



**OCEAN HIGHWAY & PORT AUTHORITY
NASSAU COUNTY**

AGENDA

Wednesday, May 13, 2020

6:00 PM

Zoom Meeting ID 834-563-6223

Password 026056

Click Link: [OHPA May 13 2020 Monthly Meeting](#)

Pursuant to Executive Order No. 20-69, issued by the Office of Governor Ron DeSantis on March 20, 2020, municipalities may conduct meetings of their governing boards without having a quorum of its members present physically or at any specific location, and utilizing communications media technology such as telephonic or video conferencing, as provided by Section 120.54(5)(b)2, Florida Statutes.

6:00 PM – Meeting Called to Order – Chairman

Invocation – Commissioner Cole

Pledge of Allegiance – Commissioner Cole

Roll Call: Robert Sturgess, District 1; Danny Fullwood, District 2, Scott Hanna, District 3; Carrol Franklin, District 4; Mike Cole, District 5

- Comments - Audience (Comments emailed prior to the meeting)
-

1. Approval of Minutes

- April 8, 2020 Monthly Meeting Minutes

2. Consent Items

- Mauldin & Jenkins Progress Billing - \$12,900

3. Report by Pierre LaPorte, Port Accountant

- Financial Report – April 2020
- 2nd Quarter Financials

4. Report by Jeb Branham, Port Attorney

5. Port Director Report

6. Port of Fernandina Report

- Tonnage Report – April 2020

7. Unfinished Business

- Monies Due from Worldwide Terminals and Corrective Action
- Monies Due to TranSystems

8. New Business

-

Committee Reports

- Port Security – Commissioner Fullwood
- Customs House – Commissioner Franklin
- Army Corp of Engineers – Commissioner Sturgess
- Economic Development – Commissioner Cole
- Emergency Management – Commissioner Franklin
- Technical Coordinating Committee – Commissioner Hanna
- TPO – Commissioner Cole
- Nassau Chamber East Side – Commissioner Sturgess
- Nassau Chamber West Side – Commissioner Cole

9. Administrative Office Manager Report

10. Other items to be brought by Commissioners

11. 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.

Ocean Highway & Port Authority

Robert Sturgess – Chairman, Commissioner, District 1
Danny Fullwood – Vice Chairman, Commissioner, District 2
Scott Hanna – Commissioner, District 3
Carroll Franklin – Secretary/Treasurer, District 4
Mike Cole – District 5

Monthly Meeting Minutes

April 8, 2020

The Ocean Highway and Port Authority of Nassau County held its Monthly Meeting on Wednesday, April 8, 2020 via teleconference call.

The meeting was called to order at 6:02 PM by Chairman Danny Fullwood.

The invocation was given and Pledge of Allegiance was led by Commissioner Hanna. Roll call was conducted by Ms. Barbara Amergian. All Commissioners were present. Also in attendance via the teleconference call was Jeb Branham, Port Attorney; Pierre LaPorte, Port Accountant; Chris Ragucci, Port Director/Port Operator.

Commissioner Franklin made the motion to accept the February 12, 2020 monthly meeting minutes. Motion seconded by Commissioner Cole. The motion is approved unanimously with no discussion.

Port Accountant Pierre LaPorte presented the March 2020 financials and the 1st Quarter 2019-2020 Report to the Board. The March financials showed a payment of \$20,973 from Worldwide and he noted that the \$850 in discretionary funds had been spent on the Tradeplex sign survey. Mr. LaPorte informed the Board that he will be distributing the audited financials at the next monthly meeting.

Port Attorney Jeb Branham presented his monthly report. Mr. Branham reminded the Board that the mediation date for the PILOT payment issue with the City of Fernandina was scheduled for June 3, 2020. Mediation statements by both parties have been submitted to the Mediator and the statements have been sent to the Board members for review. He informed the Board that he had made some changes to Channel Re-alignment and had sent those to Commissioner Sturgess for review. Mr. Branham had confirmed with Customs and Board Protection that improvements to the Customs House could be made as necessary and that OHPA could proceed with signing the new lease.

Commissioner Hanna made the motion to authorized Commissioner Franklin to execute the new lease for the Customs House. Commissioner Franklin seconded. Motion was passed unanimously. Commissioner Sturgess asked for a poll of the vote due to the teleconference.

**Cole YES
Franklin YES
Fullwood YES
Hanna YES
Sturgess YES**

Port Operator Chris Ragucci apprised the Board of the challenges and potential opportunities for the Port of Fernandina which include hosting cruise ships that need a berthing spot and accepting overflow of containers when larger ports in the area are unable to accommodate due to the backup during the pandemic. Mr. Ragucci presented the March, 2020 tonnage report. Commissioner Franklin asked about precautions for the docked ship's crews during the pandemic and Mr. Ragucci reported that the crews are quarantined onboard the vessels. Mr. Ragucci informed the Board that Worldwide is in negotiations with a wood pulp importer from Europe and this would be a new long-term customer. Mr. Ragucci reported that the dredging project was 80% complete with depths up to 40' at the berth. He anticipates that the project will be completed by the end of the month.

Unfinished Business

Attorney Branham addressed the Custom House lease and deficiencies in his report earlier in the meeting. Commissioner Franklin reminded the Board that this is the last month that OHPA will receive a rent payment from the GSA. He asked Mr. Ragucci to take over the utility payments and monthly cleaning bill. Mr. Ragucci said he would look into the expenses and consider.

There was discussion regarding the monies due from Worldwide Terminals to the Ocean Highway and Port Authority. Mr. Ragucci informed the Board that an Allied Security payment check has been mailed to OHPA in the amount of \$8,170.24. Worldwide would be issuing a payment check on Friday (April 10) for a 1/12th quarterly payment (\$20,973) to OHPA. Mr. Ragucci told the Board that a line of credit had been applied for and was approved last month but the loan was cancelled due to COVID 19. He also informed the Board that Worldwide had applied for a Paycheck Protection loan and some of those funds would be used to catch up on quarterly payments – he is awaiting approval from the Bank on his loan request. Attorney Branham brought up the issue of getting correct instructions to the Bond Trustee and the need for the Borrower (Worldwide Terminals) to provide the Bond Trustee (Zion Bank) with complete and accurate payment instructions. Currently the instructions only instruct for quarterly payments and do not include monthly maintenance payments nor the anticipated PILOT payments. The Bond Trustee has taken the position that documents are necessary from Worldwide to release funds in the Issuer's (OHPA) account. There was discussion and Commissioner Sturgess requested that Attorney Branham send out a letter outlining the points in dispute to all in an effort to work on the payment issues together.

