

Board of Directors Meeting

February 27, 2023 09:00 AM



Agenda Topic

Presenter

Agenda

I.	Pledge of Allegiance/Moment of Silence	Brad Talbert
II.	Approval of Minutes - Board of Directors Meeting - January 23, 2023	Chair Palmer Clarkson
III.	Public Comments	
IV.	New Business	
	BD2023-02-01 FY2022 Audited Financial Statements	Beth McCague
	BD2023-02-03 Public Transportation Grant Agreement - Seaport Security	Justin Ryan
	BD2023-02-04 Sovereignty Submerged Land Easement Modification	James Bennett
	AC2023-02-01 Terminal Development for SET - CM at Risk JE Dunn Construction Company	James Bennett
	AC2023-02-02 DPMT Shoreline Protection Rush Marine, LLC	James Bennett
V.	CEO Update	Eric Green
VI.	Reports	
	R2023-02-01 Engineering and Construction Update	James Bennett
	R2023-02-02 Financial Highlights by Beth McCague	Info Only
	R2023-02-03 Financials/Vital Statistics	Mike McClung
	R2023-02-04 Commercial Highlights by Robert Peek	Info Only
VII.	Other Business	
	Approval of Travel	Chair Palmer Clarkson
	Approval of Travel - Chair Palmer Clarkson recommends approval of travel by one or more Board Members of the Authority for business solicitation purposes or to attend any necessary conferences during the month of April 2023.	

VIII. Miscellaneous

A. [Awards Committee Meeting Minutes - February 16, 2023](#)

B. Emergency Purchases - None

C. Unbudgeted Transactions - None

IX. Adjourn

Chair Palmer
Clarkson

The next JAXPORT Board of Directors meeting will be held on
Monday, March 27, 2023 @9:00AM



Minutes for Board of Directors Meeting

01/23/2023 | 09:00 AM - 09:51 AM - Eastern Time (US and Canada)
2831 Talleyrand Avenue, Jacksonville, FL

A meeting of the Jacksonville Port Authority Board of Directors was held on Monday, January 23, 2023 at the Port Central Office Building, 2831 Talleyrand Avenue, Jacksonville, Florida. Chairman Palmer Clarkson called the meeting to order at 9:00AM and welcomed all attendees. Board Member Daniel Bean led the audience in a moment of silence and the Pledge of Allegiance.

Board Members Attending:

Mr. Palmer Clarkson, Chair
Mr. Daniel Bean, Vice Chair
Mr. Brad Talbert, Treasurer
Ms. Wendy Hamilton, Secretary
Mr. Jamie Shelton, Member
Mr. Ed Fleming, Member

Other Attendees:

Mr. Eric Green, Chief Executive Officer
Ms. Beth McCague, Chief Financial Officer/Chief of Staff
Ms. Linda Williams, Chief, Adm. & Corporate Performance
Mr. Nick Primrose, Chief, Regulatory Compliance
Mr. James Bennett, Chief Operating Officer
Mr. Robert Peek, Chief Commercial Officer
Mr. Mike McClung, Director of Finance
Mr. Ron Salem, City Council Liaison
Mr. Reece Wilson, Office of General Counsel
Ms. Rebecca Dicks, Board Liaison

Approval of Minutes

Board Chairman Clarkson called for approval of the December 5, 2022 Board of Directors Meeting Minutes. After a motion by Mr. Bean and a second by Ms. Hamilton, the Board unanimously approved the minutes as submitted.

Public Comments

Board Chairman Clarkson called for comments from the public. There were no public comments.

Presentations

JAXPORT Director of Procurement and 2022 Charity Drive Chair Lisa Gee, Board Chairman Palmer Clarkson, and CEO Eric Green presented checks totaling a combined \$14,000+ to United Way of Northeast Florida and CHC: Creating Healthier Communities. Ms. Alecia Givens, United Way of N.E. Florida Campaign Division Manager, accepted both checks on behalf of the agencies. Ms. Givens stated that these donations from JAXPORT were very much appreciated and that they help change lives in our community.

New Business

BD2023-01-01 City of Jacksonville Funding Agreement - Power Lines

Ms. Beth McCague presented this submission for Board approval of a \$27.5 million funding agreement with the City of Jacksonville to raise the power lines over the St. Johns River.

After a motion by Mr. Talbert and a second by Mr. Bean, the Board voted to approve this submission.

