Provided management oversight and Client representation to the Master Planning Team. Developed significant strategic concepts including those related to access improvements and the development of the small cruise ship market as an opportunity to generate OHPA revenue, including a market evaluation and identification of physical improvements necessary to support the business. Provided coordination with the City of Fernandina Beach, the Stakeholders Committee, our State and Federal partners, and others during the planning process, which included a significant amount of community involvement unlike previous planning efforts. As a result, final approval of the Port Master Plan marked the first time in many years that there was general consensus among the port and the community regarding the major aspects of the port's future.

Administrative

Worked with the Chairman to streamline and better organize Commission Meetings to include introduction of Board Submission Forms. Provide regular and on-going communication with Commission members regarding issues of concern. Helped brief and onboard two new Commissioners who began their service on October 1, 2022.

Submitted Tangible Property Forms to the Nassau County Property Appraiser for OHPA-owned property on the Terminal (first time this has been done)

Coordinated with Legal Counsel and Accountant on issues related to OHPA's business including litigation matters, budgetary considerations, grant compliance and other matters.

Coordinated our office space issues with the Nassau County Tax Collectors Office until such time as a new solution was found. Worked with the City of Fernandina Beech to identify a workable solution at the City-

owned Peck Center. Negotiated a lease arrangement with the city which has now been approved by the City Commission.

Provide regular and on-going communication, support, coordination, and interaction with the Terminal Operator. It should be noted that the current Operator took over the Operating Agreement within a month or so of my start date. Worked with the Operator to evaluate opportunities to improve upon the Operating Agreement to both Party's benefit. Introduced the Operator to grant and business opportunities.

Implemented the Demandstar Procurement platform to increase bid awareness in the market.

Environmental

Working with the environmental consultants (provided by the Operator) to submit the required documentation for the required Submerged Land Lease in coordination with the State of Florida.

Met and coordinated with FDEP representatives to ensure the Operators compliance with State air and water regulatory matters resulting from the cement shipments. Ensured that Best Management Practices (BMPs) agreed upon between the Operator and FDEP were complied with. Engaged with the Terminal Operator regarding a recent reportable event regarding a small discharge of hydraulic fluid from the Clyde crane Ensured proper BMPs were utilized and that the appropriate agencies were notified.

Through coordination with FDOT, received State funding (approximately \$150,000 managed by FDOT) for a Port of Fernandina Resiliency Plan. This planning effort, which is fully funded and administered by FDOT, was recently commenced, and will continue through the Summer. The result will be an identification of areas of vulnerability, including the sources of flooding, and solutions to the problem, which will then position the Port for Federal and State resources. The planning effort is being closely coordinated with the City's efforts. This coordination is significant as the Federal grant funding match under the PROTECT Act increases to 93% with only 7% of an approved Project needing to be funded through State and Local (including private) resources, as long as it can be demonstrated that the Port's plan is consistent with that of the State and Local government's plan.

Managed the bidding process and funding agreement with the Terminal Operator for the required maintenance dredging of the Terminal berths.

Working with FDEP to determine if the Authority can capitalize on previous mitigation measures, including the conservation easement, that were provided by the Authority in advance of a proposed project (berth extension) that was never initiated.

Encouraged the FDOT to develop a FEMA Handbook for ports to utilize in order to ensure full compliance with reimbursement requirements in the aftermath of a storm or other catastrophic event. As a result, the FDOT has retained the services of a private consultant to develop the handbook.

Transportation

Identified the need for additional safety enhancements at the railroad crossing on Dade Street at Front Street. Coordinated an on-site meeting with FDOT, the City and the Railroad to evaluate the need and opportunity. FDOT is now coordinating the next steps with the City.

Identified the opportunity to designate certain city streets as Port District Roads as a means to ensure regulatory compliance as well as increase safety awareness around the Port. This item was included in the Port Master Plan. Coordinated the submission and approval of a Resolution by the City of Fernandina Beach supporting such designation. Coordinated with FDOT for the production of the signs and with the City to install the signs once produced.

Socialized the idea of improving Escambia Street as a port entrance road with the North Florida TPO and received a preliminary commitment of funding for a Preliminary Design and Engineering (PD&E) Report regarding options for providing alternative access to the Port. This initiative was later cancelled as part of the Port Master Plan process.

Providing regular and on-going coordination with representatives of FDOT District 2 and serving as an Alternate on the TPO Technical Coordinating Committee.

Security

Managed the bid process for our Security Contract and negotiated a one-year renewal at the current rates, subject to a 6-month review.

Negotiated the IT and Communications Infrastructure Agreement with US Customs and Border Protection, and a funding agreement with the Operator to pay the local share of the cost. Worked with the FSTED Council to reallocate funding to provide the State match.

Grants

Received an in-kind grant of approximately \$150,000 from the Florida Department of Transportation to develop a Resiliency Plan for the Port of Fernandina

Provided direct communication and coordination with the FDOT, FSTED Council, Florida Ports Council, and the Operator regarding the use of State grant funds, including, successfully reallocating existing grant funds to high priority projects in order to meet the required drawdown periods for the grants already received.

Managed the process of preparing and submitting the required quarterly reports as part of the MARAD Marine Highway Grant Program and continuing to provide direct coordination with the Operator and MARAD to ensure grant compliance.

Continued to work with the Operator in identifying and evaluating grant opportunities, including coordinating an initial meeting with the North Florida TPO Clean Fuels Coalition to potentially fund the conversion of port equipment including forklifts and other cargo handling equipment from diesel power to electric.

Economic Development/Revenue Generation

Developed small cruise ship business model as a means to generate additional OHPA controlled revenue. This effort included direct communication with ship agent representatives and the development of a cost-effective facility development plan. This strategy was ultimately eliminated as part of the Port Master Plan.

Developed recommendation to dispose of non-industrial, non-waterfront properties in order to provide additional revenue for OHPA. Developed and advertised a Request for Proposals from interested real estate brokers to provide advisory and brokerage services.

In process of working with other waterfront landowners to develop a strategy for better utilization of an OHPA-owned parcel on Front Street, south of the Terminal.

Provide regular communication and coordination with all economic development entities in the region to promote the port and the county resources for continued economic growth.

Explored market opportunity for conduit financing with financial advisors.

Provided coordination with several cargo prospects with the Operator as potential leads. A few are still under consideration. These included special project cargo, bulk cargo, and ro/ro cargo that might be able to utilize Crawford Diamond. Working with the Operator to evaluate the market potential for providing much-needed raw materials to the 2 mills on the Island by barge, thereby reducing the number of log trucks. This concept is in its' infancy and much more work will be needed in order to determine its feasibility.

Interagency/Intergovernmental Coordination

Began the process of reestablishing trust, credibility and working relationships with our local, State, Regional and Federal partners. Provided regular and ongoing communication and coordination with the following:

City of Fernandina Beach – Including Commissioners, City Manager, City Engineer, City Planner and City Attorney

Town of Callahan – Mayor and Fire Chief

Nassau County – including County Manager, County Planner, County Economic Development Director, County Property Appraiser

Florida Department of Transportation – District 2 and Central Office

Florida Department of Environmental Protection – Jacksonville District

US Army Corps of Engineers – Jacksonville District

US Customs and Border Protection

North Florida Transportation Planning Organization

Florida Ports Council, FSTED Council

Nassau County Economic Development Board

Amelia Island-Nassau County Chamber of Commerce

Camden County Economic Development Board

Enterprise Florida and the Florida Department of Commerce

US Maritime Administration

Serves as the primary point of contact with the Florida DOT (and indirectly the Governors Office) regarding the status of the Terminal and Operations during major storm events.

Public Outreach

Public speaking events before the City of Fernandina Beach City Commission, Leadership Nassau, Jax Chamber Transportation and Logistics Council, Amelia Island Newcomers Group, Amelia Island Chamber of Commerce Board of Directors, and individual Chamber Councils

Engaged historic district residential neighbors through the Port Master Plan Stakeholders Group and other opportunities.

Discussed the port's mission and issues directly, and maintain an open line of communication, with the Fernandina Beach News Leader and the Fernandina Observer.

Working jointly with the Operator to develop a Communications and Outreach Plan

Overall Assessment

The position of Executive Director was created in 2022 as a means to bring organizational structure to the Authority and to assist the Authority in meeting its obligations to provide appropriate management and governance over the Port of Fernandina and to promote economic development throughout Nassau County. Historically, this position was either staffed by the private terminal operator or through an interlocal agreement with the Nassau County Economic Development Board (EDB). The conflict-of-interest issues associated with utilizing the private terminal operator to serve in the public role of Executive Director came clearly into light in recent years. The use of the EDB Executive Director to serve jointly as the Executive Director for OHPA was primarily for public representation for Florida Ports Council/FSTED Council purposes, some grant administration efforts and greater coordination with the EDB. It is my understanding that wearing both hats put some strains on the activities of the EDB.

The availability of the American Rescue Plan Act (ARPA) funds allowed the OHPA Board to create and fund the OHPA Executive Director position, for at least 3 years. The OHPA Board and I entered into an employee agreement with the objective of developing sufficient revenues within the three-year period in order to

make the position self-sufficient in future years, in addition to addressing the other responsibilities associated with the position of Executive Director, as outlined above.

The strategy for the first year of the 3-year period was focused initially on rebuilding the credibility of the Agency with all of its public and private partners which had been lost over a period of time. The primary vehicle for doing that was the Port Master Plan, which for the first time, involved a significant level of public engagement with the community and our other agency partners, and resulted in approval by the OHPA Board. Much of the first year was focused on the Plan and ensuring that our actions were consistent with the Plan and that we did not get too far over our skis in pursuing projects prior to reaching plan consensus.

Unfortunately, during the course of the year mounting legal bills associated with lawsuits that were initiated prior to my start date, diverted resources, and shortened the time for the Executive Director position to 2 years. Much was accomplished in the past year, and much more is required. The successes of the past year are largely attributed to the close working relationship that was established between the Executive Director and the Board (in particular, the Chairman who spent many hours a day in close coordination) as well as the support received from the Administrative Assistant, Accountant, and legal Counsel. This continued engagement, particularly with the Commissioners is vital to future successes.

Should OHPA be able to extend the term of the position of Executive Director and make it self-sustaining, additional consideration should be given to an appropriate level of delegation of authority related to the budget and staff reporting in order to make the operation more efficient. Additionally, previous coordination roles previously held by Commissioners such as the North Florida TPO's Technical Coordinating Committee and the NCEDB representation should be formally assigned to the Executive Director. Additional consideration should also be given to streamlining the Commission Meetings to only address items that have been placed on the agenda and for which the Commission has been provided adequate private time to consider and evaluate or are of an emergency nature.

Business Plan/ Moving Forward

Revenue generation is clearly a priority, for without it this position would likely be eliminated and the elected OHPA Board would then be responsible for conducting the on-going daily business of the Authority. It should be understood that the revenue challenges that OHPA faces is somewhat short-term in nature. With reasonable assumptions regarding cargo growth (2% annually from 2021/22), the current Operating Agreement should generate sufficient revenues to support the full staffing of OHPA, provide additional revenue for other OHPA activities and provide for annual maintenance projects at the Port beginning in about 7 years (FY 2030/31).