Commissioner Franklin made the motion to ask Attorney Branham to investigate the default of Worldwide Terminals for non-payment. Commission Hanna seconded the motion. Discussion followed. Motion withdrawn.

Commissioner Sturgess made the motion to take the issue up again once both sides has submitted their positions in writing. Motion withdrawn.

Attorney Branham requested that Mr. Ragucci send him a copy of the instructions that were sent to the Bond Trustee in March 2020. Mr. Ragucci said that he did not think there would be an objection to that.

Chairman Fullwood made the motion to replace Mr. Ragucci as the Port Director if monies owed to OHPA and are not paid either through the Bond Trustee or other available funds to bring the account with OHPA current within thirty (30) days. Motion passes unanimously.

**Cole YES
Franklin YES
Fullwood YES
Hanna YES
Sturgess YES**

Chairman Fullwood made the motion to accept the new Port logo. Commissioner Hanna seconded the motion. Motion passed unanimously.

**Cole YES
Franklin YES
Fullwood YES
Hanna YES
Sturgess YES**

Chairman Franklin made the motion to accept Resolution 2020-R03. A RESOLUTION OF THE OCEAN HIGHWAY AND PORT AUTHORITY OF NASSAU COUNTY, FLORIDA AUTHORIZING THE ENTRY INTO A PUBLIC TRANSPORTATION GRANT AGREEMENT WITH THE FLORIDA DEPARTMENT OF TRANSPORTATION FOR FUNDING FOR PLANNING INITIATIVES, INCLUDING MASTER AND STRATEGIC PLANNING; PROVIDING FOR AN EFFECTIVE DATE. Motion passed unanimously.

**Cole YES
Franklin YES
Fullwood YES
Hanna YES
Sturgess YES**

New Business

Rick Ferrin of TranSystems was in attendance on the teleconference and brought to the Board's attention that Worldwide Terminals is currently past due on three projects in the amount of \$184,662. Commissioner Cole asked Port Attorney Branham if OHPA is ultimately responsible for these amounts as the contract is between OHPA and TranSystems. Because OHPA is the contracting party, yes and Worldwide would be party to any lawsuit that would be filed. Mr. Ragucci stated that Worldwide would be dealing with this issue directly with TranSystems and will make sure they do their best to deal with it in a way that does not impact OHPA. Chairman Fullwood asked that the issue be worked out before next month's meeting.

Committee Reports:

- Port Security – Commissioner Fullwood – Nothing new to report
- Customs House – Commissioner Franklin – Nothing new to report outside of the GSA rental payments, lease and deficiencies already addressed earlier in the meeting. Port Accountant LaPorte will send Mr. Ragucci the monthly expenses for review and consideration.
- Army Corp of Engineers – Commissioner Sturgess – The maintenance dredging of the channel is on track. An updated survey of the channel has been complete with work expected to start in December.
- Economic Development – Commissioner Cole – Nothing new to report.
- Emergency Management – Commissioner Franklin – There was information on beach closings and the COVID19 outbreak in Nassau County.
- Technical Coordinating Committee – Commissioner Hanna -
- TPO – Commissioner Cole – Commissioner Cole -
- Nassau Chamber East Side – Commissioner Sturgess – there was no meeting held but the Chamber is working to keep businesses updated with information.
- Nassau Chamber West Side – Commissioner Cole- Nothing new to report.

The Administrative Office Manager's report was included in the Board's meeting packet and there were no additional questions.

With no other business to come before the Board, the meeting was adjourned at 8:46 PM.

Danny Fullwood, Chairman

MAULDIN & JENKINS

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**Ocean Highway and Port Authority of Nassau County
Barb Amerigan, Office Manager
86130 License Road - Suite 9
Fernandina Beach, FL 32034**

**Invoice No. 1202300
02/20/2020
Client No. 07009237.000**

PLEASE DETACH HERE AND RETURN UPPER PORTION
WITH YOUR REMITTANCE

PAYMENT IS DUE UPON
RECEIPT OF INVOICE

AMOUNT ENCLOSED \$ _____

PROFESSIONAL SERVICES RENDERED AS FOLLOWS:

Progress billing number 1 regarding the annual financial and compliance audit of the Ocean Highway and Port Authority as of and for the year ended September 30, 2019.

Progress Bill

	\$	12,900.00
Prior Balance		<u>0.00</u>
Total Amount Due	\$	<u>12,900.00</u>

WE APPRECIATE YOUR BUSINESS!

