

# OCEAN HIGHWAY & PORT AUTHORITY NASSAU COUNTY



James S. Page Government Complex  
Nassau County Commission Chambers  
96135 Nassau Place, Yulee FL 32097

## AGENDA June 14, 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. May 10, 2023 Monthly Meeting
  - b. May 24, 2023 Shade Meeting
3. **Port Attorney Report**
4. **Port Accountant Report**
  - a. Financial report – May 2023
  - b. ARPA reimbursement update
  - c. Budget FY 2023-2024
5. **Port Executive Director Report**
6. **Port of Fernandina Report (Operator)**
  - a. Tonnage report – May 2023

## **7. Old Business**

- a. OHPA Financials/ARPA funds
- b. Customs and Border Protection (facility)

## **8. New Business**

- a. Security contract (Amendment)
- b. Peck Center office space (Lease agreement update)
- c. Business opportunities (Port Exec. Dir. report)

## **9. Committee Reports**

- Port Security – Commissioner Nelson
- FDOT – Commissioner Fullwood
- Customs House and Port Facilities – Commissioner Nelson
- Army Corp of Engineers (ACOE) – Commissioner Fullwood
- Economic Development – Commissioner Cole
- Emergency Management – Commissioner Cole
- Technical Coordinating Committee (TCC) – Commissioner Taylor
- Transportation Planning Organization (TPO) – Commissioner Cole
- Nassau Chamber of Commerce– Commissioner Hill
- City of Fernandina Beach – Commissioner Fullwood
- Community Outreach – All Commissioners per District

## **10. Administrative Office Manager Report**

- Agenda posting requirements (Florida Statute 120.525/120.52)
- Items for Port Operator One-year report
- Change of OHPA meeting time (update)

## **11. Other items to be brought by Commissioners**

- a. Legal invoices

## **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- Amended

May 10, 2023

The Ocean Highway and Port Authority of Nassau County held its Monthly Meeting on Wednesday, May 10, 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 Chairman Fullwood. 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)**  
There were no public comments submitted.

**2. Approval of Minutes**

**a. April 12, 2023 Monthly Meeting minutes**

Chairman Fullwood provided correction under New Business. Mrs. Hebron acknowledged and will apply to the amended version. No other amendments were requested.

Vice Chairperson Hill motioned to approve the minutes as amended.  
Commissioner Cole second the motion.

**The Board voted unanimously in favor of the motion.**

**3. Port Attorney Report**

Mr. Krechowski was absent. He submitted two (2) memos prior to the meeting pertaining to the Bond indemnity and PILOT payment matters included in the meeting packet. Both were read by Chairman Fullwood. Mr. Krechowski included a reminder to the Board to not discuss the merits, status or posture of the active litigations.

**Discussion:** Commissioner Taylor questioned the fairness of transferring the responsibility of the PILOT payment matter from the previous Port Operator to the current one. Chairman Fullwood explained the current Port Operator bought the Agreement; therefore, the Operator absorbs all the responsibilities in accordance to Section 6.2 of the Operating Agreement as mentioned on the memo. Vice Chairperson Hill echoed the Chairman's reasoning, adding that the burdens and benefits convey upon the purchase of assets and obligations. She continued by explaining the Board did not have the opportunity to review the agreement; otherwise, it would reveal where those funds are. The funds were entrusted to the Operator and held in escrow until OHPA incurs the PILOT payment cost. OHPA cannot settle the claim with the City if OHPA does not have the funds. The two payments of \$50K were purportedly placed in escrow because they were accruing payments prior to the initiation of the suit. Hence, OHPA asked that the funds be remitted to OHPA or placed in an escrow account. Chairman Fullwood directed the Board to contact Mr. Krechowski with individual questions. The Board gave consensus for Mr. Krechowski to proceed with the next actions on both matters.

Mr. Krechowski also asked the Chairman to read a written statement in his absence. It read as follows:

*Given that we are approaching the 1-year anniversary of Savage Services taking over as the Port Operator, I would like to request that Butch and his team put together a one-year update for the Board. I would like this update to include all aspects of the Port's operations including revenue, liabilities, customers, equipment inventory, repairs performed and repairs needed, and all other similar items. I would like to see a full description of what Savage has been doing over the past year including any safety improvements, lessons learned and employee retention and training. In a recent call with the Savage team, we discussed the idea of this one-year anniversary update and Savage also felt this would be a good opportunity to inform the full Board of everything that is going on at the Port. If any other Board members have items they wish to see in this update, please provide them to Rossana so that she can get a full list to Butch. I would like to have this update at our June or July meeting.*

**Discussion:** Vice Chairperson Hill asked for information on the sale transaction to understand the basics and the viability of the Port as requested before. This includes high-level financials (ROI, investments) or whatever the Operator is permitted to disclose. Mr. Gilbert replied that Savage is a privately held entity, so that makes it challenging to disclose any information. Vice Chairperson Hill continued as part of the transaction, Savage entered into approximately over \$30M worth of public bond financing; therefore, OHPA has an interest in the assure of those bonds to understand enough to know whether to consent. Mr. Gilbert acquiesced to the request. The Board agreed with considerations to the legal aspects of the matter.

#### **4. Port Accountant Report**

##### **a. Financial report – April 2023/Q2 Financial**

Mr. LaPorte submitted a written April 2023 financial report included in the meeting packet. Port Admin and Bunkering are coming in regularly. He plans to list the Port Admin and the Bunkering as separate line items on the report. No unusual activity to report.