AC2023-01-01 BIMT Intersection Improvements - William Mills St. & Dave Rawls Blvd. – Pars Construction Services, LLC

Mr. James Bennett presented this submission for Board approval of the issuance of a contract to Pars Construction Services, LLC for BIMT intersection improvements at William Mills Street and Dave Rawls Blvd. in the amount of \$2,116,109.73.

After a motion by Mr. Bean and a second by Ms. Hamilton, the Board voted to approve this submission.

CEO Update

Mr. Green thanked Mayor Curry, City Council President Terrence Freeman and City Councilman Ron Salem for their support in helping to pass the legislation for the City's funding agreement with JAXPORT to help raise the power lines.

Mr. Green also thanked Governor DeSantis, FDOT Secretary Perdue and state legislators for ensuring that Florida's largest container port can continue to support the needs of Florida businesses and consumers. He thanked Jay Stowe and the JEA team for their partnership and hard work for this much needed project. Mr. Green also thanked the JAXPORT board members as well since each of them played a vital role in this process.

Mr. Green stated that he was pleased to announce that Carnival Cruise Lines has agreed to execute 1 of the 2-year extensions through 2025. Starting March 1, 2023, JAXPORT Passenger revenue will increase from \$14.44 to \$15.79 per passenger. Revenue improvement in 2023-2024 contract year equals \$758,000.

Mr. Green informed the Board that he just returned from a trip to Aruba. Talks with Aruba, JAXPORT and Eagle LNG actually commenced over two years ago and just last week he was able to travel with James Bennett, Alberto Cabrera, and Nick Primrose to Aruba to discuss the viability of commerce between JAXPORT and the Island. While there, they met with the Prime Minister, Minister of Tourism, CEO of the Port Authority, and Port Authority Board members. Also, in attendance were representatives from Enterprise Florida and Eagle LNG. The meetings were centered around entering into a MOU to build a relationship between JAXPORT and Aruba, first with sharing best practices, but the ultimate goal is to create a shipping service between the two parties.

During COVID, the International Monetary Fund indicated Aruba was the worst hit country due to stopping all tourism. Pre-COVID, the island received over a 100,000 cruise passengers per month with an additional one million overnight tourists per year with 90% of them being U.S citizens. They see Jacksonville as a great strategic partner in building their economy, both from our diversity of cargo goods as well as Eagle LNG. Aruba is moving to LNG for their utility needs but also exploring LNG for its cruise industry. Mr. Green stated that together, they will also explore a cruise connection from Jacksonville to Aruba.

Reports

R2023-01-01 Engineering and Construction Update

Mr. James Bennett provided an overview of the key capital and engineering projects.

R2023-01-02 Financial Highlights by Beth McCague

Ms. Beth McCague provided Financial Highlights to the Board in their books for the month of December 2022.

R2023-01-03 Financials/Vital Statistics

Mr. Mike McClung provided an overview of the financials and vital statistics.

R2023-01-04 Commercial Highlights

Mr. Robert Peek provided updated commercial highlights to the Board for the month of January 2023.

Other Business

After a motion by Mr. Talbert and a second by Mr. Bean, the Board unanimously approved travel by one or more Board Members of the Authority for business solicitation purposes or to attend any necessary conferences and/or meetings during the month of March 2023.

There were no emergency purchases or unbudgeted transactions.

There being no further business of the Board, the meeting adjourned at 9:51AM.

BD2023-02-01



**SUBMISSION
FOR
BOARD APPROVAL**

SUBJECT: FY2022 Audited Financial Statements

COST: \$ NA BUDGETED: NA

SOURCE OF FUNDS: NA

BACKGROUND:

The audit of the Jacksonville Port Authority's financial statements for the year ending September 30, 2022, LLP has been completed by RSM US, LLP, Certified Public Accountants. RSM is required to conduct their audit in accordance with Government Auditing Standards issued by the Comptroller General of the United States. RSM's audit has found that the Authority's financial statements conformed with the accounting principles generally accepted by the United States of America.

RSM has presented its draft report to the Audit Committee. After review and discussion, the Committee accepted the draft report and forwarded it to the full Board.

RECOMMENDATION:

It is recommended that the Board accept the audited financials prepared by RSM US, LLP.