NASSAU COUNTY OCEAN HIGHWAY & PORT AUTHORITY

Monthly Financial Report - Apr 2020

	April	YTD ACTUAL	BUDGET 2019-2020
Revenues			
Quarterly Fee	41,945.75	83,891.67	251,675.00
PILOT Payment	0.00	0.00	50,000.00
Audit Fee Reimbursement	0.00	0.00	7,000.00
Misc Income	0.00	0.00	2,000.00
Interest	0.00	0.00	60.00
TOTAL REVENUES	41,945.75	83,891.67	310,735.00
EXPENSES			
COMMISSION DIRECT			
Salaries - Commissioners	10,000.00	67,500.00	120,000.00
Payroll Taxes	972.76	5,253.36	11,361.00
Unemployment	34.83	62.50	75.00
Conferences & Travel	0.00	0.00	1,000.00
Insurance	0.00	0.00	102.00
Salaries - Board Attorney	1,900.00	15,110.00	30,000.00
TOTAL COMMISSION DIRECT	12,907.59	87,925.86	162,538.00
COMMISSION OPERATION			
Salaries- Accountant	1,500.00	9,000.00	18,000.00
Salaries - Office Administrator	1,740.38	13,122.99	23,535.68
Expenses - Office Administrator	1.99	1,952.17	7,000.00
Travel - Office Administrator	0.00	0.00	100.00
TOTAL COMMISSION OPERATION	3,242.37	24,075.16	48,635.68
COMMISSION DISCRETIONARY			
Dept. of Revenue (Special Dist. Fee)	0.00	225.00	175.00
TPO. - Membership	0.00	1,293.00	1,257.00
Greater Nassau Chamber of Commerce	0.00	280.00	280.00
Advertisement	0.00	80.91	500.00
Special Meeting - Court Reporter	0.00	0.00	0.00
Web Site	0.00	0.00	300.00
Awards & Presentations	0.00	647.00	120.00
Discretionary	0.00	913.00	100.00
TOTAL COMMISSION DISCRETIONARY	0.00	3,438.91	2,732.00
PORT OPERATIONS			
FB Annual Fee - PILOT	0.00	0.00	50,000.00
CSX Right of Way Fee	0.00	2,241.50	750.00
Insurance	0.00	12,275.00	11,500.00
Audit	0.00	0.00	32,800.00
FL Ports Council Dues	0.00	15,500.00	20,500.00
Nassau Cty Economic Dev Board	0.00	10,000.00	10,000.00
Sponsorships	0.00	0.00	0.00
TOTAL PORT OPERATIONS	0.00	40,016.50	125,550.00
TOTAL EXPENSES	16,149.96	155,456.43	339,455.68
Excess Revenues over Expenditures	25,795.79	-71,564.76	-28,720.68

NASSAU COUNTY OCEAN HIGHWAY & PORT AUTHORITY

Customs House

Monthly Financial Report - Apr 2020

	<u>Apr</u>	<u>YTD ACTUAL</u>	<u>BUDGET</u> <u>2019-2020</u>
INCOME			
GSA - Customs House - RENTAL INCOME	2,304.46	16,131.22	16,131.22
Interest			
TOTAL INCOME	2,304.46	16,131.22	16,131.22
CUSTOMS HOUSE			
Bug Out Pest Control	0.00	525.00	50.00
River Pest Control Termite Bond	0.00	490.00	525.00
Lawn Service	0.00	0.00	0.00
Cleaning Service	280.00	1,960.00	3,360.00
City of Fernandina Beach (Water)	105.53	611.95	1,500.00
Florida Public Utilities (Electric)	314.03	2,192.92	5,000.00
Maintenance	0.00	0.00	5,696.22
TOTAL CUSTOMS HOUSE	699.56	5,779.87	16,131.22
<u>Net Increase(decrease) in Funds</u>	1,604.90	10,351.35	0.00

NASSAU COUNTY OCEAN HIGHWAY & PORT AUTHORITY

Account Balances - April 30, 2020

Account Name	Acct Num	30-Apr	31-Mar
Operating	x3328	42,829.96	18,262.67
Money Market	x3310	25,752.31	25,752.10
First Fed Account	x7287	912.04	912.04
Other - Admin Acct	x6714	329.50	48.49
BBT Maintenance	x1591	111,290.16	111,290.16

Nassau County, Florida

Ocean Highway & Port Authority

FINANCIAL STATEMENTS

for the

Quarter ended March 31, 2020

and

Two quarters ended March 31, 2020



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

Management is responsible for the accompanying financial statements of the Ocean High and Port Authority of Nassau County (a not for profit Special District chartered by the Legislature of the State of Florida), which comprise the balance sheet as of March 31, 2020, March 31, 2019 and December 31, 2019 and the related statement of income and retained earnings for one quarter ended and two quarters ended March 31, 2020 and one quarter ended March 31, 2019, in accordance with accounting principles generally accepted in the United States of America.

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

A statement of cash flows for the quarter ended March 31, 2020, March 31, 2019 and December 31, 2019, has not been presented. Accounting principles generally accepted in the United States of America require that such a statement be presented when financial statements purport to present financial position and results of operations.

Management has elected to omit substantially all of the disclosures required by generally accepted accounting principles. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Ocean Highway and Port Authority's financial position. Accordingly, these financial statements are not designed for those who are not informed about such matters.

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

Courson and Stam LLC

May 5, 2020

OCEAN HIGHWAY & PORT AUTHORITY

Balance Sheet

As of March 31, 2020 and December 31, 2019

	As of Mar 31, 2020	As of Dec 31, 2019
ASSETS		
Current Assets		
Bank Accounts		
1010 Petty Cash	150.00	150.00
1045 BBT - Maintenance Acct	2,834.87	2,834.87
1047 1047 BB&T	108,455.29	108,455.29
FF Bank Project Account	912.04	912.04
First Federal - Operating	-4,395.43	1,096.92
First Federal -MMA	25,752.10	25,747.16
First Federal-Admin	48.49	763.52
Total Bank Accounts	\$ 133,757.36	\$ 139,959.80
Accounts Receivable		
1061 Due from other Govements	154,680.59	110,811.34
Total Accounts Receivable	\$ 154,680.59	\$ 110,811.34
Other Current Assets		
1060 Accounts Receivable	32,496.63	32,496.63
1062 Annual Fee Receivable	241,776.57	241,776.57
12000 Undeposited Funds	0.00	0.00
Total Other Current Assets	\$ 274,273.20	\$ 274,273.20
Total Current Assets	\$ 562,711.15	\$ 525,044.34
Fixed Assets		
2010 Land - Port	3,183,736.29	3,183,736.29
2020 Buildings	772,000.00	772,000.00
2025 1997,1998,1999 - Warehouse	2,060,166.47	2,060,166.47
2026 1997,1998,1999 - Bulk Pier	191,099.29	191,099.29
2027 Warehouse #1 - Refurbish	918,327.92	918,327.92
2028 Road Project	347,150.95	347,150.95
2030 Equipment	805,054.69	805,054.69
2031 Leibherr Crane	1,923,698.39	1,923,698.39
2040 Port Improvements	24,678,447.68	24,678,447.68
2043 Tradeplex Improvements	1,013,339.04	1,013,339.04
2045 Dredge Project	929,083.69	929,083.69
2046 Gate Entry/Storage Yard	251,709.73	251,709.73
2047 New Pier - 2003	611,546.36	611,546.36
2050 Security	762,117.44	762,117.44
2100 Accumulated Depreciation	-28,204,238.42	-28,204,238.42
Total Fixed Assets	\$ 10,243,239.52	\$ 10,243,239.52
TOTAL ASSETS	\$ 10,805,950.67	\$ 10,768,283.86