The Operator provides reimbursements for the Customs House expenses. He also pays the cleaning service directly. Mr. LaPorte plans to change the Customs House report since there is no rent and most, if not all, of the expenses are paid by the Operator. It will be considered during the budget discussion.

Mr. LaPorte also submitted a written Q2 Financial statement ending March 31, 2023. From the balance sheet, he highlighted the Work in Progress (WIP) NC Cranes, the only change in the fixed assets to date. No significant changes in the liabilities section. He explained the Maintenance account holds the Operator's \$5K monthly contribution for Port maintenance/infrastructures (to maintain the Port assets) and grant funds/reimbursements that are then dispersed to respective recipients. It will not affect the dynamic of payments (\$1M threshold) between OHPA and the Operator because the funds move in and out of the account almost instantaneously. Mr. LaPorte explained if the balance in the Maintenance account becomes an issue, funds will be transferred to a separate account. OHPA is required to maintain the grant funds separate from the Operating account. Nothing unusual to report regarding the income statement portion of the report.

**b. ARPA reimbursement update**

Mr. LaPorte reported proceedings are running smoothly. It takes about 30-40 days for reimbursements to come in. OHPA just received \$73,647.52 for the February to April 2023 payroll.

He explained the negative \$85K YTD reflects exceeded forecast for the year because of legal fees. Mr. LaPorte explained OHPA will not be able to pay off the legal fees this year and will continue next year. The Port Attorney was advised that OHPA is approaching a point where it is unable to pay for legal services based on the current cashflow. Both Vice Chairperson Hill and Commissioner Nelson suggested to consider the financial situation and make decisions.

The Board members requested to schedule a shade meeting as soon as possible. It was decided to schedule the meeting on May 24<sup>th</sup>. Time and location to be determined.

**c. Budget FY 2023-2024**

No discussion.

**5. Port Executive Director Report**

Mr. Kaufman submitted a written report included in the meeting packet. Among the items updated were:

- Florida Ports Issues

- FSTED Issues
- Resiliency Plan
- **Port District Roads**

Mr. Kaufman explained the designation of roads allows Port equipment operations on said roads legal and without the necessary registration or licensing. It will also serve as a reminder via signs to the public that said roads are within Port operating area. The roads to be designated are Dade to Front and 3<sup>rd</sup> streets, 2<sup>nd</sup> from Dade to Broome streets, and Calhoun from the railroad track to 2<sup>nd</sup>.

- Economic Development
- MARAD Marine Highway Grant
- Submerged Land Lease
- Office Space
- **FEMA Handbook**  
Still in progress.
- FDOT Audit

**Discussion:** Vice Chairperson Hill inquired reports regarding OHPA's financial standing, business opportunities. Mr. Kaufman explained there are talks concerning Non-industrial OHPA Property (see New Business section), future development on the waterfront, and potential customers and users. He held off from providing any details on said conversations.

## 6. Port of Fernandina Report (Operator)

### a. **Tonnage report** – April 2023

Mr. Gilbert submitted a written report included in the meeting packet. He reported the container tons was steady with Somers Isle. He and a couple of team members attended Somers Isle Port meeting on the island. Representatives for Somers Isle conveyed their satisfaction with the service received at the Port and extended their charter on the vessel for 5 more years. Break bulk cargo slipped into May 1<sup>st</sup> instead of April. Total tonnage for April 2023 was 14,890.

Mr. Gilbert reported they retained a bid for warehouse #3 repairs, totaling slightly over \$100K. They also offered to repair the canopy damaged from the storm for approximately \$25K-\$30K more. Mr. Gilbert suggested a conversion with the Board to discuss fundings from the Maintenance account. Vice Chairperson Hill explained there is a monetary threshold for projects that triggers the need to follow procurement process for public structures. Mr. Krechowski would be the one to advise when that threshold is met. There are exceptions for emergencies. Mr. Gilbert has Board consensus to discuss this matter with Mr. Krechowski.

There was a last-minute report distributed to the full Board before the meeting regarding the Fort Clinch tugboat. It was requested from a third party to provide an in-depth analysis in anticipation of the dry-dock event. Many of the action items on the survey are housekeeping items. Mr. Gilbert reported that there was

a thorough Coast Guard inspection with no violations received. Some of the action items will be performed by Savage team members. He also explained the 7 non-conformities on the report should not be “show-stoppers.” The tug is in good shape.

## **7. Old Business**

There were no Old Business items submitted.

## **8. New Business**

The Chairman discussed two non-agenda items.

First, regarding the BOCC bailiff compensation, OHPA is required to have a bailiff present before, during, and after its Board meetings. The Chairman requested for Board consensus to change the meeting time. He suggested a 1PM time change. Vice Chairperson Hill reminded the rationale for the time of meetings is not for the convenience of the Board but for the public to be able to attend. She suggested a roving location where some of the meetings can be held at the west side of Nassau County. Commissioner Nelson suggested focusing on other pertinent issues than worrying about cutting cost on bailiff's overtime. He also advocated for the Port staff and constituents who cannot attend an earlier meeting time. Commissioner Taylor expressed the need to be consistent and suggested considering the City Commission Chambers. There are conflicts with the City and PAB meetings. Commissioner Cole suggested moving the meeting time to 5PM. Mr. Kaufman added he continues to negotiate with the City for an office space and auditorium at the Peck Center but is still waiting for a decision from them. The multi-purpose room that was included in the Master Plan was omitted when the cruise business was voted down. CBP is not considering an immediate move from the Customs House facility yet. Commissioner Nelson reminded the CBP facility renegotiation is next year. He suggested notifying CBP ahead of time if OHPA does not have any plans for them. Mr. Gilbert will investigate the CBP matter.