Generally speaking, in order to generate additional revenue, we must either have a service or product that we can sell or lease to someone who needs that service or product and the resources to market it. At this time, OHPA has limited ability to grow additional revenue on its primary asset, that being the Port of Fernandina. In time, the Operating Agreement will generate additional revenue, however it will likely take several more years until OHPA generates a significant amount of revenue that it can use for its own purposes.

The Port Master Plan process determined that OHPA would not expand its industrial footprint into the Historic District. The result of that decision was that several (3) parcels of property that lie within the Historic District and are zoned for residential or mixed uses are now being considered for sale or lease. The OHPA Board recently authorized me to advertise for real estate advisory and brokerage services associated with the disposition of those properties. Six responses to the Request for Proposals were received from a qualified brokers and will be presented the OHPA Board at its July 12, 2023, Commission meeting for further action. Three Brokers provide a Brokers Opinion of Value as part of their proposal, ranging from \$1.15 million to \$2.75 million.

A separate piece of OHPA property that is not utilized for port operations lies along the waterfront, south of the Terminal, and immediately adjacent to the Beacon Seafood property and private property which is currently used for fueling vessels. This site is graded, fenced and lighted and is zoned Waterfront Industrial. This parcel has the ability to function on its own, however, greater value may be gained if combined with the adjacent properties to create a significant waterfront commercial experience. Additional effort will be made to determine the level of interest of adjoining property owners in developing a larger development plan. This will be done in concert with the city as they move forward with their own waterfront redevelopment plans including work on the marina and their resiliency efforts. This parcel could play a significant role in both of these efforts.

I have also had conversations with a representative of the Town of Callahan as well as the EDB regarding an economic development opportunity that they have been pursuing for a period of time. This project may require a public/private partnership to develop and leaseback a manufacturing facility. Additional coordination is required with both the City and the EDB to better understand the requirements.

The sale of the three residential parcels will provide the OHPA Board with the opportunity to accomplish several activities. A portion of the funds (and any earnings on the funds) can be used pay the already incurred, and on-going legal fees associated with litigation, thereby extending the term of the Executive Director position for a period of time. Another portion of the funds can be used as working capital for the purposes of advertising and promotion of OHPA's capabilities and to extend our economic development activities, including additional work on positioning the waterfront parcel described above, and in considering some level of involvement with the Callahan project.

Considerations for these working capital funds should also include OHPA's own membership in JAXUSA Partners so we have a front-row seat in the economic development arena, next to the NCEDB, thereby raising the overall awareness of Nassau County and to give OHPA more visibility into companies considering Northeast Florida. A portion of the working capital funds should also be considered for travel and participation in industry activities and to visit with potential end-users. The remainder of the funds should be reserved as matching funds for capital grants or other investments that might be required in order to generate additional lease revenue, either associated with the waterfront parcel or otherwise.

One of the potential revenue opportunities that was identified by the OHPA Board, prior to my start date, was the use of our ability to offer conduit financing for economic development projects. Several years ago, OHPA served in that capacity for the issuance of the port related bonds for the Terminal Operator. By doing so, OHPA earned a one-time \$50,000 fee and an on-going \$1,500 annual fee. This service is now advertised on our website and, through our coordination, the Economic Development Board's website as well. As the staff of the EDB meets with industrial/economic development prospects this offering is provided. While it can be a very valuable tool for those companies that want to take advantage of it, the

appropriate applications for it are hit and miss at best and very limited. This revenue opportunity should be viewed as supplemental and not a reliable on-going source of revenue.

I have also been in discussion with the Operator regarding an agreement for commissions/finders' fees associated with opportunities that OHPA presents to the Operator and end up at one of the Operator's non-Fernandina locations. Similar to the conduit fees associated with Industrial Revenue Bonds, this could be a source of non-recurring revenue that could serve as a supplement to the budget.

Focus for 2023/24 Principal Objectives

While much has been accomplished there is still much work to do, including, but not limited to, revenue generation, as outlined below:

Complete the disposition process for the non-industrial properties.

Develop a business plan for the increased utilization of the waterfront isolated parcel.

Complete the Port of Fernandina Resiliency Plan

Complete timely spend down of existing grant resources and apply for new FSTED projects.

Continue to work with the Operator and Economic Development Entities on identifying and evaluating business opportunities, as identified above, and as new opportunities are presented.

Determine final outcome for the MARAD Grant acquired resources.

Complete Sovereign Submerged Land Lease

Identify additional grant opportunities, particularly in the areas of resiliency and energy conversion.

Complete implementation of the Communications and Outreach Plan

Continued coordination with the City of Fernandina Beach, the Railroad and FDOT regarding the railroad crossing at Dade and Front Streets

Help to resolve the outstanding legal disputes with the City and County

Increase coordination with the Towns of Callahan and Hilliard to support economic development efforts in the western portion of Nassau County

Develop and implement a plan of action to retain Customs and Border Protection services at the Port of Fernandina. Develop a re-use plan for the existing Customs House if it is not part of a longer-term component of the CBP operation.

Continue to work with the Operator to identify areas to improve upon, whether through amendments to the existing Operating Agreement, or otherwise.

Work with the Terminal Operator to determine if any tariff amendments are required or justified, and present recommendations to the Commission for approval.

Complete determination of potential value capture related to the environmental mitigation provided for projects not implemented.

Review Standard Policies and Procedures from other ports that might be considered for OHPA to provide more operational guidance.

July 6, 2023, Executive Director Report

Florida Ports Issues

The Florida Seaport Transportation and Economic Development Council (FSTED), and its subcommittees including the Seaport Environmental Management Committee, the FSTED Security Committee and the Florida Ports Council are having their summer meeting in Fort Lauderdale from August 1-3. The total cost to attend these meetings should not exceed \$750. I would like authorization from the Board to represent OHPA at these meetings.

Resiliency Plan

A kick-off meeting was held on Wednesday June 14 with the Consultant (HNTB), the Operator, railroad, the City and Westrock. At this writing, we are planning to hold a joint workshop with the City to update the two Commissions on the planning effort and our coordination. It is important that this planning effort be incorporated into the plans affecting the larger region.

Workers Compensation Insurance

OHPA is now being required, for the first time, to provide Workers Compensation Insurance for its Commissioners and employees. We are in the process of receiving quotes from FMIT and private insurance providers who participate in the State approved plan for public entities.

Port District Roads

At the City's June 6th Commission Meeting, the City approved the designation of the Port District Roads as recommended by OHPA. The FDOT and the City are now coordinating the installation of the signs.

Economic Development

I have had the opportunity to continue to meet with several potential users of the Port of Fernandina and continue to have on-going dialog with some of them along with the Operator.

MARAD Marine Highway Grant

Multiple meetings have been held with representatives of MARAD to ensure that OHPA is compliant with the requirements of the grant. Additional conversations have been held directly between the Operator and MARAD. We will continue to report on any progress made.

Office Space

We successfully moved out of the Tax Collectors Office on June 22 and temporarily into the Peck Center as the City approved our lease at their July 5 meeting. We are interested in identifying any sources of surplus furniture that can be acquired at little or no cost.

Real Estate Advisory and Brokerage Services RFP

We received 6 qualified responses to our RFP. This item is on the monthly agenda and is discussed in the Board Submission.

Annual Performance Review and Business Plan

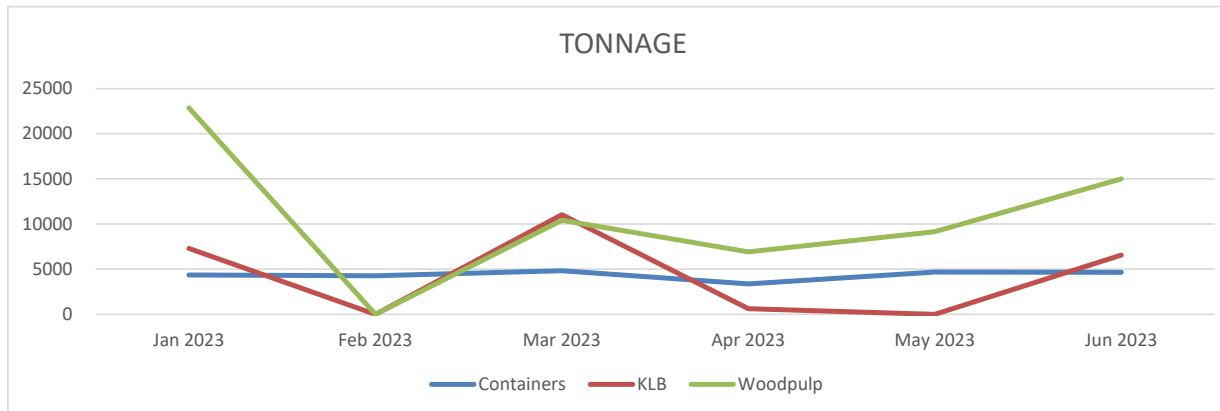
Attached as a separate document is my self-assessment of activities performed over the last year and my plan for next year's activities.



Port Operator Report

**Worldwide Terminals
Port of Fernandina
Tonnage By Commodity
2023**

Commodity	2022 Total	2023 Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	2023 YTD	2022 YTD	Variance
Containers																
Throughput Number	9,623	533	568	719	668	677	953	0	0	0	0	0	0	4,118	2,040	2,078
Container Tons	66,111	4,372	4,275	4,832	3,372	4,685	4,656	0	0	0	0	0	0	26,192	13,777	12,415
Total Equivalent Units (TEUS)	11,001	615	752	974	687	800	966	0	0	0	0	0	0	4,794	2,758	2,036
Restow TEUS	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Breakbulk Cargo																
Kraft Liner Board (KLB)	83,701	7,310	0	11,041	627	0	6,560	0	0	0	0	0	0	25,538	14,929	10,609
Lumber	10,108	5,137	0	0	0	0	0	0	0	0	0	0	0	5,137	0	5,137
Plywood/Hardboard	64,190	0	0	0	3,960	3,879	0	0	0	0	0	0	0	7,839	22,901	(15,062)
Steel	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	-
Woodpulp	138,960	22,872	0	10,410	6,931	9,171	15,012	0	0	0	0	0	0	64,396	31,746	32,650
Breakbulk Other	7,647	63	17,221	0	0	190	0	0	0	0	0	0	0	17,474	7,397	10,077
Bulk Cargo	5,560	0	0	0	0	0	0	0	0	0	0	0	0	0	0	-
Total General Tons	310,165	35,382	17,221	21,451	11,518	13,240	21,572	0	0	0	0	0	0	120,384	76,973	43,411
Total Tons	376,276	39,754	21,496	26,283	14,890	17,925	26,228	0	0	0	0	0	0	146,576	90,750	55,826
Operational Metrics																
Dockage Days	311	20	12	16	10	8	13	0	0	0	0	0	0	79	19	60
Vessel Port Calls	85	7	3	5	4	4	6	0	0	0	0	0	0	29	9	20
Total rail cars	1,631	107	144	153	83	109	145	0	0	0	0	0	0	741	183	558
Average trucks per day		22	33	33	27	24	28	0	0	0	0	0	0		44	
		22														





501 N 3rd St
Fernandina Beach, FL 32034
www.savageco.com

July 1, 2023

To: Mr. David Kaufman, Executive Director, the **Ocean Highway & Port Authority**

Pursuant to Section 2.3 of the Operating Agreement (Exhibit C), please find the Annual Maintenance Logs, Records and Summaries of Repairs to all OHPA owned equipment and facilities at Nassau Terminal.