OCEAN HIGHWAY & PORT AUTHORITY

Balance Sheet

As of March 31, 2020 and December 31, 2019

LIABILITIES AND EQUITY

Liabilities

Current Liabilities

Accounts Payable

20000 *Accounts Payable	105,118.28	83,731.82
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Total Accounts Payable	\$ 105,118.28	\$ 83,731.82
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Other Current Liabilities

3020 Accounts Payable	0.00	0.00
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3022 Annual Fee Payable	112,498.00	112,498.00
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3023 BBT Line of Credit	0.00	0.00
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3030 Accrued Payroll	5,000.00	5,000.00
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3040 Payroll Taxes Payable	5,024.32	2,526.28
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3042 Unemployment Taxes Payable	0.00	0.00
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3056 Advanced Revenue Bond	0.00	0.00
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3509 Unearned Revenue	0.00	0.00
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Total Other Current Liabilities	\$ 122,522.32	\$ 120,024.28
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Total Current Liabilities	\$ 227,640.60	\$ 203,756.10
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Long-Term Liabilities

4012 Advance Revenue Payable	0.00	0.00
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4013 Derivative Financial Instrument	0.00	0.00
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4014 Escrow Deposit	0.00	0.00
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Bond Premium Discount	0.00	0.00
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Total Long-Term Liabilities	\$ 0.00	\$ 0.00
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Total Liabilities	\$ 227,640.60	\$ 203,756.10
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Equity

5006 Contrib. Capital - Audit 9/98	442,681.32	442,681.32
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5007 Contrib. Capital - Audit 9/97	8,813.00	8,813.00
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5008 Contrib. Capital - Audit 9/96	59,665.00	59,665.00
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5009 Contrib. Capital - Audit 9/95	854,456.00	854,456.00
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5010 Contrib. Capital - Dot 2012	389,750.24	389,750.24
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5020 Beginning Fund Deficit	-9,270,843.41	-9,270,843.41
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5025 YTD Fund (Deficit)/Excess	7,712,465.43	7,712,465.43
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6500 Contributed Capital-operator	6,085,088.64	6,085,088.64
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6501 Operator Contrib - Nov 2018	4,555,985.56	4,555,985.56
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Net Income	-259,751.71	-273,534.02
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Total Equity	\$ 10,578,310.07	\$ 10,564,527.76
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TOTAL LIABILITIES AND EQUITY	\$ 10,805,950.67	\$ 10,768,283.86
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OCEAN HIGHWAY & PORT AUTHORITY

Balance Sheet

As of March 31, 2020 and March 31, 2019

	As of Mar 31, 2020	As of Mar 31, 2019
ASSETS		
Current Assets		
Bank Accounts		
1010 Petty Cash	150.00	150.00
1044 Cash in Bank-First Fed MM-1552 (deleted)	0.00	16,226.95
1045 BBT - Maintenance Acct	2,834.87	106,228.20
1047 1047 BB&T	108,455.29	981.00
FF Bank Project Account	912.04	912.04
First Federal - Operating	-4,395.43	19,668.32
First Federal -MMA	25,752.10	7,425.32
First Federal-Admin	48.49	89.22
Port Revenue Account (deleted)	0.00	2,033.06
Total Bank Accounts	\$ 133,757.36	\$ 153,714.11
Accounts Receivable		
1061 Due from other Governments	154,680.59	0.00
Total Accounts Receivable	\$ 154,680.59	\$ 0.00
Other Current Assets		
1060 Accounts Receivable	32,496.63	110,962.28
1062 Annual Fee Receivable	241,776.57	141,867.00
Total Other Current Assets	\$ 274,273.20	\$ 252,829.28
Total Current Assets	\$ 562,711.15	\$ 406,543.39
Fixed Assets		
2010 Land - Port	3,183,736.29	3,183,736.29
2020 Buildings	772,000.00	772,000.00
2025 1997,1998,1999 - Warehouse	2,060,166.47	2,060,166.47
2026 1997,1998,1999 - Bulk Pier	191,099.29	191,099.29
2027 Warehouse #1 - Refurbish	918,327.92	918,327.92
2028 Road Project	347,150.95	347,150.95
2030 Equipment	805,054.69	805,054.69
2031 Leibherr Crane	1,923,698.39	1,428,657.12
2040 Port Improvements	24,678,447.68	24,678,447.68
2043 Tradeplex Improvements	1,013,339.04	1,013,339.04
2045 Dredge Project	929,083.69	929,083.69
2046 Gate Entry/Storage Yard	251,709.73	251,709.73
2047 New Pier - 2003	611,546.36	611,546.36
2050 Security	762,117.44	762,117.44
2100 Accumulated Depreciation	-28,204,238.42	-27,300,607.49
Total Fixed Assets	\$ 10,243,239.52	\$ 10,651,829.18
TOTAL ASSETS	\$ 10,805,950.67	\$ 11,058,372.57

OCEAN HIGHWAY & PORT AUTHORITY

Balance Sheet

As of March 31, 2020 and March 31, 2019

LIABILITIES AND EQUITY

Liabilities

Current Liabilities

Accounts Payable

20000 *Accounts Payable

105,118.28

Total Accounts Payable

	\$	105,118.28		\$	0.00
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Other Current Liabilities

3020 Accounts Payable

0.00

9,982.73

3022 Annual Fee Payable

112,498.00

74,996.00

3023 BBT Line of Credit

0.00

459,326.47

3030 Accrued Payroll

5,000.00

5,000.00

3040 Payroll Taxes Payable

5,024.32

1,875.79

3042 Unemployment Taxes Payable

0.00

0.00

3056 Advanced Revenue Bond

0.00

1,350,000.00

3509 Unearned Revenue

0.00

0.00

Total Other Current Liabilities

	\$	122,522.32		\$	1,901,180.99
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Total Current Liabilities