Second, the Port Security contract will be added on the next meeting agenda for discussion.

### **a. Non-industrial OHPA Property**

Mr. Kaufman submitted a request for Board directions to develop a Request for Proposal (RFP) package and advertise it on the OHPA website and other appropriate venues to expose the opportunity to a broad market of capable brokers.

Mr. Gilbert suggested the financial aspect of selling the parcels (3 with 15 underlying lots of record) would be good for OHPA.

Chairman Fullwood allowed Chip Ross (from the audience) to speak on the subject. He explained there is a density requirement on the parcels. The topic is a great controversy with the City. The City Commission will discuss the matter of subdividing parcels next Tuesday. The Escambia right of way extends to the Port property and should be investigated.



Commissioner Cole motion to develop the aforementioned RFP. Commissioner Taylor second the motion.

**Discussion:** Vice Chairperson Hill asked if there will be a fee for a broker's services and if OHPA will be committed to sell. The Chairman explained to wait for the proposals for fee suggestions, and OHPA will not be committed to sell. Mr. Kaufman added any proposals received will be presented to the Board for considerations.

**The Board voted unanimously in favor of the motion.**

**b. OHPA Financials/ARPA funds**

Discussed under Port Executed Director report.

Circling back to the matter regarding changing the OHPA meeting time, Commissioner Cole motioned to allow to change the meeting time to 5PM. Chairman Fullwood second the motion.

**Discussion:** Commissioner Taylor inquired if the location will change as well if the meeting time is changed. The Chairman said no but will consider if necessary.

**The motion carried by a vote of 4 to 1 with Vice Chairperson Hill handing the dissenting vote.**

**9. Committee Reports**

Commissioner Nelson provided a written report for his committee reports.

- **Port Security** – Commissioner Nelson  
The newly appointed security site supervisor resigned effective May 12, 2023. Commissioner Nelson will advise as soon as a replacement is appointed.
- **FDOT** – Commissioner Fullwood  
Discussed under Port Executive Director report.
- **Customs House and Port Facilities** – Commissioner Nelson

**Customs House (CBP):**

Commissioner Nelson spoke with Steve Parrott, CBP Port Director concerning the IT upgrade. Mr. Parrott advised CBP has not retained a contractor to complete the new equipment connection. Commissioner Nelson advised that if CBP would like he could refer a local contractor to them in hopes that he could assist them with the new equipment connection. He will continue to monitor this project.

## **Equipment and Facilities Maintenance:**

Liebherr Container Crane # 9:

Crane is still experiencing hoist problems. Savage Services maintenance continues to address this problem.

Liebherr Container Crane # 10:

Crane's elevator was repaired, certified and placed back in service. No other issues or deficiencies were noted at the time of this report.

Liebherr Mobile Harbor Crane:

No issues at the time of this report.

OHPA Trucks:

All OHPA Trucks are in service, and no other issues or deficiencies were noted at the time of this report.

Warehouse # 1 / 3 Status:

Mr. Gilbert of Savage Services gave the report on the current status of estimates and repairs concerning roof corrosion and storm damage to said warehouses (Port Operator report).

Tugboat (Fort Clinch):

Mr. Gilbert of Savage Services gave the report on the TBS Marine Safety and Compliance Survey for the Tugboat Fort Clinch (Port Operator report). Tugboat matter must be completed by August 31<sup>st</sup>.

- **Army Corp of Engineers** – Commissioner Fullwood  
No report.
- **Economic Development** – Commissioner Cole  
Commissioner Cole attended the Rural County Days in Tallahassee with Sherri Mitchell, EDB Executive Director, her staff, and Callahan City Council. It was well attended and drew attention to Nassau County. They received \$990K for the Northeast Florida Fair Association.
- **Emergency Management** – Commissioner Cole  
As a volunteer, Commissioner Cole worked at the fairground. He attended the Legacy Tree planting event at the Sheriff's department with Keep Nassau Beautiful. Added two more names (Agricultural inspections) to the plaque at the flagpole.
- **Technical Coordinating Committee (TCC)** – Commissioner Taylor  
No report.

- **Transportation Planning Organization (TPO)** – Commissioner Cole  
No report. Meeting scheduled tomorrow at 10 AM.
- **Nassau Chamber of Commerce**– Commissioner Hill  
There was a job fair the next day from 3 to 7 PM. The Chamber is accepting applications for the Leadership Nassau class of 2023. Regina Duncan wishes to give a presentation to update the Board. She will be added to next month's meeting agenda. Vice Chairperson Hill introduced Neita Weise in attendance and thanked her for coming. Ms. Weise praised Commissioner Cole for his help in interacting with the Port and Sherri Mitchell.
- **City of Fernandina Beach** – Commissioner Fullwood  
No report.
- **Community Outreach** – All Commissioners per District  
Vice Chairperson Hill reported receiving an email from Tammi Kosack regarding federal grant funds. All the Commissioners were copied on the email. The grants are related to environmental improvements, efficiencies, and operations approved by the federal government. Mr. Kaufman added the grants require local matches and are generally for equipment upgrades and conversions. Also, the grants focus on Environmental Justice areas for low-income neighborhoods impacted by industrial operations. Hence, OHPA needs to convince; one, the Port Operator to participate on the local match; and second, the federal government that the Port vicinity is impacted by the Port operations. Vice Chairperson Hill suggested it is worth exploring. Mr. Kaufman will follow as requested.