As the thoroughness of this report demonstrates, OHPA's assets are being taken care of in a highly professional and thorough way by the Port Operator. Please find attached as Exhibit A the Maintenance Report for the OHPA equipment and facilities as compiled by our Facilities & Equipment Manager Mr. Stanley Herrington.

Further, please find attached as Exhibit B the projected capital costs related to the maintenance and CAPEX budgeted for OHPA's facilities pertaining to the next annual period from July 2023 through June 2024.

Sincerely yours,

Butch Gilbert

Sr. Director of Operations

Warehouse 1 Fire Protection

(Total Spend \$10,190.35)

- 07/01/2022 – Quarterly fire alarm monitor billing \$112.71
- 10/01/2022 – Quarterly fire alarm monitor billing \$112.71
- 09/16/2022 – Annual fire alarm inspection (NFPA 72) \$1040.60
- 10/13/2022 – Fire alarm service agreement \$1,065.00
- 10/14/2023 – Annual inspection, test and renewal \$786.67
- 11/15/2022 – Service call; drain and reset dry system \$1324.50
- 01/03/2023 – Quarterly fire alarm monitor billing \$112.71
- 01/24/2023 – Repair tripped system, reset \$2,520.00
- 03/20/2023 – Annual billing/Quarterly inspection (NFPA 25 Edition) \$786.67
- 04/03/2023 – Quarterly fire alarm monitor billing \$112.71
- 04/05/2023 – Service call; Repair valve, Reset and test \$2,216.07

Warehouse 2 Fire Protection

(Total Spend \$5,998.99)

- 10/14/22 – Annual inspection, test and renewal \$786.67
- 01/18/2023 – Repair system (replace 4” main) \$4,425.65
- 30/20/2023 – Annual billing/quarterly inspections \$786.67

Warehouse 3 Fire Protection

(Total Spend \$1,573.34)

- 10/14/2022 – Annual inspection, test and renewal \$786.67
- 03/20/2023 – Annual billing/quarterly inspections (NFPA 25 Edition) \$786.67

Facility Maintenance

(Total Spend \$30,227.44 and 479 hours)

- 06/07/2022 – Annual scale inspection (Dade St.) \$1,007.31
- 06/08/2022 – Repair dock light \$20.85 + 4 hrs.
- 06/14/2022 – Replace lights in Shrimp Yard \$1,935.77
- 06/17/2022 – Inspection mirrors/stripping paint for security \$380.00
- 06/29/2022 – Stripping paint-container yard \$395.21 + 8 hrs.
- 07/07/2022 – Replace security gate arm operator \$3,295.70 + 8 hrs.
- 07/26/2022 – Replace main gate \$2,100.00
- 08/09/2022 – Clean security gate office a/c. \$23.52 + 2hrs.
- 08/11/2022 – Gate opener repairs. \$23.03 + 4hrs.

- 08/26/2022 – Repaint dock strips and safety zones \$518.31 + 24 hrs.
- 09/06/2022 – Replace maintenance entry locks \$37.40 + 1 hr.
- 09/21/2022 – Refurbish crane shore power pits, add 4 units \$5,704.21 + 130 hrs.
- 09/16/2022 – Exterminate weeds around warehouses/terminal \$3,960.00 + 40 hrs.
- 09/26/2022 – Repaint curbs, safety zones, striping \$\$2,044.94 + 240 hrs.
- 10/14/2022 – Annual fire extinguisher inspection & certification \$2135.35
- 10/26/2023 – Disconnect & remove street lamps 2nd street @ warehouse 3. \$256.39
- 11/21/2022 – Repair A/C in Marine Bldg. \$285.00
- 12/21/2022 – Repair pylon straps on finger pier \$2,910.00
- 01/16/2023 – Replace GFI receptacle in maintenance shop \$25.67 + 2 hrs.
- 01/23/2023 – Repair NW rail gate \$937.64
- 02/08/2023 – Replace 4-yard lights (LED) \$458.00 + 8 hrs.
- 03/21/2023 – Repair lights in Marine Bldg. \$44.90 + 8 hrs.
- 04/25/2023 – Calibration and scale maintenance @ interchange scales. \$600.00
- 05/18/2023 – Rail gate repairs (units need replacing) \$1,130.24

STS Crane 9

(Total Spend \$42,522.12 and 165 hours)

- 06/03/2023 – Repair hurricane turnbuckles \$400.00 + 4 hrs.
- 06/08/2023 – Replace spreader cable sensor \$82.66 + 2 hrs.
- 06/13/2023 – Replace Electronic overload relays \$466.44 + 4 hrs.
- 06/16/2023 – Nidec Troubleshoot hoist \$2,00.54 + 16 hrs.
- 06/28/2022 – Complete engine service \$1815.10 + hrs.
- 07/07/2022 – Software to communicate w/PLC via laptop. +387.65
- 07/14/2022 – Replace batteries \$286.00 + 4hrs.
- 08/08/2022 – Proximity switches on spreader. \$1031.22
- 08/16/2022 – GE Technician onsite, Training & diagnose crane drive \$500.00
- 08/19/2022 – Replace elevator contactors \$893.99 + 6 hrs.
- 10/02/2022 – PLC batteries \$81.80 + hrs.
- 11/15/2022 – Replace 24 VDC contactors \$288.90 + 2 hrs.
- 11/17/2022 – Replace elevator contactors \$157.94 +3 hrs.
- 11/30/2-22 – Replace power board connectors 451.31 + 2 hrs.
- 12/05/2022 – Replace power supply board \$14,600.00 + 12hrs.
- 01/12/2023 – Repair and Cert elevator \$2,600.00 + 4 hrs.
- 01/19/2023 – Service call; Troubleshoot hoist/gantry – IO rack backplane \$830.00 + 24 hrs.

- 01/28/2023 – Replaced CPTL, A4 SCR, \$800.00 + 800.00 + 24 hrs.
- 01/31/2023 – Replace RX3I, CPU & AC PS racks \$76.67 + 8 hrs.
- 02/10/2023 – Replace Series 90-30 I/O modules \$162.69 + 4 hrs.
- 03/02/2023 – Repair Sterns brake ref. sensor \$1,251.90 + 4 hrs.
- 03/03/2023 – GE service call-used O-scope to diagnose hoist brake sequencing \$800.00 + 24 hrs.
- 03/30/2023 – Hoist brake adjustment \$66.31 + 4 hrs.
- 04/07/2023 – Lubricate hoist cables \$540.80 + 24 hrs.
- 04/12/2023 – Replace hoist brakes \$3,174.88 + 4 hrs.
- 04/17/2023 – Replace hoist drive card (outer) \$10,575.00 + 10 hrs.

STS Crane 10

(Total Spend \$36,536.13 and 165 hours)

- 06/06/2022 – Shorten (2) hurricane tie downs \$241.88 + 4 hrs.
- 06/08/2022 – Service air compressor \$159.90 + 2 hrs.
- 06/09/2022 – Replace hoist cable slap blocks \$591.42 + 8 hrs.
- 06/13/2022 – Replace electronic overload relay \$526.39 + 4hrs.
- 06/23/2022 – Replace cab air conditioner \$854.93 + 4 hrs.
- 07/05/2022 – Fluke infrared thermometer \$376.97
- 07/15/2022 – Crane/pier drawing \$1000.00
- 08/03/2022 – Replace alternator \$311.02 + 4 hrs.
- 08/08/2022 – Spreader prox switches \$1031.21
- 08/12/2022 – Replace prox switch mounts \$460.00 + 4 hrs.
- 08/26/2022 – Replace hoist control boots \$144.07 + 2 hrs.
- 09/06/2022 – Fuel treatment 116.58
- 09/08/2022 – Replace fuel line & filters \$755.88 +12 hrs.
- 09/15/2022 – Replace 10 KVA single phase transformer \$950.00 + 8 hrs.
- 09/26/2022 – Repair flipper \$221.72 + 4hrs.
- 10/02/2023 – Replace PLC batteries 163.60 + 1hr.
- 10/11/2022 – Clean fuel system, polish fuel \$2,491.00
- 10/19/2022 – Replace belts \$277.79 + 8 hrs.
- 10/24/2022 – Service gantry motors \$215.04 + 8 hrs.
- 10/25/2022 – Replace Engine Idler pulley \$191.71 + 10 hrs.
- 11/21/2022 – Annual inspection/certification \$650.00 + 2 hrs.
- 12/22/2022 – Replace elevator friction blocks \$1719.40
- 01/12/2023 – Elevator repair & inspection \$2,600.00 + 4hrs.
- 03/13/2023 – Service Call-Diagnose trolley failure \$1,350.00 + 24 hrs.

- 03/13/2023 – Elevator brake assembly \$13,073.87
- 04/07/2023 – Lubricate cables \$578.66 + 32 hrs.
- 04/10/2023 – Install elevator brake/install assembly \$4,400.00 + 8 hrs.
- 05/08/2023 – Replace gantry-stop \$539.87 + 2 hrs.
- 05/09/2023 – Replace ribbon cable in drive cabinet \$466.22 + 2 hrs.
- 05/31/2023 – Replace fittings, grease gantry \$97.00 + 8 hrs.

MHC 400 – Liebherr Mobile Harbor Crane
(Total Spend \$20,119.53 and 50 hours)

- 07/18/2022 – Complete Engine Service \$2,150.00 + 16 hrs.
- 10/14/2022 – Refurbish gantry brakes. \$3,021.25 +6 hrs. per bogie.
- 11/16/2022 – Replace cable drum pump. \$2,365.77 + 10 hrs.
- 12/12/2022 – Replace hose & fittings. \$206.91 + 4 hrs.
- 01/17/2023 – Add 50-gals hydraulic oil.
- 02/23/2023 – Purchase 4 tires \$2,681.50
- 02/24/2023 – Replace hydraulic hose
- 03/13/2023 – Purchase 4 tires \$2,681.50
- 03/16/2023 – Install 6 tires \$550.40 + 4 hrs.
- 04/07/2023 – Replace upper stairway door latch \$201.00 + 2 hrs.
- 04/07/2023 – Lube hoist cables \$270.40 + 8 hrs.
- 04/11/2023 – Purchase 4 tires \$2,681.50
- 05/08/2023 – Purchase 4 tires \$2,681.50
- 05/18/2023 – Install 8 tires \$627.80

Ottawa T2 Yard Trucks

(Total Spend \$69,463.46 and 39 hours)

- 06/17/2022 – (S3840) Replace air brake valve \$254.84 + 4 hrs.
- 07/27/2022 – (S3842) Rebuild transmission \$9,817.33
- 09/24/2022 – (S3841) Replace governor/air valve \$47.99/2hrs.+2 hrs.
- 09/28/2022 – (3842) Service call-replace air compressor, dryer \$5156.14
- 10/04/2022 – (S3840) Service call-replace dash valves, flush \$2,469.77
- 10/10/2022 – (S3839) Replace alternator, belts \$383.35 +6 hrs.
- 10/07/2022 – (S3838) Service call-replace air valves \$3,312.02
- 11/15/2022 – (S3842) Service \$700.00 + 6 hrs.
- 11/18/2022 – (S3843) Replace trans case, engine mounts, bell housing, exhaust brackets \$20,236.32
- 12/01/2023 – (S3843) Service \$692.99 + 4 hrs.