	\$	227,640.60		\$	1,901,180.99
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Long-Term Liabilities

4012 Advance Revenue Payable

0.00

-681,827.00

4013 Derivative Financial Instrument

0.00

0.00

4014 Escrow Deposit

0.00

0.00

Bond Premium Discount

0.00

0.00

Total Long-Term Liabilities

	\$	0.00	-\$		681,827.00
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Total Liabilities

	\$	227,640.60		\$	1,219,353.99
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Equity

5006 Contrib. Capital - Audit 9/98

442,681.32

442,681.32

5007 Contrib. Capital - Audit 9/97

8,813.00

8,813.00

5008 Contrib. Capital - Audit 9/96

59,665.00

59,665.00

5009 Contrib. Capital - Audit 9/95

854,456.00

854,456.00

5010 Contrib. Capital - Dot 2012

389,750.24

389,750.24

5020 Beginning Fund Deficit

-9,270,843.41

-9,270,843.41

5025 YTD Fund (Deficit)/Excess

7,712,465.43

7,167,100.49

6500 Contributed Capital-operator

6,085,088.64

6,085,088.64

6501 Operator Contrib - Nov 2018

4,555,985.56

3,887,812.56

Net Income

-259,751.71

214,494.74

Total Equity

	\$	10,578,310.07		\$	9,839,018.58
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TOTAL LIABILITIES AND EQUITY

	\$	10,805,950.67		\$	11,058,372.57
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OCEAN HIGHWAY & PORT AUTHORITY

Statement of Operations

For the One Quarter ended March 31, 2020 and two quarters ended March 31, 2020

	Jan - Mar, 2020	Oct 2019 - Mar 2020
Income		
6015 Interest Income	4.94	13.62
6023 Port Security Reimbursement	0.00	24,006.23
6025 Rental Income	2,304.46	9,217.84
6028 Annual Fee	62,918.75	180,281.50
6031 Maintenance Contrib	15,000.00	35,000.00
6035 State of Florida - DOT Funds	110,095.61	110,095.61
Services	2,304.46	5,108.92
Total Income	\$ 192,628.22	\$ 363,723.72
Gross Profit	\$ 192,628.22	\$ 363,723.72
Expenses		
8020 Advertising	0.00	80.91
8050 Bank Charges	42.00	70.00
8065 Commissioners Fees	28,660.00	56,160.00
8068 Office Mngr Payroll	4,550.99	9,791.74
8075 Depreciation	0.00	311,899.00
8080 Dues & Subscriptions	225.00	11,798.00
8100 Insurance	0.00	12,275.00
8110 Interest Expense	0.00	2,257.19
8120 Janitorial	840.00	1,680.00
8127 Licenses & Permits	745.50	2,262.10
8130 Office Supplies	592.74	2,243.10
8150 Payroll Taxes - Commissioner	4,976.00	6,773.75
8151 Payroll Taxes - Office Manager	1,811.37	2,518.29
8154 State Unemployment Tax	0.00	27.67
8165 Pest Control	225.00	1,015.00
8166 Port Security	0.00	24,358.30
8180 Professional Fees		
8180- Professional Fees-Other	12,900.00	28,400.00
8180A Accountant	3,000.00	9,000.00
8180B Port Attorney	7,510.00	13,210.00
Total 8180 Professional Fees	\$ 23,410.00	\$ 50,610.00

OCEAN HIGHWAY & PORT AUTHORITY

Statement of Operations

For the One Quarter ended March 31, 2020 and two quarters ended March 31, 2020

	Jan - Mar, 2020	Oct 2019 - Mar 2020
8200 Repairs & Maintenance	110,095.61	110,095.61
8220 Security Software Maintenance	47.88	287.86
8235 Taxes - Annual Fee	0.00	12,498.00
8270 Utilities		
8270A FPU	834.80	2,171.25
8270B City of FB Utility	197.65	507.51
Total 8270 Utilities	\$ 1,032.45	\$ 2,678.76
8280 Miscellaneous Expense	955.91	987.41
Awards & Presentations	412.00	647.00
Purchases	223.46	460.74
Total Expenses	\$ 178,845.91	\$ 623,475.43
Net Operating Income	\$ 13,782.31	-\$ 259,751.71
Net Income	\$ 13,782.31	-\$ 259,751.71

OCEAN HIGHWAY & PORT AUTHORITY

Statement of Operations

For the One Quarter ended March 31, 2020 and ended March 31, 2019

	Jan - Mar, 2020	Jan - Mar, 2019
Income		
6015 Interest Income	4.94	22.07
6023 Port Security Reimbursement	0.00	41,667.32
6025 Rental Income	2,304.46	6,855.18
6028 Annual Fee	62,918.75	75,417.00
6031 Maintenance Contrib	15,000.00	15,000.00
6035 State of Florida - DOT Funds	110,095.61	603,034.40
Services	2,304.46	0.00
Total Income	\$ 192,628.22	\$ 741,995.97
Gross Profit	\$ 192,628.22	\$ 741,995.97
Expenses		
8020 Advertising	0.00	101.74
8050 Bank Charges	42.00	25.00
8065 Commissioners Fees	28,660.00	22,500.00
8068 Office Mngr Payroll	4,550.99	4,320.00
8075 Depreciation	0.00	263,808.00
8080 Dues & Subscriptions	225.00	0.00
8100 Insurance	0.00	224.00
8110 Interest Expense	0.00	10,093.07
8120 Janitorial	840.00	920.00
8121 Lawn Maintenance	0.00	200.00
8127 Licenses & Permits	745.50	0.00
8128 Quarterly Marketing Fees	0.00	2,083.00
8130 Office Supplies	592.74	667.34
8135 Office Manager Travel	0.00	22.34
8150 Payroll Taxes - Commissioner	4,976.00	1,721.73
8151 Payroll Taxes - Office Manager	1,811.37	330.48
8154 State Unemployment Tax	0.00	23.50
8165 Pest Control	225.00	300.00
8166 Port Security	0.00	40,486.52
8180 Professional Fees		
8180- Professional Fees-Other	12,900.00	0.00
8180A Accountant	3,000.00	4,500.00
8180B Port Attorney	7,510.00	7,235.00
Total 8180 Professional Fees	\$ 23,410.00	\$ 11,735.00