Commissioner Cole reported the United States Constitution Scholarship Foundation rewarded \$2K to each of 53 graduating Yulee High School students in the program. Additionally, The Sheriff's Dept. had the Honor Guard National Prayer Day in Callahan on May 4<sup>th</sup>. On May 15<sup>th</sup>, Barnabas will distribute food at the fairgrounds.

Commissioner Taylor attended and chaired the America's Value luncheon to raise funds for scouting in North Florida. The group honored Steve Simmons and raised \$37K, biggest turnout thus far in 6 years. He thanked the people who attended.

## **10. Administrative Office Manager Report**

Mrs. Hebron submitted a written report included in the meeting packet.

## **11. Other items to be brought by Commissioners**

The Chairman allowed Mike Lednovich, Ferdinandina Observer, to speak regarding the posting of OHPA's agenda. He noted OHPA failed to post its agenda 7 days in advance of the meeting per the Florida Statute 120.525. He provided a copy of the Statute. He explained the newspaper needs the agenda in advance to prepare to

cover and report OHPA's story and also to inform the public of the functions of OHPA. He requested OHPA publish the agenda and meeting packet in a timely fashion moving forward. Mrs. Hebron replied the agenda was posted the Monday prior to the meeting. Moreover, per the information given at the Ethics training, the agenda needs to be posted at least 24 hours prior. Mr. Lednovich stated that information is incorrect.

Vice Chairperson Hill requested to discuss more in depth the OHPA financials/ARPA funds item under the New Business. She reminded that Mr. LaPorte sent information to Board regarding OHPA's financial status. She specifically focused on the lack of revenue situation. She asked for both Mr. Kaufman and Mr. LaPorte to provide a strategic revenue plan at the June meeting. Mr. LaPorte reiterated from his report that legal had been put on notice that after the ARPA funds are expended, there will be no more funds to pay the legal fees. He added it would be a mistake to sell OHPA property to pay for legal fees. There is no other near-term source of revenue. Commissioner Nelson explained it is the Board's responsibility to solve OHPA's revenue issue. The Chairman suggested there is one revenue opportunity that is the bonding capability. However, it is difficult to encourage businesses to use the bonds. He explained efforts are in progress to find other revenue opportunities. Referring to the Property Appraiser case, Commissioner Taylor suggested the appraiser will not allow anyone or anything to influence his decisions. Vice Chairperson Hill acknowledged Mr. Kaufman's efforts and some of his ideas are not viable. So, she requested a strategic plan from him per his contract agreement. The Board needs to make decisions in the budgeting process to formulate a sustainable budget. Mr. Kaufman explained the vast majority of his first year was spent on the Master Plan. He did not want to make plans ahead of the Master Plan until the Board agreed what was included in it. He does have some immediate and long-term business opportunities in progress. Some dealings do not happen overnight. He declined to disclose details for now but offered to speak to the Board individually. Commissioner Nelson encouraged the Board to do what is necessary albeit a difficult decision. Mr. LaPorte added OHPA has enough revenue with the exception of the Port Executive Director to sustain itself with the fixed fee revenue received from the Operator. The legal fees adversely affect the budget. He also reminded the Board there is an upcoming Port Executive Director review where Mr. Kaufman can present his plans and accomplishments after a year of employment. A budget workshop was scheduled for June 28<sup>th</sup>, time and location to be determined.

## **Adjourn**

**With no other questions brought before the Board, the meeting was adjourned at 8:21 PM.**

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**Danny Fullwood, Chairman**

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**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

## Shade Meeting Minutes

May 24, 2023

The Ocean Highway and Port Authority of Nassau County held a Shade Meeting on Wednesday, May 24, 2023 at the Nassau County Commission Chambers, James S. Page Government Complex, 96135 Nassau Place, Yulee, FL 32097.

The OHPA Board public meeting was called to order at 3:00 PM by Chairman Fullwood. Mr. Krechowski, Port Attorney, made a statement requesting a shade meeting for the *City of Fernandina v. OHPA* case. The shade meeting was convened with the full Board; Mr. Kaufman, Port Executive Director; Mr. Krechowski, Port Attorney; and Sherry Smith, court reporter present. The shade meeting concluded at approximately 4:35 PM and the public meeting was reconvened by Chairman Fullwood. The conclusion and termination of the shade meeting was announced.

There was no meeting agenda submitted except for the shade meeting. However, there were items brought forth for discussions/reports.

Commissioner Nelson reported an issue regarding the Customs and Border Patrol facility.

**Discussion:** On Tuesday, May 23rd Commissioner Nelson received a call from CBP Port Director Steve Parrott advising that his boss and her boss would be visiting the Port of Fernandina on Tuesday, June 6th. During this visit they will inquire on the status of any plans for a new CBP facility at the Port of Fernandina. Mr. Parrott advised that the current CBP office contract with OHPA expires next year. Commissioner Nelson was advised that this issue has been a topic of discussion for the last several years and that they will be looking for a definitive decision to either move forward or not with a new office building and contract. In the event no new agreement is reached, the two CBP agents Steve Parrott and Eric Blair will be relocated to the Jacksonville CBP office. Commissioner Nelson advised Mr. Parrott that this issue will be mentioned at the shade meeting held on 5/24/2023 and then placed on the OHPA Board meeting agenda scheduled for June 14, 2023 for further discussion.

Commissioner Cole mentioned the North Florida TPO invited the OHPA Board to Jax Port in the future to witness the arrival and docking of a large international vessel that is expected to arrive in the near future.