- 01/09/2023 – (S3843) Replace ignition switch \$178.15 = 1 hrs.
- 01/09/2023 – (S3838) Replace ignition switch \$89.07 + 1 hrs.
- 01/11/2023 – (S3838) Replace cab tilt pump \$1015.49 + 2 hrs.
- 02/21/2023 – (S3839) Replace door rollers \$250.00 + 4 hrs.
- 03/02/2023 – (S3841) Repair after roll over \$20,878.71
- 03/23/2023 – (S3843) Service call-replace wiring harness \$3142.82
- 03/24/2023 – (S3839) Replace Def cap \$129.43 + 1 hr.
- 03/28/2023 – (S3843) Replace heat shield \$51.08 + 2 hrs.
- 04/19/2023 – (S3840) Replace batteries \$341.98 + 2 hrs.
- 04/20/2023 – (S3840) Replace starter \$315.98 + 4 hrs.

Tug Fort Clinch

(Total Spend \$24,331.85 and 2 hours)

- 06/10/2022 – Hydraulic oil & degreaser \$250.34
- 06/20/2022 – Service Call-Replace (2) air vents, repair hyd. Penetrations \$640.00
- 06/22/2022 – Replace emergency flares \$35.30
- 06/28/2022 – Thermostat & anti-freeze \$51.64
- 06/28/2022 – 275-gal motor oil (service engines) \$6,866.75
- 07/06/2022 – Replace horn \$29.29
- 07/12/2022 – Replace VHF antenna \$206.49
- 07/25/2022 – Royal blue and paint supplies \$160.35
- 08/01/2022 – Pressure switch \$32.09
- 08/01/2022 – Repair shore power 1 1/4" + 2 hrs.
- 08/19/2022 – Replace hydraulic filters \$112.82
- 08/18/2022 – Corrosion removal supplies \$88.49
- 10/18/2022 – Repair portside exhaust cooling system \$1,800.00
- 12/19/2022 – Bilge pump/electrical repairs \$516.40
- 10/20/2022 – Hand operated bilge pump \$120.17
- 10/20/2022 – 6K Lumen Redline portable light \$133.28
- 11/09/2022 – Fasteners for push pad replacement \$133.83
- 12/08/2022 – Replace work light bulbs \$88.04
- 12/19/2022 – Replace gangway wench \$182.74
- 12/20/2022 – Service fuel tank and bilge \$2,924.50
- 01/11/2023 – Fabricate stainless steel coolant lines, partial payment \$2,750.00
- 01/19/2023 – Replace genset fuel switches, thermostat, seals \$152.73
- 01/25/2023 – Replace HD thermostat, overflow pipe (gensets) \$87.60
- 01/30/2023 – Paint supplies \$170.08

- 03/09/2023 – Portable fire pump \$460.09
- 03/15/2023 – Hempel paint green 4625 4641 (20 gal) \$1,852.20
- 05/12/2023 – Kubota fuel stop, T-stats, seals \$590.19
- 05/12/2023 – TBS Compliance Survey \$1,533.43
- 05/15/2023 – 2000 GPH (4) bilge pumps \$663.36
- 05/19/2023 – Cleaning equipment & supplies \$145.97
- 05/19/2023 – NOAA Chart, USC Polit Handbook, NOAA Tide Tables \$143.65
- 05/19/2023 – Emergency LED Light \$51.85
- 05/19/2023 – Caged sump pump float switches \$248.20
- 05/19/2023 – Starting fluid \$75.68
- 05/19/2023 – Life ring reflective tape \$64.20
- 05/22/2023 – Hemi Light automatic survivor locator light, yellow \$229.00
- 05/22/2023 – (4) Immersion Suits/Lift Jackets \$234.16
- 05/25/2023 – PDF's, safety whistles, PA horns \$506.94

Total Facility and Equipment spend \$240,963.21

Exhibit B
Projected Expenses for Maintenance, Replacement, or Repair for
Period July 1, 2023, to June 30th, 2024

Projected Maintenance and Repair Expenses for Period July 2023 - June 2024						
Account	22-Jul	22-Aug	22-Sep	22-Oct	22-Nov	22-Dec
Maintenance - Mobile Equipment	12,342	12,342	12,342	12,342	12,342	12,342
Maintenance - Cranes	6,564	6,564	6,564	6,564	6,564	6,564
Maintenance - Buildings	4,712	4,712	4,712	4,712	4,712	4,712
Maintenance - Tires	5,489	5,489	5,489	5,489	5,489	5,489
Maintenance - Vehicles	200	200	200	200	200	200
Maintenance - Rail Siding	500	500	500	500	500	500
Maintenance - Scales	187	187	187	187	187	187
Maintenance -Other	4,100	4,100	4,100	4,100	4,100	4,100
	22-Jan	22-Feb	22-Mar	22-Apr	22-May	22-Jun
Maintenance - Mobile Equipment	12,342	12,342	12,342	12,342	12,342	12,342
Maintenance - Cranes	6,564	6,564	6,564	6,564	6,564	6,564
Maintenance - Buildings	4,712	4,712	4,712	4,712	4,712	4,712
Maintenance - Tires	5,489	5,489	5,489	5,489	5,489	5,489
Maintenance - Vehicles	200	200	200	200	200	200
Maintenance - Rail Siding	500	500	500	500	500	500
Maintenance - Scales	187	187	187	187	187	187
Maintenance -Other	4,100	4,100	4,100	4,100	4,100	4,100

Projected Replacement Costs for Period July 2022 - June 2023

All Port Authority equipment is operational, there are no intentions to replace.

Exhibit C

Operating Agreement Provisions

Section 2.3 Throughout the term of this Contract and every extension period thereafter, OPERATOR shall perform all ordinary day to day repairs and maintenance to port facilities and equipment owned by PORT AUTHORITY. However, if the cost of any single repair, preventative maintenance job or refurbishment of PORT AUTHORITY

owned facilities or equipment exceeds \$15,000 (adjusted annually after the first six (6) years following the execution of this Operating Contract for inflation based on the United States Department of Labor Consumer Price Index ("CPI") calculated from the CPI at the beginning of year 7), the excess costs shall be submitted to the PORT AUTHORITY, and the PORT AUTHORITY shall reimburse OPERATOR to the extent such costs are reasonable and not caused by the negligence of OPERATOR and funds are available. OPERATOR shall maintain current all maintenance logs and records, together with all repair reports, and shall, on July 1 of each year, provide the PORT AUTHORITY with a written maintenance report and account on each piece of equipment owned by the PORT AUTHORITY and utilized by OPERATOR, together with each building, shed, shack, scale, and warehouse owned by the PORT AUTHORITY and utilized by OPERATOR, together with the projected expenses for the maintenance, replacement or repair of such item for the next fiscal year. If the OHPA property is destroyed or damaged by any accident, neglect, or failure to maintain by OPERATOR, then OPERATOR shall pay the full cost of replacement or repair as necessary.



Port of Fernandina Annual Report Nassau Terminals LLC

July 12, 2023



Safety

Master Plan Goal Statement #1: *“To ensure that port and OHPA operations are conducted in the safest manner possible.”*



Nassau Terminals Safety Excellence Using Savage Systems

1. S7 (quality management system) progress
2. Leading safety indicators
3. Improved safety metrics
4. Environmental stewardship
5. 5S progress to certification

The logo for SAVAGE, featuring the word "SAVAGE" in a bold, italicized, blue sans-serif font. A small registered trademark symbol (®) is located at the top right of the word. A thin orange line underlines the bottom of the letters "A", "V", and "E".

I am committed to achieving zero incidents by working safely at all times and in all places. I will look for opportunities to praise safe behavior and always correct unsafe acts or unsafe conditions.

S7 (Quality Management System) Progress

S7 Baseline vs Current Progress		
Site	Baseline S7 & SSI Scores	Current S7 & SSI Scores
Port & Port Warehouse	27% / 6%	83% / 92%
CTS-Friendly Warehouse	29% / 19%	71% / 83%
Yulee Warehouses	29% / 19%	83% / 94%



Leading Safety Indicators

1. Preventing incidents
2. SHAPS (Savage Hazard Analysis and Prevention System)
3. Morning safety SHAPS meetings
4. Trained onsite Safety Specialists
5. Critical risk management
6. Personal & team safety commitment
7. Investigation of injuries and property damage
8. Heat illness training
9. 5S progress
10. Updated procedures and training

SHAPS MADE SIMPLE

1. What am I about to do?
2. How could I get hurt?
3. What am I going to do to prevent it?



Improved Safety Metrics

1. Zero lost time injuries
2. Zero fatalities
3. Zero moderate plus property damage incidents



Daily Safety Meetings



Heat Illness Testing & Training

CDL Driver Qualification Files (DQF)

1. 100% compliant with DQF
2. Zero issues on FMCSA scoreboard



On-Road Performance by BASIC

Measure: 0 Percentile: 0% Threshold: 65%	Measure: 0 Percentile: 0% Threshold: 65%	Measure: 0 Percentile: Less than 3 driver inspections Threshold: 65%	Measure: 0 Percentile: Less than 5 vehicle inspections Threshold: 80%	Measure: 0 Percentile: 0% Threshold: 80%	Measure: 0 Percentile: No HM placardable vehicle inspections Threshold: 80%	Measure: 0 Percentile: Less than 5 driver inspections Threshold: 80%
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Sustainability

Master Plan Goal Statement #12: *“To support sustainable and resilient waterfront development and a working waterfront ...”*



Environmental Stewardship

1. Stormwater permit in compliance
2. Florida DEP site visit with endorsement of new stormwater permit and Stormwater Pollution Protection Plan
3. Non-exposure stormwater permit approved for CTS-Friendly Warehouse and Yulee Warehouse



FLORIDA DEPARTMENT OF Environmental Protection

Bob Martinez Center
2600 Blair Stone Road
Tallahassee, FL 32399-2400

Ron DeSantis
Governor

Jeanette Nuñez
Lt. Governor

Shawn Hamilton
Secretary

January 25, 2023

Danny Fullwood
Ocean Highway and Port Authority
86130 License Rd Ste 9
Fernandian Beach, FL 32034

RE: **Facility ID: FLR05G710-004**
Worldwide Terminals LLC
County: Nassau

Dear Permittee:

The Florida Department of Environmental Protection has received and processed your *Notice of Intent to Use Multi-Sector Generic Permit for Stormwater Discharge Associated with Industrial Activity* (NOI) and the accompanying processing fee. This letter acknowledges that:

- your NOI is complete;
- your processing fee is paid-in-full; and
- you are covered under the *Multi-Sector Generic Permit for Stormwater Discharge Associated with Industrial Activity* (MSGP).