OCEAN HIGHWAY & PORT AUTHORITY

Statement of Operations

For the One Quarter ended March 31, 2020 and ended March 31, 2019

	Jan - Mar, 2020	Jan - Mar, 2019
8200 Repairs & Maintenance	110,095.61	650.00
8220 Security Software Maintenance	47.88	0.00
8235 Taxes - Annual Fee	0.00	12,498.00
8270 Utilities		
8270A FPU	834.80	574.93
8270B City of FB Utility	197.65	406.89
Total 8270 Utilities	\$ 1,032.45	\$ 981.82
8280 Miscellaneous Expense	955.91	908.44
Awards & Presentations	412.00	0.00
Purchases	223.46	0.00
Total Expenses	\$ 178,845.91	\$ 374,599.98
Net Operating Income	\$ 13,782.31	\$ 367,395.99
Net Income	\$ 13,782.31	\$ 367,395.99

JEB T. BRANHAM, P.A.
Jeb T. Branham
419 3rd Street North
Jacksonville Beach, Florida 32250
Tel: (904) 339-0500; Fax: (904) 339-0501
jeb@jebbranham.com
www.jebbranham.com

May 2020

Below are updates on the near-term legal issues:

1. We are still holding June 3, 2020 for mediation for the next phase of the dispute resolutions proceedings to resolve the dispute with Fernandina Beach regarding the end date for the PILOT payments. Executive Order 20-112 (Phase 1. Safe. Smart. Step-by-Step. Plan for Florida's Recovery) currently controls public gathering restrictions and remains in force until it is rescinded. Section 2(C)(1) of this Order says "Avoid congregating in large groups. Local jurisdictions shall ensure that groups of people greater than ten are not permitted to congregate in any public space that does not readily allow for appropriate physical distancing." Executive Order 20-69 that allows virtual public meetings remains in effect indefinitely under EO 20-112. We should discuss whether we prefer to delay mediation again, find a space that would allow for 25 or so people to attend while appropriately distanced, or make preparations to conduct the mediation virtually as a back-up plan.
2. Commissioner Sturgess and I have finished OHPA's revisions to the interlocal agreement with the City of Fernandina Beach to assume financial liability associated with the westward channel realignment. A copy is attached. With commission approval, we can transmit it to Fernandina Beach for its consideration.

Jeb T. Branham, Esq.
419 3rd Street North
Jacksonville Beach, FL 32250

Invoice submitted to:
Ocean Highway and Port Authority

May 6, 2020

Invoice # 13075

Professional Services

	<u>Hrs/Rate</u>	<u>Amount</u>
4/2/2020 Telephone conference with J. Stanton regarding bond payment instructions; review and analyze bond default provisions;	1.50 200.00/hr	300.00
4/3/2020 Telephone conference with R. Ferrin and M. Cavanaugh regarding invoices; prepare mediation statement;	4.50 200.00/hr	900.00
4/6/2020 Prepare mediation statement;	2.30 200.00/hr	460.00
4/7/2020 Prepare mediation statement; telephone conference with J. Morale regarding WTF defaults; telephone conference with B. Amergian regarding payments; telephone conference with D. Fullwood regarding legal matters;	2.60 200.00/hr	520.00
4/8/2020 Prepare for and attend regular meeting;	2.50 200.00/hr	500.00
4/14/2020 Telephone conference with D. Kaufman regarding Haskell work; prepare breach letter; email to C. Ragucci regarding payment directions;	5.60 200.00/hr	1,120.00
4/15/2020 Finalize breach letter; email to D. Fullwood regarding breach letter;	5.30 200.00/hr	1,060.00
4/16/2020 Email to C. Ragucci regarding bond instructions; telephone conferences with D. Fullwood regarding breach letter; telephone conference with R. Sturgess regarding breach letter; email to P. LaPorte regarding breach letter;	2.50 200.00/hr	500.00

	<u>Hrs/Rate</u>	<u>Amount</u>
4/17/2020 Email to commission regarding payment directions to bond trustee; prepare records request to bond trustee; email to bond trustee regarding payment instructions;	1.40 200.00/hr	280.00
4/20/2020 Telephone conference with S. Hanna regarding port operations;	0.20 200.00/hr	40.00
4/21/2020 Telephone conference with T. Arnold regarding TransSystems; email with B. Amergian and P. LaPorte regarding WTF payments;	0.60 200.00/hr	120.00
4/22/2020 Emails to P. LaPorte regarding directions to trustee and past due payments; email to C. Ragucci regarding directions to the trustee; telephone conference with J. Stanton regarding bond structure and WTF obligations; telephone conference with D. Fullwood regarding J. Stanton appearing at meeting;	1.80 200.00/hr	360.00
4/23/2020 Telephone conference with M. Cole regarding WTF status; emails to J. Stanton regarding bond structure;	0.30 200.00/hr	60.00
4/24/2020 Email to P. LaPorte regarding trustee obligations;	0.20 200.00/hr	40.00
4/28/2020 Telephone conference with B. Amergian regarding upcoming meeting;	0.20 200.00/hr	40.00
5/4/2020 Review and analyze financial statements; review executive orders; email to D. Fullwood and S. Hanna regarding financial statements; email to board regarding virtual meetings;	1.20 200.00/hr	240.00
5/5/2020 Prepare memorandum regarding WTF non-payment; telephone conference with R. Sturgess regarding channel realignment; email to P. LaPorte regarding WTF non-payment;	4.50 200.00/hr	900.00
5/6/2020 Email to C. Alvarez and T. Bach regarding mediation;	0.40 200.00/hr	80.00
For professional services rendered	<u>37.60</u>	<u>\$7,520.00</u>
Previous balance		\$1,900.00
Accounts receivable transactions		
4/2/2020 Payment - thank you. Check No. 2311		(\$1,900.00)
5/6/2020 Credit		(\$900.00)
Total payments and adjustments		<u>(\$2,800.00)</u>