ATTACHMENTS:

- Audited Financial Statements prepared by RSM US, LLP

BD2023-02-01



**SUBMISSION
FOR
BOARD APPROVAL**

RECOMMENDED FOR APPROVAL:

Beth McCague
Chief Financial Officer

Signature: Beth McCague
Beth McCague (Feb 14, 2023 11:45 EST)

Email: Beth.McCague@jaxport.com

Signature and Date

SUBMITTED FOR APPROVAL:

Eric Green
Chief Executive Officer

Signature: Eric B. Green
Eric B. Green (Feb 14, 2023 13:04 EST)

Email: eric.green@jaxport.com

Signature and Date

BOARD APPROVAL:

2/27/2023
Meeting Date

Rebecca Dicks/Recording Secretary

ATTEST:

Wendy O. Hamilton, Secretary

J. Palmer Clarkson, Chairman

Jacksonville Port Authority A Component Unit of the City of Jacksonville, Florida

Annual Financial Report
For the Year Ended September 30, 2022

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DATE

To the Board of Directors of the
Jacksonville Port Authority:

We present the Annual Financial Report of the Jacksonville Port Authority (the Authority or JAXPORT), a component unit of the City of Jacksonville, Florida, for the fiscal year ended September 30, 2022. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the Authority. To the best of our knowledge and belief, this report fairly presents and fully discloses the Authority's financial position, changes in financial position and cash flows in accordance with accounting principles generally accepted in the United States of America. Please refer to the Management Discussion and Analysis (MD&A) for additional information about the financial position of the Authority.

Reporting Entity and Governance

The Jacksonville Port Authority, a public body corporation and political subdivision, was created in 1963 by Chapter 63-1447 of the Laws of Florida to own and operate marine facilities in Duval County, Florida.

JAXPORT is comprised of three separate terminal locations in Jacksonville, with a diverse mix of cargo including containers, automobiles, bulk and cruise operations. Approximately 3/4 of all revenues are generated by containers and auto. The remaining lines of business include breakbulk, dry bulk, liquid cargo and cruise.

A seven-member Board of Directors prescribes and governs the Authority. The Board of Directors establishes Authority policy and appoints a Chief Executive Officer/CEO. The Board of Directors annually elects a Chairman, Vice-Chairman, Secretary and Treasurer. Directors serve a four-year term.

The CEO of the Authority plans and oversees all the programs and activities of the Authority, focusing on the future and the development of long-term business strategies.

2022 Operating Revenue results

Total operating revenues of \$61.2 million in fiscal year 2022 reflected a slight decline of 1%, compared to prior year results of \$61.9 million. Container TEUs totaled 1,298,132 in fiscal year 2022 and auto units were at 555,301 units, down 8% and 10% respectively. Container TEU declines were largely attributable to one tenant's declining vessel and cargo business, leading to an early surrender and termination of lease agreement in mid-2022. Auto volumes for 2022 were adversely impacted by global supply chain shortages, including computer chips and parts. However, due to fixed-lease contracts, auto revenues were down only 1%. Breakbulk tonnage volumes were up 35% over prior year to 989,058 tons, with related revenues up 42%. Cruises returned in March 2022, after a two-year absence, with strong passenger counts (nearly 100% occupancy), adding \$2.6 million in revenues compared to zero in 2021.

Steps forward in 2022 and looking ahead

In addition to the mid-year 2022 completion and formal opening of the deepened Jacksonville Harbor to 47 feet, JAXPORT took several major steps in 2022 to strengthen its current book of business and prepare for future business growth and development, including:

- Completion of deep-water berths concurrent with the 47 ft. Harbor Deepening project

- Site preparation for three additional tenant-provided new 100-gauge electric cranes arriving in 2023
- Negotiated exit of tenant in February 2022, and transition to a new tenant (with a 20-year contract) in March 2022
- Expansion and modernization of a major container terminal beginning mid-2022 (from 77 to 93 acres), with all funding sources coming from tenant and federal grants (estimated completion date 2024)
- Design and development of a new auto terminal, concurrent with a 30-year contract renewal, to include a total 90 acres to be developed, beginning in early 2023. All funding for construction provided by tenant and state grants (estimated completion date 2025)
- Partnering with sister agency, Jacksonville Electric Authority, to begin design and construction of the raising of the power lines spanning the Jacksonville Harbor from a current 174 ft. operational clearance to 205 ft. This project is funded by both state and local grants, and funding from the Authority.

Rating agencies Moody's Investors Service and Fitch Ratings currently report JAXPORT credit ratings of A2 and A, respectively, Outlook Stable for both.