Your facility identification number is **FLR05G710-004**. Please include this number on all future correspondence to the Department regarding this permit.

Other Sustainability Actions

- Exploring options for electrification of equipment (would reduce emissions)
- Expected future sustainability assessment/report



5S Initiatives

Nassau Terminals Dock, Warehouse, and Maintenance

Master Plan Goal Statement #5: *“To take the necessary steps to ensure the resilience of its port infrastructure and improve sustainability of its facilities and operations.”*



SAVAGE[®] 5S

4. STANDARDIZE

Establish standards to maintain improvements.

3. SHINE

Keep clean and ready to use. Clean and clear work areas highlight problems.

2. STRAIGHTEN

A place for everything and everything in its place.

1. SORT

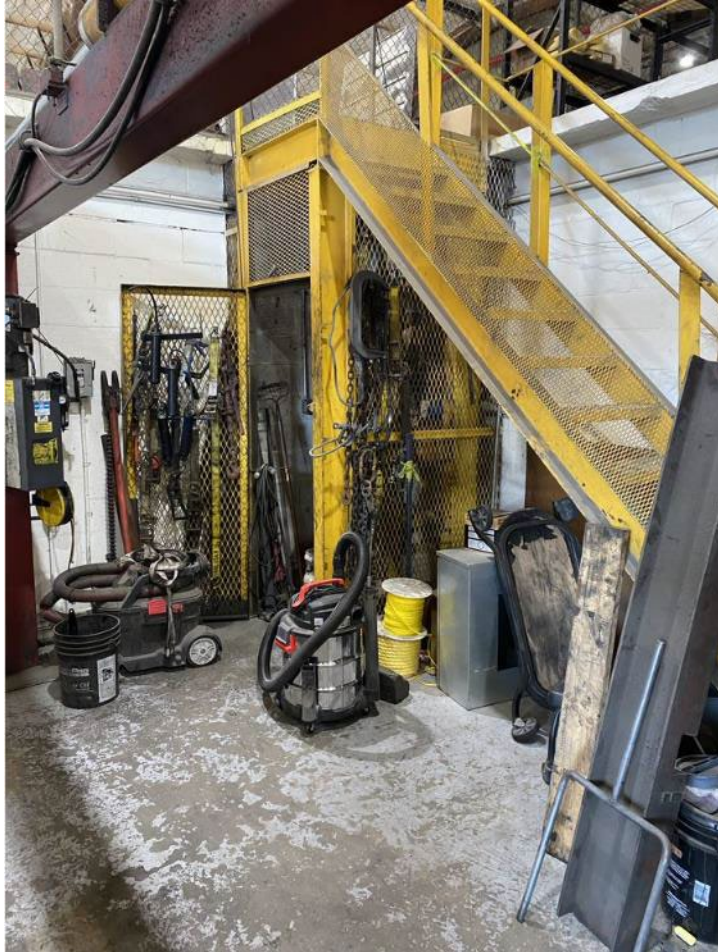
Remove unnecessary items, only what is needed when it's needed.

5. SUSTAIN

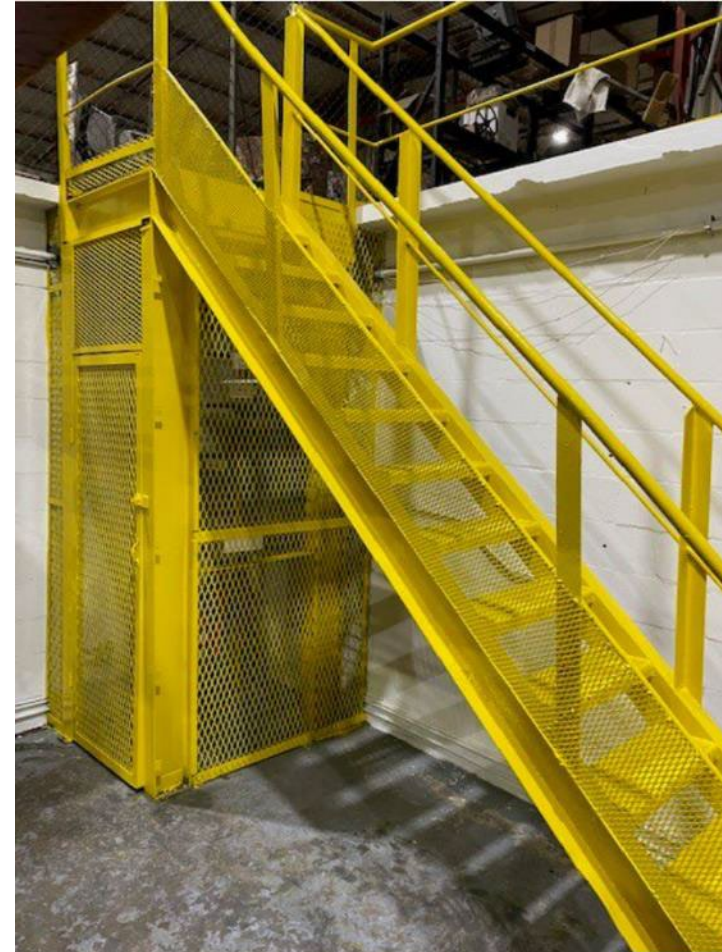
Maintain established procedure.
Make best practice common practice.