Balance due

Amount
\$6,620.00

Ocean Highway and Port Authority

Due from Worldwide Terminals
as of May 1, 2020

Quarterly Payments

Jul 1 - Sept 30 2019	0.00	62,918.20 paid 1/9/2020 \$20,972.92; 3/27/2020 \$20,973, 4/16/2020 \$20,973
Oct 1 - Dec 1 2019	62,918.75	
Jan 1 - Mar 30 2020	62,918.75	
Apr 1 - July 31 2020	62,918.75	

Quarterly Payment Total Due **188,756.25**

Maintenance Fund Payments

July 2019	5,000.00
August 2019	5,000.00
September 2019	5,000.00
October 2019	5,000.00
November 2019	5,000.00
December 2019	5,000.00
January 2020	5,000.00
February 2020	5,000.00
March 2020	5,000.00
April 2020	5,000.00
May 2020	5,000.00

Maintenance Total Due **55,000.00**

PILOT Payment

2019 PILOT Payment **50,000.00**

TOTAL Due as per contract

293,756.25

Other Amounts Outstanding

Right Whale Festival Sponsorship	Agreed 50/50 Split / OHPA has paid 100% of invoice	500.00
Allied Security Invoices	30 Days Past Due / OHPA does not pay Allied until it receives payment from Worldwide	\$ 43,050.63
TOTAL Other Amounts Outstanding		43,550.63



TranSystems

2400 Pershing Road
Suite 400
Kansas City, MO 64108
Tel 816 329 8600
Fax 816 329 8601

www.transystems.com

VIA REGULAR AND OVERNIGHT MAIL

March 26, 2020

Danny Fullwood, Chairman
Ocean Highway and Port Authority
of Nassau County Florida
86130 License Road, Suite 9
Fernandia Beach, FL 32034

RE: Past Due Balances Owed to TranSystems

Dear Chairman Fullwood:

As you might be aware, TranSystems Corporation (TranSystems) provides consulting engineering services to the Ocean Highway and Port Authority (OHPA) pursuant to a June 29, 2019 Professional Services Continuing Contract. Currently TranSystems has two separate projects with OHPA issued under separate task orders, both of which have become seriously delinquent. A brief summary of the two projects is as follows:

P309180095 - Pier Access Bridge Inspection and Design: Following an initial structural inspection and analysis of the main wharf, the project was later amended to include a load analysis for the new mobile harbor crane, another load analysis to determine the adequacy of the wharf's capacity to secure larger vessels and the preparation of design and bid documents for wharf repairs and additions and the demolition, removal and replacement of a reinforced concrete transition apron between the wharf and cargo yard. After completing the bid solicitation, accepting a single bid and repeatedly attempting to value engineer the project to meet OHPA's budget, TranSystems was informed by the OHPA Port Director, Christopher Ragucci, that OHPA did not have sufficient funds to complete the Project or pay TranSystems for the work performed. This project is funded at 75% by FDOT under an FSTED grant from the state. Only 25% of the cost is the responsibility of the local sponsor – OHPA.

P309190040 – Warehouse Design Criteria Package: In August of 2019 TranSystems entered into a contract with OHPA to prepare a design-criteria package for a new 29,000 s.f. forest products warehouse to be located adjacent to the Nassau Terminals wharf on the main marine terminal. TranSystems completed the design criteria package in January, and provided the design criteria package, project specifications and instructions to bidders in a request for proposals to two qualified contractors for competitive proposals. To locate the warehouse building where OHPA directed would require an expensive pile-foundation design, and after receiving bids for the work, and Mr. Ragucci has inquired about investigating a new site for the Warehouse on a site off the main terminal that the OHPA does not currently own. Mr.



Ragucci has conditioned payment for work completed thus far by TranSystems since September 2019 on a modification of the original contract by TranSystems, committing to develop a new design criteria package and solicit proposals from qualified contractors for the development of a new warehouse on the property off the terminal, south of the existing warehouse complex and to the east of the rail line on a piece of private property not currently owned by the Port Authority. This project is funded at 37% by FDOT under an FSTED grant from the state. The remaining 63% is to come from the local sponsor and would be paid from Worldwide Terminals' municipal bond funds.

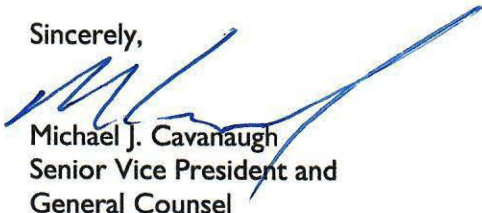
Following the last payment from OHPA in July 2019 for an April 2019 invoice, TranSystems has been continuing work on both Projects, now under the direction of Mr. Ragucci since his being appointed by OHPA's Board to be their Port Director on December 11, 2019. Despite assurances by Mr. Ragucci and offers to make partial payments of the amounts outstanding, Mr. Ragucci has failed to take any meaningful measures to pay the delinquent balances. The current outstanding balances owed for the projects is as follows:

Project	Description	Total Fee	Paid to Date	Outstanding balance
P309180095	Pier Access Bridge Inspection Design	\$ 246,121	\$ 117,321	\$ 96,663
P309190040	Warehouse Design Criteria Package	\$137,834	\$.00	\$ 87,999
				\$ 184,662

In accordance with section 5.5 of the agreement between TranSystems and OHPA, effectively immediately TranSystems is suspending all further services with OHPA and withholding any further deliverables until all amounts outstanding have been paid in full, including all expenses and charges. Further, all outstanding balances owed will be assessed interest at a rate of 1.5% per month. In the event we are required to proceed with collection on this matter, in accordance with the agreement we will pursue all attorney's fees and costs associated with our collection efforts. A summary of the outstanding invoices is attached.

Given our failed efforts to date to resolve the outstanding amounts owed TranSystems with Mr. Ragucci, we are directing this to your attention and request you share with the other OHPA Commissioners. We will also copy your counsel, Mr. Branham. Please contact me directly if you wish to discuss resolving this matter in an amicable fashion.