As exhibited in the attached financial statements, JAXPORT continues to strive for disciplined fiscal stewardship focused on maintaining strong cash balances, controlled expenses, while managing its conservative debt profile.

Independent Audit

A firm of independent certified public accountants is required each year to conduct an audit of the financial statements of the Authority in accordance with auditing standards generally accepted in the United States and to meet the requirements of the Uniform Guidance and Chapter 10550, Rules of the Florida Auditor General. The Authority selected the firm of RSM US LLP to perform these services. Their opinion is presented with this report. Each year, the independent certified public accountants meet with the Audit Committee of the Board of Directors to review the results of the audit.

The Authority's financial statements are prepared in accordance with accounting principles generally accepted in the United States of America, using the accrual basis of accounting. The Authority is a local government proprietary fund, and therefore the activities are reported in conformity with governmental accounting and financial reporting principles issued by the Governmental Accounting Standards Board.

Acknowledgement

I would like to recognize the Finance Team in the preparation and presentation of JAXPORT's financial statements and commentary.

I would also like to thank the Board of Directors for their direction, oversight, and strong corporate governance in the financial and operational matters of the Port.

Respectfully submitted,



Eric Green, CEO

Independent Auditor's Report

Members of the Board of Directors
Jacksonville Port Authority

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the Jacksonville Port Authority (the Authority), a component unit of the City of Jacksonville, Florida, as of and for the years ended September 30, 2022 and 2021, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the Authority as of September 30, 2022 and 2021, and the respective changes in financial position, and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (MD&A), the schedule of changes in total OPEB liability, the schedules of the Authority's proportionate share of the net pension liability, and the schedules of Authority contributions be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the Authority's basic financial statements. The revenue recognition – GAAP to budgetary basis reconciliation and the Schedule of Expenditures of Federal Awards and State Financial Assistance, as required by *Title 2 U.S. Code of Federal Regulations Part 200*, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and Chapter 10.550, *Rules of the Auditor General, State of Florida*, are presented for purpose of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated DATE on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Authority's internal control over financial reporting and compliance.

[Firm Signature]

Jacksonville, Florida

DATE

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Jacksonville Port Authority

Management's Discussion and Analysis (unaudited)

This section of the Jacksonville Port Authority's (the Authority or JAXPORT) annual financial report presents a narrative overview and analysis of the Authority's financial performance for the fiscal years ended September 30, 2022 and 2021. The discussion is intended to assist the readers in focusing on the significant financial issues and activities of the Authority and to identify any significant changes in financial position. We encourage readers to consider the information contained in this discussion in conjunction with the Authority's financial statements.

FINANCIAL STATEMENTS PRESENTATION

The Authority, a component unit of the City of Jacksonville, is considered a special purpose governmental entity engaged in a single business-type activity. JAXPORT is a landlord port and generates revenues primarily through user fees and charges to its tenants and customers. The Authority maintains a proprietary fund, which reports transactions related to activities similar to those found in the private sector. As such, the Authority presents only the statements required of enterprise funds, which include the statements of net position, statements of revenues, expenses and changes in net position and statements of cash flows.

The statements of net position presents information on all of the Authority's assets and deferred outflows of resources, liabilities and deferred inflows of resources, with the difference reported as net position. The statements of revenue, expenses and changes in net position shows how the Authority's net position changed during the fiscal year. The statements of cash flows represent its cash and cash equivalent activity for the fiscal year resulting from operating, non-capital financing, capital financing and investing activities. Collectively, these financial statements provide an assessment of the overall financial condition of the Authority.

FINANCIAL ANALYSIS OF THE AUTHORITY

A condensed overview of the Authority's net position is provided in the following pages. The statements of net position serve as a useful indicator in assessing the Authority's financial position and relative components of assets, deferred outflows of resources, liabilities and deferred inflows of resources. It identifies these assets, deferred outflows of resources, liabilities and deferred inflows of resources for their expected use, both for current operating and long-term purposes and identifies trends and allocation of resources.

As the Authority operates in a capital-intensive environment, capital assets are by far the largest component of net position. They are essential to seaport operations, providing land assets, buildings and equipment and other capital assets to its tenants and customers. These capital assets are largely funded by bonds and notes outstanding (debt). Repayment of this debt is provided annually from operations, as well as funds maintained by the Authority restricted for ongoing scheduled and certain future debt payments. The Authority's capital spending program is also supported by funding from its primary government, the City of Jacksonville, as well as state and federal grants. In addition to long-term assets and liabilities, the Authority holds current assets, including operating cash balances, to meet current liabilities.