Maintenance Shop: Tool Storage

Before



After



Maintenance Shop: Hose Shop

Before



After



Maintenance Shop: Compressor Storage

Before

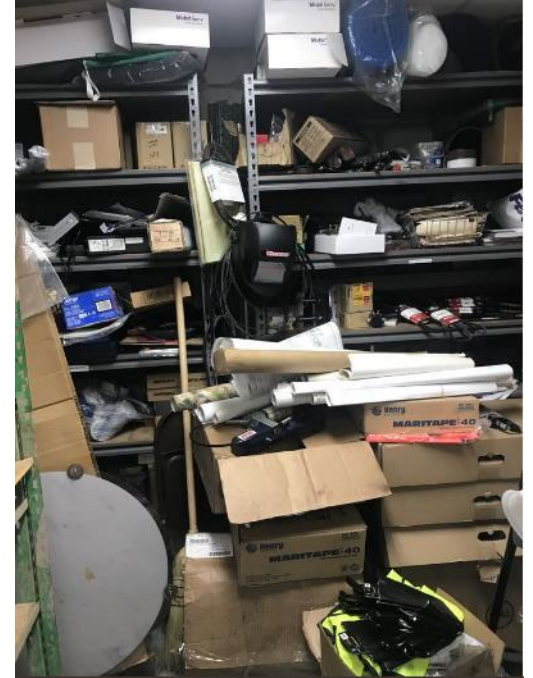


After



Maintenance Shop: Tool Storage

Before



Maintenance Shop: Tool Storage

After



Dock Operations: Tool Storage

Before



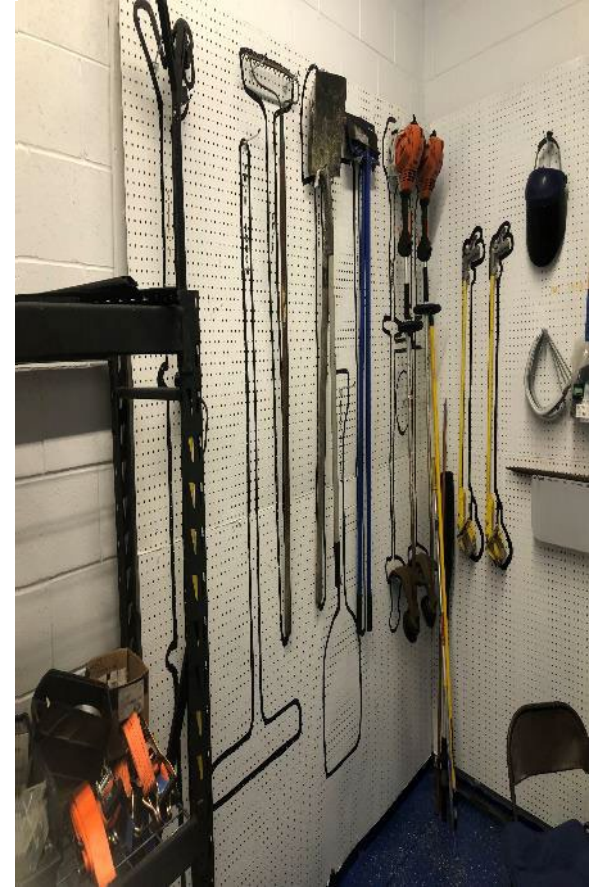
After



Before



After

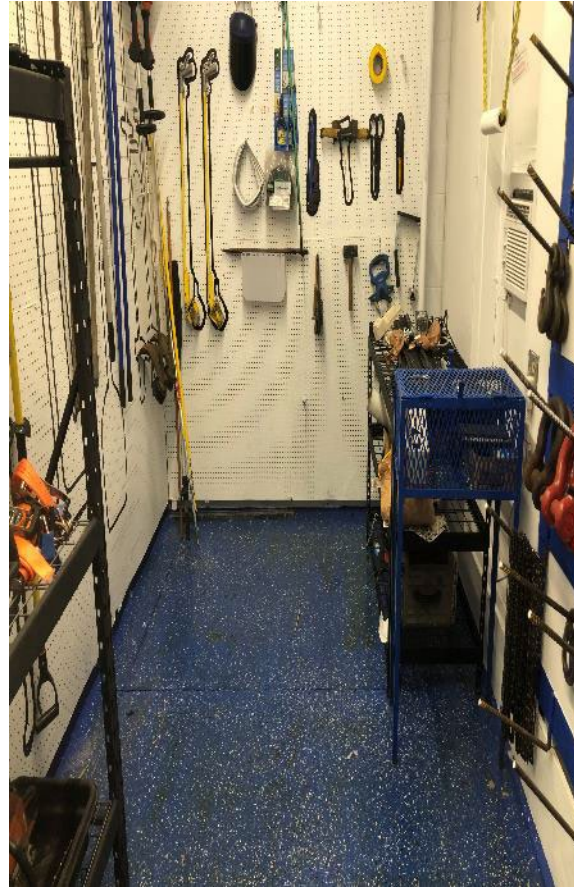


Dock Operations: Tool Storage

Before



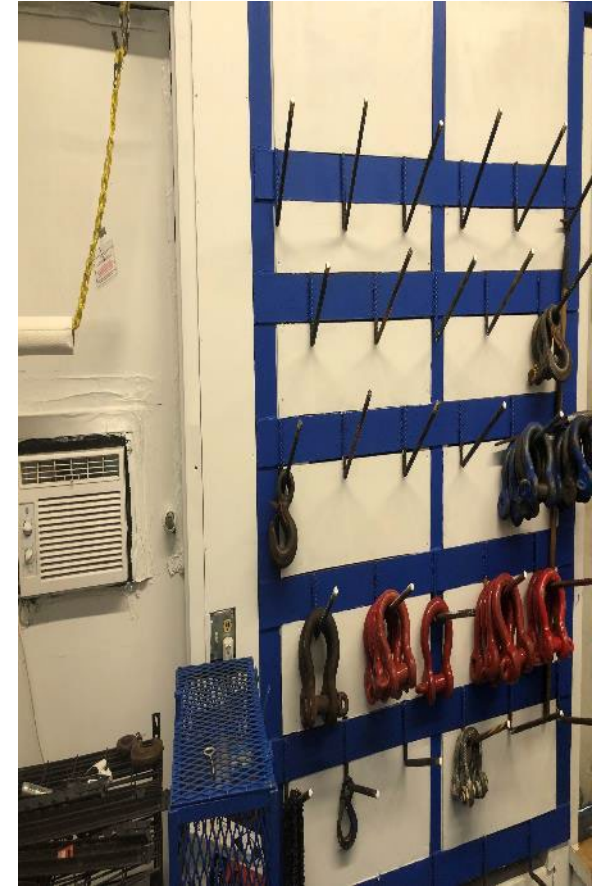
After



Before

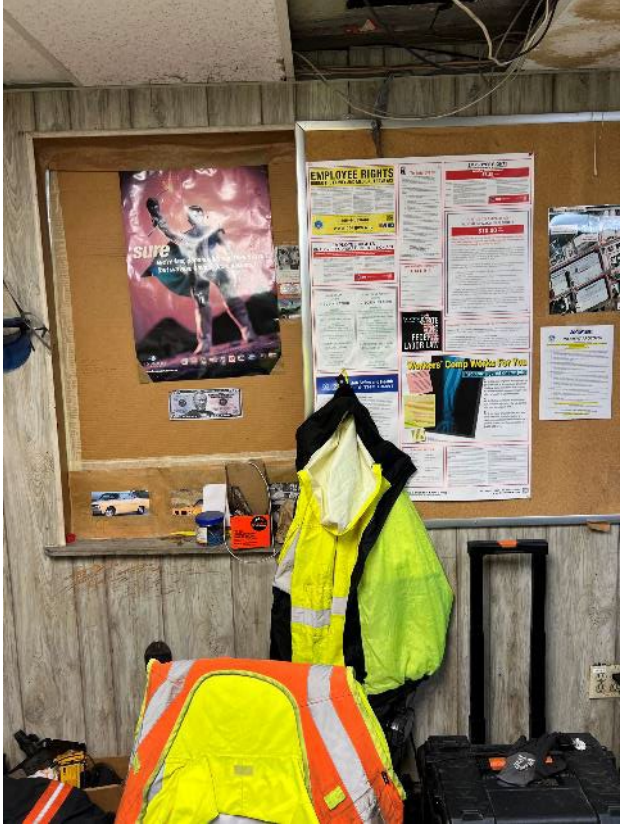


After



Warehouse: Breakroom

Before



Warehouse: Breakroom

After



Maintenance Shop

Warehouse and Maintenance Entrance



Team Benefit Comparison

Nassau Terminals Operated by Savage

Master Plan Goal Statement #9: *“... to promote the growth of sustainable jobs and economic activity for the businesses and residents of Nassau County.”*

Master Plan Goal Statement #13: *“To ensure and improve OHPA’s continued service to the Community and furtherance of it’s charter purposes for the benefit of the Citizens of Nassau County and the State of Florida.”*



Benefits Comparison

Previous Operator

Health Insurance

- Ag Premiums (single) = \$262
- Avg Premiums (family) = \$904

Dental

- Single Premiums = \$25
- Family Premiums = \$99

Vision

No Cost Benefits

- \$50,000 Life and AD&D Insurance

Voluntary Benefits

- Life and AD&D Insurance
- Short Term Disability
- Long Term Disability

Financial Benefits

- 401(k) – Discretionary Match
- Flex Spending Account

Current Operator

Health Insurance

- Avg Premiums (single) = \$57
- Avg Premiums (family) = \$318

Dental

- Single Premiums = \$11
- Family Premiums = \$34

Vision

No Cost Benefits

- 1x Pay Life and AD&D Insurance
- Long Term Disability
- 8 Mental Health Sessions
- \$500 HSA Contribution

Voluntary Benefits

- Life and AD&D Insurance
- Spouse & Child Life Insurance
- Short Term Disability
- Additional Long Term Disability
- LifeLock ID Theft Protection
- Accident & Hospital Indemnity

Financial Benefits

- 401(k) – 50% Match up to 8%
- Profit Sharing – 3% Target
- Flex Spending Accts
- Health Savings Accts
- Limited Purpose Accts
- Dependent Care Accts
- PerkSpot Discount Program
- MedZero – Interest Free Medical Loans

Programs

- Wellness Rewards (\$150/year)
- Tobacco Cessation
- Tria – Pharmacy Assistance
- Education Reimbursement

Paid Time Off

- Minimum = 3 weeks/year
- Maximum = 5 weeks/year
- Reservist Leave (10 days/year)
- Active Duty (1 year)
- Pregnancy Leave (6 weeks)
- Parental Leave (2 weeks)

Team Communication Improvements

Master Plan Goal Statement #1: *“To ensure that port and OHPA operations are conducted in the safest manner possible.”*



Customs Dock: Abandoned Storage

Before



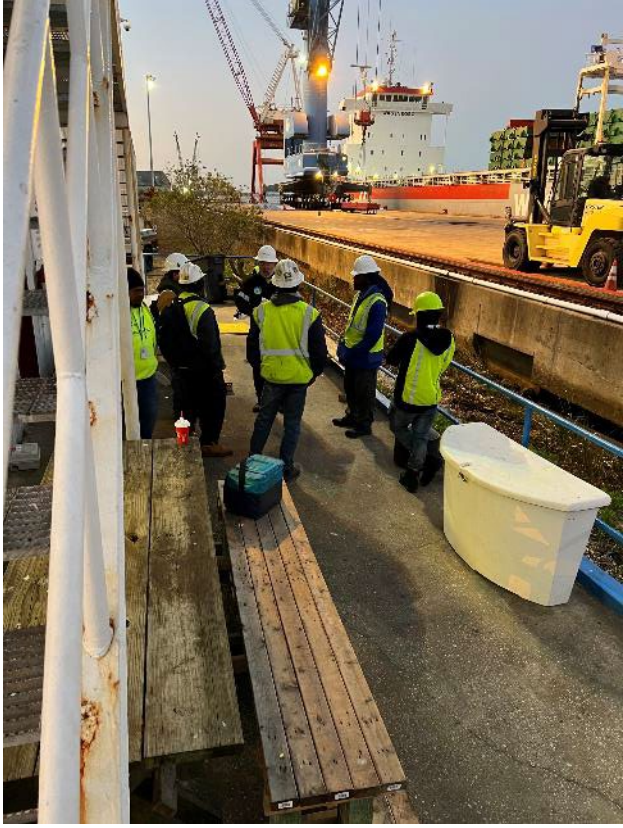
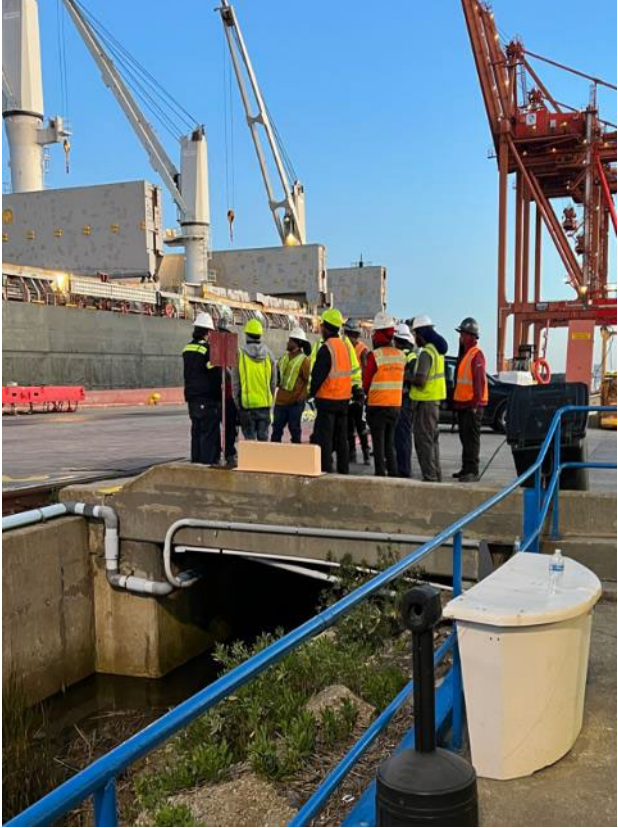
Customs Dock: Meeting Space

After



Safety Meetings

Small Breakout groups



Community Involvement

Master Plan Goal Statement #4: *“To improve the level of communications and cooperation between OHPA and the City of Fernandina Beach, including its businesses and residents.”*



Communication and Community Involvement

- Visited with neighbors in the Historic District. Will continue to improve communication and engagement
- Improved responsiveness in addressing questions or concerns from neighbors, community leaders, etc.
- Team Members regularly cleaning up litter on Dade Street (plan to sign up for Keep Nassau Beautiful's Adopt-a-Road)
- Opening Port entrance gate earlier in the morning to help alleviate truck congestion on Dade Street
- Donated to a local Boy Scout troop
- Sponsoring St. Michael Academy's pickleball tournament
- Assessing more opportunities for supporting projects and programs that make a difference in the community



Operator Overview

- **Nassau Terminals LLC** is the Port Operator at the **Port of Fernandina**
- **Nassau Terminals LLC** is owned by a subsidiary of **Transportation Infrastructure Partners**
- **Savage** operates **Nassau Terminals LLC** on behalf of the **Transportation Infrastructure Partners** subsidiary
- Desire to build local presence and brand of work in **Nassau County**
- Intended to build on strength of **Port of Fernandina** and show connection to **Nassau County, OHPA**, and other eastern seaboard ports operated by **Savage**

- Intend to use **Nassau Terminal** or **Nassau Marine Terminal** brand going forward
 - Update website
 - Won't use World Wide Terminals in most cases
- You'll see **Savage** in some places due to our role

Potential mark(s) we'd plan to use to reference Nassau Terminals, LLC.



Questions?





Old Business

RESOLUTION 2023-110

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF FERNANDINA BEACH, FLORIDA, APPROVING THE LEASE AGREEMENT BETWEEN THE OCEAN HIGHWAY AND PORT AUTHORITY AND THE CITY OF FERNANDINA BEACH FOR RENTAL SPACE AT THE PECK CENTER; AUTHORIZING EXECUTION; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the City of Fernandina Beach is engaged in leasing rental space to non-profit tenants in the Peck Center, 516 South 10th Street; and

WHEREAS, the space referred to as Suite 103 at the Peck Center is available for long-term lease; and

WHEREAS, the Ocean Highway and Port Authority for the Port of Fernandina (OHPA) wishes to lease the available space.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF FERNANDINA BEACH, FLORIDA, THAT:

SECTION 1. The City Commission hereby approves the lease agreement with the Ocean Highway and Port Authority for the Port of Fernandina (OHPA), attached hereto as Exhibit A.