The last non-agenda item was brought forth by Chairman Fullwood. He wished to discuss the location of the budget workshop to be held in June and surveyed the Board for input on holding the meeting in Callahan. Vice Chairperson Hill inquired about the change of location since OHPA has ever held meetings in Callahan. Commissioner Cole suggested the Chairman can dictate where the meetings are held without discussion. Subsequently, the Chairman announced that OHPA will hold the workshop at the Callahan City Hall. He declined to state the reason for the change of location.

## **Adjourn**

**With no other questions brought before the Board, the meeting was adjourned at approximately 4:45 PM.**

Rossana Hebron, Office Manager, was excused from the shade meeting; therefore, Mr. Krechowski took notes for the entire meeting. Vice Chairperson Hill and Commissioner Nelson both contributed their meeting notes for the minutes.

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**Danny Fullwood, Chairman**

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**Date**



# Port Attorney Report

**TO: OCEAN HIGHWAY AND PORT AUTHORITY**

**FROM: PATRICK W. KRECHOWSKI, PORT ATTORNEY**

**RE: ATTORNEY'S REPORT**

**DATE: June 7, 2023**

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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 notified of OHPA demand for indemnity.

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 notified of OHPA demand for PILOT contributions per Operating Agreement.

Active litigation is subject to attorney-client confidentiality privilege.

Lease with City

Draft lease with City for meeting/office space reviewed and comments provided.

Tug Boat/MARAD

Participated in group meeting with OHPA, Savage and MARAD personnel to discuss grant compliance and MARAD grant project. Working with Operator to compile documents and white paper to MARAD.

501 North 3<sup>rd</sup> Street

Legal memo provided to OHPA on title/ownership issues.

Miscellaneous

Remaining OHPA assigned tasks actively being worked on.





# Port Accountant Report

NASSAU COUNTY OCEAN HIGHWAY & PORT AUTHORITY

Monthly Financial Report - May 2023

	May	YTD ACTUAL	BUDGET 2022-2023
<b>Revenues</b>			
Quarterly Fee	73,904.44	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
Misc Income	0.00	35,239.92	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	51,465.45	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	0.00	6,412.50	0.00
Interest	0.00	0.01	0.00
<b>TOTAL REVENUES</b>	<b>125,369.89</b>	<b>620,329.17</b>	<b>863,613.68</b>
<b>EXPENSES</b>			
<b>COMMISSION DIRECT</b>			
Salaries - Commissioners	10,000.00	80,000.00	120,000.00
Payroll Taxes	1,744.00	14,442.73	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	20,063.00	105,731.50	110,000.00
Salaries - Board Attorney	28,765.85	158,279.22	60,000.00
<b>TOTAL COMMISSION DIRECT</b>	<b>60,572.85</b>	<b>358,832.26</b>	<b>303,570.00</b>
<b>COMMISSION OPERATION</b>			
Salaries - Exec Director	10,833.33	86,666.64	141,700.00
Bus Dev Expenses	36.26	969.14	5,000.00
Travel	0.00	0.00	1,000.00
Salaries- Accountant	1,900.00	15,200.00	22,800.00
Salaries - Office Administrator	1,964.00	15,157.44	41,261.00
Expenses - Office	431.21	24,851.50	4,000.00
Travel - Office Admin	47.62	100.00	100.00
<b>TOTAL COMMISSION OPERATION</b>	<b>15,212.42</b>	<b>142,944.72</b>	<b>215,861.00</b>
<b>COMMISSION DISCRETIONARY</b>			
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	149.00	266.92	500.00
Awards & Presentations	0.00	110.00	120.00
Masterplan	0.00	58,294.01	98,600.00
Discretionary	0.00	0.00	720.00
<b>TOTAL COMMISSION DISCRETIONARY</b>	<b>149.00</b>	<b>60,598.93</b>	<b>102,394.00</b>
<b>PORT OPERATIONS</b>			
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
<b>TOTAL PORT OPERATIONS</b>	<b>0.00</b>	<b>61,058.00</b>	<b>56,808.00</b>
<b>TOTAL EXPENSES</b>	<b>75,934.27</b>	<b>623,433.91</b>	<b>678,633.00</b>
<b>Excess Revenues over Expenditures</b>	<b>49,435.62</b>	<b>-3,104.74</b>	<b>184,980.68</b>

**NASSAU COUNTY OCEAN HIGHWAY & PORT AUTHORITY**

**Customs House**

Monthly Financial Report - May 2023

	<u>2022</u>	<u>YTD ACTUAL</u>	<u>BUDGET</u> <u>2022-2023</u>
<b>INCOME</b>			
GSA - Customs House - RENTAL INCOME	0.00	0.00	0.00
Reimbursements	324.40	3,338.56	0.00
Miscellaneous	0.00	0.00	10,262.00
<b>TOTAL INCOME</b>	<b>324.40</b>	<b>3,338.56</b>	<b>10,262.00</b>
 <b>CUSTOMS HOUSE</b>			
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)	172.41	801.52	1,500.00
Florida Public Utilities (Electric)	252.09	1,925.82	5,000.00
Maintenance	0.00	0.00	0.00
<b>TOTAL CUSTOMS HOUSE</b>	<b>424.50</b>	<b>3,327.34</b>	<b>10,262.00</b>
<u>Net Increase(decrease) in Funds</u>	<u>-100.10</u>	<u>11.22</u>	<u>0.00</u>