Sincerely,



Michael J. Cavanaugh
Senior Vice President and
General Counsel
816 329-8605
mjcavanaugh@transystems.com

cc: Jeb Branham, Esq.
enclosure(s)

OHPA INVOICE SUMMARY

Project - P309180095: Pier Access Bridge Inspection and Design

This project's budget under contract with OHPA is \$246,121.21. This project has been invoiced five times as follows:

<u>Invoice Number</u>	<u>Date</u>	<u>Invoice Amount</u>	<u>Receipt Amount</u>	<u>Date Paid</u>
1	12/21/18	\$50,942.74	\$50,942.74	2/12/19
2	01/15/19	\$37,416.10	\$37,416.10	3/11/19
3	04/26/19	\$28,962.53	\$28,962.53	7/16/19
4	12/27/19	\$91,323.03	\$00.00	60 days over
5	01/30/20	\$5,340.21	\$00.00	30 days over

Project - P309190040: Warehouse Design Criteria Package

The contract (Task Order) for this effort was executed on August 30, 2019 for a fee of \$137,834 to be invoiced monthly during project progress. TranSystems has invoiced OHPA – Worldwide three times as follows:

<u>Invoice Number</u>	<u>Date</u>	<u>Invoice Amount</u>	<u>Receipt Amount</u>	<u>Date Paid</u>
1	11/08/19	\$11,227.71	\$00.00	(110 days)
2	12/27/19	\$13,024.82	\$00.00	(62 days)
3	1/31/20	\$63,746.36	\$00.00	(30 days)

ADMINISTRATIVE OFFICE MANAGER'S REPORT

May 2020

Hours Worked April - 80

- Attended and completed meeting minutes for the March 2020 meeting
- Attended FDOT Grant Meeting
- Webinars on Paycheck Grant Programs and GBA & AAPA Webinar: Current State of Port Affairs Amid COVID-19 Crisis
- Invoices paid and entered into QuickBooks
- Payroll entered into QuickBooks
- Setup Zoom Meetings and ran cross-checks with Commissioners
- Agenda for May meeting
- Responded to all emails and corresponding documents/letters
- Website Updates

Public Records Request Received in April - 0

From: Christopher Ragucci

Sent: Wednesday, May 13, 2020 3:52 PM

To: DANNY FULWOOD; rsturgess@portoffernandina.org; mcole@portoffernandina.org; CARROLL FRANKLIN; shanna@portoffernandina.org

Cc: Pierre Laporte; Jeb Branham; Barb Amergian

Subject: Tonight's Meeting - Unfinished Business

Good Afternoon All,

I have attached two documents for all of your use this evening at the meeting during the discussion of Worldwide's outstanding payables. I have also attached this month's Tonnage Report for discussion.

The first document is the **Schedule of Monies Owed**. This was prepared by Barb, and is included on page 25 of your Board packet. I have simply highlighted a couple of items on it for purposes of our discussion tonight.

The second document is a brief summary prepared by Rhonda Poteat, our Controller, recapping the amounts that Worldwide has paid out on OHPA projects since we took over in February 2018. As you will see, most of the payments relate to the current dredging project, for which Worldwide has already paid out **\$70,069.10** to date. Worldwide had previously paid out **\$57,000** as the final payment on the Fender Project started under Kinder Morgan. These payments alone represent a total of **\$127,069.10**. This **exclusive of** day to day maintenance performed on OHPA's port facilities, which is easily over another \$100,000.

I understand that Pierre LaPorte has previously discussed our proposal with each of you prior to tonight's meeting.

Tonight we will be requesting a Motion that has 3 principal elements:

1. OHPA agrees to accept immediate payment of **\$175,000.00** as payment in full for all quarterly payments currently outstanding under the Operating Agreement. The outstanding amount, through June 30th is **\$188,756.25**. We will be taking care of all outstanding quarterly payments and in effect pre-paying the month of June.
2. In recognition that the \$5,000 monthly payment into the "Maintenance Fund" is purely for the purpose of funding maintenance projects and OHPA's local matching share of Capital Projects contributed to by the State of Florida, OHPA will recognize that the currently outstanding months totaling \$55,000, along with the remaining months through December 31st of this year will be not be considered due, but will be allocated toward the Fender Project and the Dredging project. This is entirely consistent with the purposes of this fund as set forth in the Operating Agreement and with the customary way projects have been handled making use of this fund to cover OHPA's local share for projects.
3. The Chairman and Secretary will be authorized to execute the appropriate Resolution to codify the above, and will issue to Worldwide a **Certificate of Good Standing** in connection with the Operating Agreement **through June 30, 2020**.

Thank you all for your consideration of the foregoing and we look forward to a good discussion this evening and to answering any questions you may have.

Best regards,

Chris

Christopher T. Ragucci

Chief Executive Officer

Worldwide Terminals Fernandina

904-990-1300 Office

917-836-2880 Mobile

chris.ragucci@worldwideterminals.com



May 13, 2020

Schedule of Payments Due from Worldwide
(Prepared by Barb - p. 25 of your packet)

Ocean Highway and Port Authority
Due from Worldwide Terminals
as of May 1, 2020

Quarterly Payments

Jul 1 - Sept 30 2019
Oct 1 - Dec 1 2019
Jan 1 - Mar 30 2020
Apr 1 - ~~June 30 2020~~

0.00
62,918.75
62,918.75
62,918.75

62,918.20 paid 1/9/2020 \$20,972.92; 3/27/2020 \$20,973, 4/16/2020 \$20,973

June 2020

Quarterly Payment Total Due

188,756.25 - 175,000

Maintenance Fund Payments

July 2019
August 2019
September 2019
October 2019
November 2019
December 2019
January 2020
February 2020
March 2020
April 2020
May 2020

5,000.00
5,000.00
5,000.00
5,000.00
5,000.00
5,000.00
5,000.00
5,000.00
5,000.00
5,000.00
5,000.00

Maintenance Total Due

55,000.00

PILOT Payment

2019 PILOT Payment

50,000.00

(NOT DUE)

TOTAL Due as per contract

293,756.25

Other Amounts Outstanding

Right Whale Festival Sponsorship

Agreed 50/50 Split / OHPA has paid 100% of invoice

500.00

Allied Security Invoices

30 Days Past Due / OHPA does not pay Allied until it receives payment from Worldwide

\$ 43,050.63

43,550.63

TOTAL Other Amounts Outstanding

PASS through Paid by worldwide - Port Security