SECTION 2. The Interim City Manager and City Clerk are hereby authorized to execute the Lease Agreement, upon review and approval of the City Attorney.

SECTION 3. This Resolution shall become effective immediately upon passage.

ADOPTED this 5th day of July, 2023.

ATTEST:



CAROLINE BEST
City Clerk

CITY OF FERNANDINA BEACH



BRADLEY M. BEAN
Mayor – Commissioner

APPROVED AS TO FORM & LEGALITY:



TAMMI E. BACH
City Attorney

LEASE AGREEMENT

THIS LEASE AGREEMENT hereinafter referred to as "Agreement", by and between the **CITY OF FERNANDINA BEACH, FLORIDA**, a municipal corporation, hereinafter referred to as "Lessor," and **Ocean Highway & Port Authority of Nassau County**, a political subdivision under the laws of the state of Florida, and its assigns, hereinafter referred to as "Lessee", or "Tenant".

WITNESSETH:

WHEREAS, the said Lessor desires to demise, lease and rent unto the Lessee, and the said Lessee desires to rent and lease from Lessor space located at 516 S. 10th Street, Suite 103, Fernandina Beach, Florida, described as Suite 103, together with all improvements thereon and appurtenant rights thereto including, without limitation, parking areas, easements, declarations and rights of way; and

WHEREAS, the Building is the structure located at 516 South 10th Street that contains approximately twenty nine thousand three hundred and eighty (29,380) rentable square feet and the leased premises shall consist of approximately three hundred eighty-eight (388) rentable square feet (collectively, the "Premises"), and includes without limitation, all heating, venting, air conditioning, mechanical, electrical, elevator and plumbing systems, roofs, walls, foundations, fixtures, and nonexclusive parking spaces, including legally required handicap-striped spaces, all such parking is provided by Lessor at no additional cost.

NOW, THEREFORE, for and in consideration of the mutual covenants, promises and agreements herein contained, the Lessor does hereby demise, lease and rent unto the said Lessee and the Lessee does hereby rent and lease from the Lessor the Premises, under and pursuant to the following terms and conditions:

NOW THEREFORE, in consideration of the mutual covenants contained in this Agreement, the parties hereby agree as follows:

1. Term. This Lease shall be effective on July 1, 2023, (the "Effective Date") and shall expire on September 30, 2023 (the "Termination Date"), unless renewed as hereinafter provided (the "Initial Term"). The Initial Term is intended to be ninety (90) days so that this Lease will renew with all other leases in the Building on October 1, 2023. A rent increase should be expected by Lessee as of October 1, 2023. Each twelve (12) month period beginning on October 1st will hereinafter be called a "Lease Year."

2. Rent. Lessee agrees to pay as an initial annual base rent ("Rent") of three thousand two hundred seventy dollars and eighty-four cents (\$3,270.84) based on a \$8.43 per rentable square foot. Thereafter, the Rent shall be adjusted annually in accordance with Section 3 herein below.

(a) Lessee shall pay Rent in the amount of two hundred seventy-two dollars and fifty-seven cents (\$272.57) per month in advance on the first day of each calendar month, such monthly installment to be prorated for any partial calendar month in which the Effective Date or Termination Date shall occur. Rent shall be payable without demand by the Lessor, and shall be subject to sales tax, unless Lessee provides Lessor with proof of tax-exempt status. All amounts (unless otherwise provided herein) other than the Rent and the adjustments thereto described in Section 3 hereof owed by Lessee to Lessor hereunder shall be deemed additional rent.

(b) Except as otherwise provided in this Lease, it is the intention of the parties that the Lessor

shall receive the rents, additional rents, and all sums payable by the Lessee under this Lease free of all taxes, expenses, charges, damages and deductions of any nature whatsoever (except as otherwise provided hereinafter) and the Lessee covenants and agrees to pay all sums (including rent taxes) which except for this Lease would have been chargeable against the Premises and payable by the Lessor, unless the Lessor provides Lessee with proof of tax exempt status.

3. Annual Rent Adjustments.

(a) The annual Rent shall be subject to an annual increase per Lease Year, on October 1 of each year. Lessee shall automatically increase said payments, without formal notification by the Lessor that such increase is due. The rental rate shall be adjusted each lease year based on change in Consumer Price Index (CPI) – All Urban Consumers South Urban Region – All Items (base year 1982-84=100), as published by the United States Department of Labor – Bureau of Labor Statistics. Such CPI change will be computed each year using the July index prior to the Effective Date and any change will be implemented and effective with the onset of a new Lease Year. (b) Delinquency In Payment Of Rent. Delinquency Charge. A delinquency charge of one and one-half percent (1-1/2%) per month shall be added to any rental payment, which is rendered more than ten (10) days delinquent.

(c) Place of Payment. All payments due Lessor from Lessee shall be made payable to the City of Fernandina Beach and delivered or mailed to 1180 South 5th St. Extension, Fernandina Beach, Florida 32034, attention Utility Billing. All payments of rent shall be made when due, without any statement or specific invoice required.

4. Renewals.

(a) If the Lessee is not in default on the terms and conditions of the lease, including but not limited to the payment of rent, and has not been in default on the terms and conditions of the lease within the past year, the Lease may be renewed and extended with the written mutual agreement of both parties. The City/Lessor reserves the right to make changes to the terms and conditions of this lease including the right of Lessor to collect additional rent, and the cost for common area maintenance and operating expenses after the initial one (1) year term of this lease. The option to renew this Lease shall be for four (4) additional periods of one (1) year each, next immediately ensuing after the expiration of the initial Term of this Lease and the subsequent renewal periods by notifying Lessor in writing not less than ninety (90) days before the expiration of the immediately preceding initial Term or subsequent renewal Term of this Lease of the Lessee's intention to exercise its option to renew, but Lessee shall have no option to extend this Lease beyond four (4) renewal periods of one (1) year each after the initial Term. In the event that Lessee so elects to extend this Lease, then, for such extended period of the Term, all of the terms, covenants and conditions of this Lease shall continue to be, and shall be, in full force and effect during such extended period of the Term hereof.

5. Condition of Premises. Lessee agrees that they have inspected the Leased Premises, and agree to accept the Premises in the current as-is condition.

6. Use of Premises. Lessee may occupy and use the Premises during the Term for purposes of the operation of, Lessee's offices and administrative functions and such other purposes as shall be

permitted by applicable law, ordinances and regulations, provided other permitted uses do not conflict with the uses of any other tenants in the Building. Lessee may operate during such days and hours as Lessee may determine, without the imposition of minimum or maximum hours of operation by Lessor and Lessee shall have access to the Premises, and may operate, up to 24 hours per day, seven (7) days per week, and 365 days per year. Lessor represents and warrants that the Premises may be used by Lessee for the use stated hereinabove under applicable laws, ordinances, rules and regulations ("Laws") including, without limitation, zoning Laws. In the event at any time after the Effective Date of this Lease the use of the Premises as set forth in this section 6 becomes illegal by reason of acts not within Lessee's control, notwithstanding any other permitted uses, the Lessee may terminate this Lease and thereafter neither party shall have any obligations hereunder after the date of termination.

7. The parties agree that this agreement shall be construed as a "Lease Agreement" and Lessee shall not engage in any business on the Premises other than those services specified in section 6 above.

8. Lessee shall comply with all federal, state, county, City and local laws, rules, codes and regulations that may apply to the conduct of the business contemplated herein.

9. Lessee shall not cause or permit to occur:

(a) Any violation of any federal, state or local law, ordinance or regulation now or later enacted, related to environmental conditions on, under, or about the Premises, or arising from Lessee's use or occupancy of the Premises, including, but not limited to, soil and ground water conditions; or

(b) The use, generation, release, manufacture, refining, production, processing or disposal of any hazardous substance on, under, or about the Premises.

10. Lessee's obligations under Section 2, 3, 14 and 15 of this Agreement shall survive the expiration or termination of this Agreement or any renewal thereof.

11. During the term of this Agreement, Lessee shall have the right, at its expense, to place in or on the Premises, a sign or signs identifying Lessee. Said sign or signs shall be of a size, shape and design, and at a location or locations, approved and permitted by Lessor and in conformance with any overall directional graphics or sign program established by Lessor. Lessee shall also comply with any sign code regulations and obtain all permits required. Lessor's approval shall not be unreasonably withheld. Notwithstanding any other provision of this Agreement, said sign(s) shall remain the property of Lessee. Lessee shall remove, at its expense, all lettering, signs and placards so erected on the Premises at the expiration of the term of this Agreement, or any extension term.

12. Leasehold Improvements. Lessee shall not make any structural changes, additions, removal or improvements to the Premises without first obtaining Lessor's written consent or approval of such changes.

(a) Any such Lessor-approved improvements made by Lessee shall remain the property of the Lessee until the expiration or termination of this Lease at which time such improvements

shall become the property of Lessor. Lessee shall at all times maintain all improvements constructed on the Premises in good condition.

(b) Lessee shall not permit any mechanic's or other liens to be placed upon the Premises, at any time, in connection with any such leasehold improvements.

13. Damage to Property. Lessee shall be responsible for all damage to property, real or personal, located on, in, or about the Premises, or public use areas damaged as a result of the Lessee, its agents, clients, contractors, employees or representative's negligence, misuse, or abuse. In the event the Lessee does not promptly repair any damaged property, for which the Lessee is responsible, the Lessor reserves the right to make such repairs at Lessee's expense, which shall become due and payable as part of the Lessee's next monthly rental payment. Such repairs shall be charged to Lessee at 115% of cost to Lessor. Lessee shall immediately report any damage caused to the Premises to the City Manager's Office.

14. Premises Maintenance, Repair, and Upkeep. The Lessee shall maintain the Premises in a neat and orderly condition. Lessee shall not commit, nor allow to be committed, any waste on the Premises, create or allow any nuisance to exist on the Premises, or use or allow the Premises to be used for any unlawful purpose or unsafe purpose. The Lessee shall, at its sole cost and expense, maintain and keep the Premises in good repair and make all repairs necessary to keep and maintain such space of the Premises, including all improvements thereon, in good condition so as to present an attractive appearance. The Premises and all improvements thereon must be maintained in a safe, clean, and sanitary condition. The Lessor shall require maintenance and needed repairs to be made by Lessee in a timely manner.

15. Rented Premises Upkeep; Utilities. Lessor will maintain the structural components of the Building, including without limitation, the roof exterior of the building, foundation, underground plumbing and electrical conduits, and shall conduct routine Building maintenance, except for routine maintenance of the Premises, without additional cost to the Lessee. Lessee is responsible for routine maintenance on the Premises, specifically the office spaces, including but not limited to walls, carpets, paint, doors, and windows.