**NASSAU COUNTY OCEAN HIGHWAY & PORT AUTHORITY**

Account Balances - May 31, 2023

<b>Account Name</b>	<b>Acct Num</b>	<b>31-May</b>	<b>28-Apr</b>
Operating	x3328	132,974.66	144,227.07
Other - Admin Acct	x6714	214.98	367.11
Maintenance	x4519	142,216.97	90,051.22

**NASSAU COUNTY OCEAN HIGHWAY & PORT AUTHORITY**

Budget 2023-2024 - DRAFT VERSION 1

	May-23 <u>YTD ACTUAL</u>	BUDGET <u>2022-2023</u>	BUDGET <u>2023-2024</u>	
<b>Revenues</b>				
Quarterly Fee	242,686.32	297,017.00	311,867.85	5%
Misc Income	35,239.92	2,000.00	2,000.00	
ARPA Reimbursement	220,574.59	481,596.68	230,000.00	
FDOT Grant Reimbursement	81,875.83	48,000.00	0.00	
Port Revenue - Harbor Admin	6,412.50	20,000.00	12,000.00	
Port Revenue - Bunkering	0.00	0.00	6,000.00	
Interest	0.01	0.00	0.00	
<b>TOTAL REVENUES</b>	<b>586,789.17</b>	<b>848,613.68</b>	<b>561,867.85</b>	
<b>EXPENSES</b>				
<b>COMMISSION DIRECT</b>				
Salaries - Commissioners	80,000.00	120,000.00	120,000.00	
Payroll Taxes	14,442.73	11,361.00	11,361.00	
Unemployment	204.65	75.00	75.00	
Conferences & Travel	174.16	1,000.00	1,000.00	
Insurance	0.00	1,134.00	1,134.00	
WC Insurance	0.00	0.00	500.00	
Unpaid Legal Fees	105,731.50	110,000.00	120,000.00	
Salaries - Board Attorney	158,279.22	60,000.00	30,000.00	
<b>TOTAL COMMISSION DIRECT</b>	<b>358,832.26</b>	<b>303,570.00</b>	<b>284,070.00</b>	
<b>COMMISSION OPERATION</b>				
Salaries - Exec Director	86,666.64	141,700.00	141,700.00	
Bus Dev Expenses	969.14	5,000.00	5,000.00	
Travel	0.00	1,000.00	1,000.00	
Salaries- Accountant	15,200.00	22,800.00	22,800.00	
Salaries - Office Administrator	15,157.44	41,261.00	41,261.00	
Expenses - Office	24,851.50	4,000.00	4,000.00	
Travel - Office Admin	100.00	100.00	100.00	
<b>TOTAL COMMISSION OPERATION</b>	<b>142,944.72</b>	<b>215,861.00</b>	<b>215,861.00</b>	
<b>COMMISSION DISCRETIONARY</b>				
Dept. of Revenue (Special Dist. Fee)	175.00	225.00	225.00	
TPO. - Membership	1,453.00	1,329.00	1,329.00	
Greater Nassau Chamber of Commerce	300.00	300.00	300.00	
Advertisement	0.00	600.00	600.00	
Web Site	266.92	500.00	500.00	
Awards & Presentations	110.00	120.00	120.00	
Masterplan	58,294.01	98,600.00	0.00	
Discretionary	0.00	720.00	720.00	
<b>TOTAL COMMISSION DISCRETIONARY</b>	<b>60,598.93</b>	<b>102,394.00</b>	<b>3,794.00</b>	
<b>PORT OPERATIONS</b>				
FB Annual Fee - PILOT	0.00	0.00	0.00	
CSX Right of Way Fee	0.00	750.00	750.00	
Insurance	13,758.00	13,758.00	13,758.00	
Audit	31,800.00	25,800.00	25,800.00	
FL Ports Council Dues	15,500.00	15,500.00	15,500.00	
Nassau Cty Economic Dev Board	0.00	1,000.00	1,000.00	
Sponsorships	0.00	0.00	0.00	
<b>TOTAL PORT OPERATIONS</b>	<b>61,058.00</b>	<b>56,808.00</b>	<b>56,808.00</b>	
<b>TOTAL EXPENSES</b>	<b>623,433.91</b>	<b>678,633.00</b>	<b>560,533.00</b>	
<b>Excess Revenues over Expenditures</b>	<b>-36,644.74</b>	<b>169,980.68</b>	<b>1,334.85</b>	



# Port Executive Director Report

## **Ocean Highway and Port Authority Board Submission**

**Item Number: BD-23-06-01**

**Title: Port Security Contract Extension**

### **Background:**

At the July 2022 OHPA Commission Meeting, the Board took action to approve a one-year service Agreement with Allied Universal, based on rates that were provided in their proposal dated June 24, 2022 to provide port security services for the Port of Fernandina facilities. The current Agreement expires on August 10, 2023. As part of the recommendation, the Executive Director was authorized to negotiate renewal terms with Allied Universal for subsequent approval by the OHPA Board.

Allied Universal has been providing security services at the Terminal for many years, and the current Operator indicates that they are pleased with the level of effort that they are receiving. In anticipation of the upcoming budget conversations, discussions with representatives of Allied Universal took place, and they have agreed to accept a one-year renewal at the current rates, with the expectation that we will revisit them in February 2024.

### **Recommendation:**

It is recommended that the Ocean Highway and Port Authority Commission approve a one-year extension of the current contract with Allied Universal, at the existing rates, with the understanding that they will be revisited in February 2024 to determine if any increases are warranted at that time.

## **BD-23-06-01 Port Security Contract**

### **Submitted By:**

David Kaufman

Executive Director

### **Board Action:**

Approve:

Disapprove:

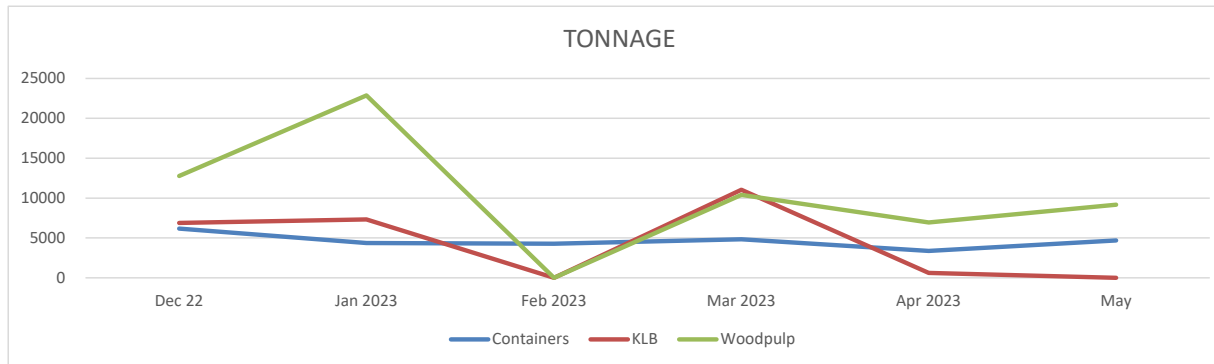




# Port Operator Report

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

Commodity	2021 Total	2022 Total	2023 Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	2023 YTD	2022 YTD	Variance
<b>Containers</b>																	
Throughput Number	11,685	9,623	533	624	719	668	677	0	0	0	0	0	0	0	3,221	4,284	(1,063)
Container Tons	127,420	66,111	4,372	4,275	4,832	3,372	4,685	0	0	0	0	0	0	0	21,536	28,280	(6,744)
Total Equivalent Units (TEUS)	14,625	11,001	615	752	974	687	800	0	0	0	0	0	0	0	3,828	5,121	(1,293)
Restow TEUS	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Breakbulk Cargo</b>																	
Kraft Liner Board (KLB)	106,310	83,701	7,310	0	11,041	627	0	0	0	0	0	0	0	0	18,978	45,108	(26,130)
Lumber	0	10,108	5,137	0	0	0	0	0	0	0	0	0	0	0	5,137	2,487	2,650
Plywood/Hardboard	0	64,190	0	0	0	3,960	3,879	0	0	0	0	0	0	0	7,839	38,876	(31,037)
Steel	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	-
Woodpulp	128,627	138,960	22,872	0	10,410	6,931	9,171	0	0	0	0	0	0	0	49,384	69,058	(19,674)
Breakbulk Other	2,232	7,647	63	17,221	0	0	190	0	0	0	0	0	0	0	17,474	7,503	9,971
Bulk Cargo	2,260	5,560	0	0	0	0	0	0	0	0	0	0	0	0	0	2,255	(2,255)
Total General Tons	239,429	310,165	35,382	17,221	21,451	11,518	13,240	0	0	0	0	0	0	0	98,812	165,287	(66,475)
<b>Total Tons</b>	<b>366,849</b>	<b>376,276</b>	<b>39,754</b>	<b>21,496</b>	<b>26,283</b>	<b>14,890</b>	<b>17,925</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>120,348</b>	<b>193,567</b>	<b>(73,219)</b>
<b>Dockage Days</b>																	
Dockage Days	209	311	20	12	16	10	8	0	0	0	0	0	0	0	66	174	(108)
Vessel Port Calls	82	85	7	3	7	4	4	0	0	0	0	0	0	0	25	43	(18)
Total rail cars	1,596	1,631	107	144	153	83	109	0	0	0	0	0	0	0	596	835	(239)
Average trucks per day			22	33	33	27	24	0	0	0	0	0	0	0			





# New Business



**Amendment 1 to Services Agreement (the "Agreement") with an Effective Date of August 10, 2023 by and between Ocean Highway Port Authority of Nassau County and Universal Protection Service, LP dba Allied Universal Security Services for a period of (1) year.**

FULL LEGAL NAME OF SECURITY PROVIDER ("Allied Universal"): Universal Protection Service, LP d/b/a Allied Universal Security Services, for itself and on behalf of its wholly-owned subsidiaries and affiliates which may provide service hereunder within certain states

FULL LEGAL NAME OF CLIENT ("Client"): Ocean Highway Port Authority of Nassua County

CLIENT: \_\_\_\_\_  
 By: \_\_\_\_\_  
 Name: \_\_\_\_\_  
 Title: \_\_\_\_\_  
 Address for Notices: \_\_\_\_\_  
 \_\_\_\_\_  
 Fax: \_\_\_\_\_

UNIVERSAL PROTECTION SERVICE, LP d/b/a  
 Allied Universal Security Services  
 By: \_\_\_\_\_  
 Name: \_\_\_\_\_  
 Title: \_\_\_\_\_  
 Address for Notices: \_\_\_\_\_  
 \_\_\_\_\_  
 Fax: \_\_\_\_\_

**BILLING RATES**

The Billing Rates for the Services shall be as follows effective **August 10, 2023**:

For Location 1:	Unarmed	Armed
Security Professional Regular Rate (168 Hours Per Week)	\$ 19.46 per hour	\$ per hour
Security Professional Overtime* Rate	\$ 29.52 per hour	\$ per hour
Security Professional Holiday Rate	\$ 29.52 per hour	\$ per hour
Supervisor Regular Rate (40 Hours Per Week)	\$ 22.24 per hour	\$ per hour
Supervisor Overtime* Rate	\$ 33.36 per hour	\$ per hour
Supervisor Holiday Rate	\$ 33.36 per hour	\$ per hour

For Location 2:	Unarmed	Armed
Security Professional Regular Rate	\$ per hour	\$ per hour
Security Professional Overtime* Rate	\$ per hour	\$ per hour
Security Professional Holiday Rate	\$ per hour	\$ per hour
Supervisor Regular Rate	\$ per hour	\$ per hour
Supervisor Overtime* Rate	\$ per hour	\$ per hour
Supervisor Holiday Rate	\$ per hour	\$ per hour

Additional Notes:

- > Mutually agreed-upon merit increases will result in a Bill Rate increase.
- > Both parties agree to revisit the billing rates 6 months into the extension
- > Our billing rates do not include sales tax and sales tax will be added where applicable

\* *Requested Overtime:* With requests for a specific individual to work more than their Overtime Limit for any special reason, regardless of the notice provided and provided that the individual is able to accommodate, only the overtime impact for that individual will be billed. An individual's Overtime Limit may be a weekly (e.g. 40 hours) or daily limit (e.g. 8 hours) depending on the location. Example, in a location where 40 hours per week is the Overtime Limit: "We need Officer Smith to stay two extra hours at the end of his shift to help with a special project." the additional two hours will be billed at the overtime rate if those hours exceed the Overtime Limit of 40 hours per week.

- 
1. ADDITIONAL BILLING TERMS EXTRA SERVICE REQUESTS. Additional service requests will be billed at the supplemental deployment rate which shall not be less than the overtime bill rate. The supplemental deployment rate for such additional services will continue to apply until this Agreement is amended in writing to provide for the increase in base hours.
  2. The holiday billing rate shall be used for all work performed on New Year's Day, Presidents Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day, or by applicable collective bargaining agreement.
  3. A labor strike or other emergency situation that creates a working environment for security professionals that is more hazardous than the normal condition under this Agreement will be cause to negotiate a temporary billing rate for modified services.
  4. Allied Universal shall be compensated for all time including preparation, travel to/from, and actual time spent in any court of law, judicial, quasi-judicial or other proceeding, mediation, deposition, arbitration to which Allied Universal is subpoenaed or agrees to appear, arising out of, or relating to, this Agreement at the rate of: \$125.00 per hour, for director or manager and \$65.00 per hour for all other employees in addition to reasonable costs and expenses incurred. This paragraph will survive the termination of this Agreement.
  5. Should Client require Allied Universal to provide uninterrupted Services during Legally Mandated Break Periods, such requirement must be expressly stated in the Description of Services on Exhibit "A". Such uninterrupted Services and all costs associated therewith are billable at the applicable bill rate for such relief personnel.
  6. Client understands and agrees that by ordering and receiving the HELIAUS Technology Platform which may include all or some of the HELIAUS Mobile and HELIAUS Portal components (the "HELIAUS Services") from Allied Universal, Client agrees to the HELIAUS Software-as-a-Service (SaaS) Terms in full ("the HELIAUS Terms"), and same shall solely govern the provision of the HELIAUS Services; provided, however, the invoicing, payment, and billing terms for the HELIAUS Services shall be governed by this Agreement. The Parties acknowledge and agree that the HELIAUS Services are otherwise separate and distinct from the Services under this Agreement, and that any use or non-use of the HELIAUS Services shall not expand the Allied Universal scope of Services and/or liability hereunder. The HELIAUS Terms may be found at [www.aus.com/service-terms](http://www.aus.com/service-terms) and by signing the Agreement Client acknowledges receipt and agrees to the HELIAUS Terms. "HELIAUS" is a service mark of Allied Universal.

## 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. 10<sup>th</sup> 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 10<sup>th</sup> 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 1<sup>st</sup> 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: \_\_\_\_\_  
\_\_\_\_\_  
Telephone: \_\_\_\_\_

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 \_\_\_\_ day of \_\_\_\_\_, 2019.

“LESSOR”  
City of Fernandina Beach

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

By: \_\_\_\_\_

By: \_\_\_\_\_

Printed Name: Charles L. George

Print Name: \_\_\_\_\_

Its: Interim City Manager

Its: \_\_\_\_\_

ATTEST:

ATTEST:

By: \_\_\_\_\_

By: \_\_\_\_\_

Printed Name: Caroline Best

Printed Name: \_\_\_\_\_

Its: City Clerk

Its: \_\_\_\_\_

APPROVED AS TO FORM & LEGALITY

By: \_\_\_\_\_

Printed Name: Tammi E. Bach

Its: City Attorney



# AOM Report

**ADMINISTRATIVE OFFICE MANAGER  
REPORT  
May 2023**

**Hours worked May 2023 – 83**

- Attended May 10th Monthly meeting. Minutes composed.
- Composed minutes for May 24<sup>th</sup> Shade meeting (PWK and some Commissioners)
- Participated in FDOT Teams meeting (audit)
- Prepped for meetings (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)
- Corresponded with Katie (County Mgr office)
- Assisted Port Accountant with Security/legal/RS&H invoices, payroll
- 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)
- PTO (May 15-19, no pay)
- RFP (posted)
- Responded to Worker's Compensation queries (State Division)

**Public Records Request Received in May 2023- 1**