During the term of this Lease, Lessor at Lessor's sole cost and expense, shall also be responsible for utility and service payments related to the Premises, including, without limitation, water, electrical, sanitary sewer, natural gas (if available), pest control, janitorial and garbage removal (Lessee will clean and remove trash from the Premises via the roll aways located on the west side of the building). Lessor hereby acknowledges that the rent includes payment for such utilities and services, and Lessee shall not be charged any additional rent unless as otherwise set forth herein. Lessee understands and agrees that it is solely responsible for internet service(s) and any other telecommunications services, at its sole cost and expense.

16. Insurance. Lessee shall obtain and maintain continuously in effect at all times during the term of this Agreement, with the entire premium for said coverage's to be paid entirely by the Lessee, the following insurance:

(a) Comprehensive general liability insurance protecting Lessee and Lessor against any

and all liability by reason of Lessee's conduct incident to the use of the Premises, caused by or arising out of any wrongful and/or negligent act or omission of Lessee, in the minimum amount of \$1,000,000.00; and

(b) The insurance specified in Section 14(a) shall name Lessor as an additional insured. The insurance coverage specified in Section 14(a) shall not be terminated or changed without providing at least thirty (30) days written notice to Lessor. Lessee shall provide Lessor with certificates of insurance evidencing coverage. If, at any time, Lessee does not have the required insurance, or such insurance is materially modified, canceled, or not renewed, Lessor may immediately terminate this Lease Agreement without liability, fee or penalty.

(c) Lessor and Lessee mutually agree to notify each other in writing as soon as practicable of any claim, demand or action arising out of an occurrence covered hereunder of which either party has knowledge, and to cooperate with each other in the investigation and defense thereof.

17. Indemnification. Lessee agrees to assume liability for and indemnify, hold harmless, and defend the Lessor, its elected officials, officers, employees, representatives, agents, and attorneys of, from, and against all liability and expense, including reasonable attorney's fees, in connection with any and all claims, demands, damages, actions, causes of action, and suits in equity of whatever kind or nature, including claims for personal injury, property damage, equitable relief, or loss of use, arising directly or indirectly out of or in connection with any negligent and/or deliberate act or omission of Lessee, its officers, employees, agents, and representatives. Lessee's liability hereunder shall include all attorney's fees and costs incurred by the Lessor in the enforcement of this indemnification provision. This includes claims made by the employees of Lessee against the Lessor, and Lessee hereby waives its entitlement, if any, to immunity under Section 440.11, Florida Statutes. The obligations contained in this provision shall survive termination of this Agreement. Nothing contained in the foregoing indemnification shall be construed to be a waiver of any immunity or limitation of liability the Lessor may have under the doctrine of sovereign immunity or Section 768.28, Florida Statutes.

18. Independent Contractor. In conducting its operations hereunder, Lessee acts as an independent contractor and not as an agent of Lessor. The selection, retention, assignment, direction and payment of Lessee's employees shall be the sole responsibility of Lessee, and Lessor shall not attempt to exercise any control over the daily performance of duties by Lessee's employees.

19. Assignment. This Agreement, or any part thereof, may not be assigned, transferred or subleased by Lessee, except to affiliate companies, by process or operation of law or in any other manner whatsoever, without the prior written consent of Lessor, which consent will not be withheld unreasonably.

20. Non-Discrimination. Notwithstanding any other inconsistent provision of this Agreement, during the performance of this Agreement, Lessee, for itself, its heirs, personal representatives, successors in interest and assigns, as part of the consideration for this agreement, does hereby covenant and agree, as a covenant running with the land, that:

(a) No person on the grounds of race, color, religion, gender or national origin shall be excluded from participating in, denied the benefits of, or otherwise be subjected to discrimination, in the use of the Premises; and

(b) In the furnishing of services on, over or under the Premises, no person on the grounds of race, color, religion, gender or national origin shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination.

21. Termination. This Agreement shall be subject to termination by either party in the event of any one or more of the following:

(a) Notice is provided in writing, delivered by either party, three (3) months prior to the desired termination date of the Lease Agreement. Rent, taxes and insurance shall be paid by Lessee through the date of termination;

(b) The abandonment of the Premises by Lessee for activities related with such organization;

(c) The default by either party in the performance of any of the terms, covenants and conditions of this Agreement, and the failure of such defaulting party to remedy or to undertake to remedy to the other party's satisfaction such default for a period of thirty (30) days after receipt of notice from the non-defaulting party to the defaulting party to remedy same; or

(d) Damage to or destruction of all or a material part of the Premises necessary to the operation of Lessee's business or services.

22. Force Majeure. Neither Lessor, nor Lessee, shall be deemed to be in violation of this Agreement if either is prevented from performing any of its obligations hereunder by reasons of strikes, boycotts, labor disputes, embargoes, shortages of materials, acts of God, acts of public enemy, acts of superior governmental authority, weather conditions, floods, named storms such as tropical storms and hurricanes, tornadoes, riots, rebellions, acts of sabotage, or any other circumstances for which it is not responsible, or which are not under its control, provided; however, that this paragraph does not apply to failure by Lessee to pay the rentals, fees, taxes, and charges set forth herein. In any such case a prompt written notice shall be given to the other party of the existence of such causes and of readiness to resume performance upon the removal, or non-existence thereof.

23. Entire Agreement. This Agreement constitutes the entire agreement and understanding between the parties, and as of its effective date supersedes all prior or independent contracts or agreements between the parties covering the subject matter hereof. Any change or modification hereof must be in writing signed by both parties.

24. Severability. If any substantive provision hereof shall be finally declared void or illegal by any court or administrative agency having jurisdiction, and such declaration results in a substantial failure of consideration for either party, the entire agreement shall be subject to termination by such

party. Otherwise, such declaration shall not be cause for termination of this Agreement, but only such void or illegal provision shall be canceled or deemed to be of no effect.

25. Notice. Any notice given by one party to the other in connection with this agreement shall be in writing and shall be sent by certified mail, return receipt requested, with postage and certification fees prepaid, to the following addresses:

Lessee: Ocean Highway & Port Authority of Nassau County
Attn: Rossana Hebron
2398 Sadler Road
Fernandina Beach, FL 32034
Telephone: 904.468.2073

Lessor: City of Fernandina Beach
City Manager
204 Ash Street
Fernandina Beach, FL 32034
Telephone: (904)310-3100

26. Governing Law and Venue. This Agreement shall be governed by and construed and interpreted in accordance with the laws of the State of Florida. Each of the parties hereto: (a) irrevocably submits itself to the exclusive jurisdiction of the Fourth Judicial Circuit Court, in and for Nassau County, Florida, and the jurisdiction of the United States District Court for the Middle District of Florida, Jacksonville Division, for the purposes of any suit, action or other proceeding arising out of, or relating to, this Agreement; (b) waives and agrees not to assert against any party hereto, by way of motion, as a defense or otherwise in any suit, action or other proceeding: (i) any claim that it is not personally subject to the jurisdiction of the above-named courts for any reason whatsoever; and (ii) to the extent permitted by applicable law, any claim that such suit, action or proceeding by any party hereto is brought in an inconvenient forum, or that the venue of such suit, action or proceeding is improper or that this Agreement or the subject matter hereof may not be enforced in or by such courts.

27. Re-Entry. It is further understood and agreed between the parties hereto that in the event of any breach of any covenant or agreement on the part of the Lessee to be performed and provided, that if such breach is not remedied by the Lessee after reasonable notice in writing to it by the Lessor, the Lessor may re-enter and terminate this tenancy by giving the Lessee thirty (30) days written notice, to quit the Premises. Lessor shall at all times be entitled to recover by all lawful means any and all damages sustained by it through the breach of any said covenants and agreements on part of the Lessee to be performed.

28. Attorney's Fees. Should either party bring suit to enforce its rights under this Agreement, the prevailing party shall be entitled to its reasonable attorney's fees and costs of such suit, including appeals, to be paid by the non-prevailing party.

29. Obligation Upon Termination. Upon termination of this Lease, all obligations of either party hereunder to the other shall cease and terminate, and the Lessee agrees that upon the


termination of this Lease, it shall quit and surrender the Premises in as good order and condition as existed at the time of the initial occupancy and only reasonable wear and tear being accepted.

30. Non-Exclusivity. It is understood and agreed that nothing herein contained shall be construed to grant or authorize the granting of any exclusive right.

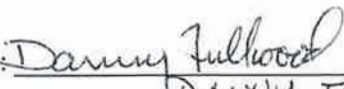
31. Radon Gas. Radon is a naturally occurring radioactive gas that, when it has accumulated in a building in sufficient quantities, may present health risks to persons who are exposed to it over time. Levels of radon that exceed federal and state guidelines have been found in buildings in Florida. Additional information regarding radon and radon testing may be obtained from your county health department.

IN WITNESS WHEREOF, the parties have executed this Agreement on 5th day of July, 2023.


“LESSOR”
City of Fernandina Beach

By: 
Printed Name: Charles L. George
Its: Interim City Manager

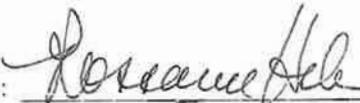
“LESSEE”:
Ocean Highway & Port Authority,
Nassau County

By: 
Print Name: DANNY FULWOOD
Its: CHAIRMAN


ATTEST:

By: 
Printed Name: Caroline Best
Its: City Clerk

ATTEST:

By: 
Printed Name: ROSSANA HEBRON
Its: ADMINISTRATIVE OFFICE MANAGER

APPROVED AS TO FORM & LEGALITY

By: 
Printed Name: Tammi E. Bach
Its: City Attorney



AOM Report

**ADMINISTRATIVE OFFICE MANAGER
REPORT
June 2023**

Hours worked June 2023 – 80

- Attended June 14th Monthly meeting. Minutes composed.
- Attended June 28th Budget Workshop. Minutes composed.
- Prepped for meeting (agenda, packets)
- Processed Accounts Payable/Receivables (Port Operator, utilities)
- Assisted with Exec. Director's requests
- Corresponded with WWT Controller (invoicing)
- Corresponded with Joanne (QB entries/transactions)
- Corresponded with Port Accountant (account balances, documents request, legal invoices)
- Corresponded with Toni Abbott (FSCJ)
- Corresponded with Hunter Livingston (FDOT, G1L46)
- Corresponded to Scott Mikelson, Catherine Vorassi, Kaitlin Rivera (Peck Center)
- Assisted Port Accountant (Big Top, Coast to Coast, file search FDDOT audit)
- Assisted Shirley Williams (Pure Clean II invoice)
- Invoices paid and entered into QuickBooks
- Payroll entered into QuickBooks
- Check payments processed
- Bank transactions (transfers, A/R, A/P online)
- Responded to all emails, voicemails, and corresponding documents/letters, Commissioners' and Port Accountant/Attorney/Executive Director requests
- Website updates, meeting videos edited
- Electronic and hard-copy file organizing
- Responded to PRR (documents search, submit)
- Responded to Worker's Compensation queries (State Division)
- Researched movers (West Wind)
- Received and e-filed Real Estate RFP proposals (candidates)
- Assisted office move from Tax Collector's office to Peck Center

Public Records Request Received in June 2023- 3