Monetary amounts are presented in the thousands (000's), unless noted otherwise.

Jacksonville Port Authority**Management's Discussion and Analysis (unaudited)**Operating Results for 2022

Total operating revenues for fiscal year 2022 were \$61,233, a decline in total revenues of 1%, compared to revenues of \$61,853 in fiscal year 2021. Total container volumes in 2022 were 1,298,132 TEUs (twenty-foot equivalent units), declining from a record 1,407,310 TEUs in 2021. The reduction was largely due to a steady decline of shipper calls and vessel activity at one terminal location, leading to an early termination of the lease and transition to a new terminal operator in mid-year. As of 2022, JAXPORT now accommodates larger cargo vessels with the 47 feet harbor depth achieved in mid-2022, concurrent with the completion of deep-water berths. Auto units totaled 553,029 in 2022 compared to 623,212 units in 2021, the decline primarily a result of a global shortage of auto parts and supplies. Auto revenue dollars held up well, declining only 1% due to fixed lease acreage-based contracts. Breakbulk tonnage increased to 989,058 tons, a 35% increase over prior year, primarily driven by demand for forest products – paper, wood pulp and lumber. Collectively, Containers (48%), Autos (25%), and Breakbulk (10%) make up 83% of total revenues. Cruise revenues for 2022 were \$2,562 and reflect approximately seven months of cruise activity beginning in March of 2022. Other lines of business including liquid bulk and dry bulk were steady year over year.

**STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION****(in thousands of dollars)**

	2022	2021	2020
Operating revenue	\$ 61,233	\$ 61,853	\$ 63,507
Operating expenses			
Salaries and benefits	18,913	15,882	18,610
Services and supplies	5,160	3,806	3,952
Security services	4,405	4,374	5,039
Business travel and training	272	141	272
Promotion, advertising, dues and membership	647	539	579
Utility services	743	632	850
Repairs and maintenance	2,138	1,846	1,829
Berth maintenance and dredging	4,920	3,986	5,394
Miscellaneous	155	163	163
Total operating expenses	37,802	31,369	36,688
Operating income before depreciation	23,431	30,484	26,819
Depreciation	30,989	30,031	29,659
Operating (loss) income	(7,558)	453	(2,840)
Non-operating revenue (expense)			
Interest expense	(7,028)	(7,261)	(8,487)
Interest income	184	10	230
Shared revenue from primary government	9,769	9,847	1,847
Intragovernmental grant revenue	18,758	-	-
Gain on contract termination	109,114	-	-
Capital contributions from/(to) tenants	22,093	-	(1,092)
Capital contributions to other government agencies	-	-	(1,025)
(Loss) gain on sale/disposition of assets	(317)	(150)	13
Other non-operating expenses	(94)	(853)	(884)
Total non-operating revenue (expense)	152,479	1,593	(9,398)
Income (loss) before capital contributions	144,921	2,046	(12,238)
Capital contributions	25,996	35,619	50,847
Changes in net position	170,917	37,665	38,609
NET POSITION			
Beginning of year	507,902	470,237	431,628
End of year	\$ 678,819	\$ 507,902	\$ 470,237

Jacksonville Port Authority

Management's Discussion and Analysis (unaudited)

Total operating expenses before depreciation for 2022 were \$37,802 an increase of \$6,433 over prior year expenses before depreciation of \$31,369. Prior fiscal year 2021 included COVID-19 cost containment measures, whereas fiscal year 2022 expense levels returned to more normalized levels. Salaries and benefits in 2022 were \$18,913, an increase of \$3,031 over 2021, of which \$1,483 was attributable to variances in "year-end valuation accounting" for pension costs. Other factors accounting for the increase included a return to full staffing levels, post COVID, and the addition of nine security personnel previously part of outsourced contract security. Workers' Compensation Insurance expense included a two years catchup assessment totaling \$675. Fuel costs in 2022 increased \$615 largely due to diesel (85%) price increases. Berth maintenance dredging expense increased \$934 in fiscal year 2022, reflective of increased dredge volumes.

Net non-operating revenues (expenses) for 2022 totaled \$152,479, and included several large non-recurring and recurring transactions. Most notable was a gain on contract termination in the amount of \$109,114, the outcome of an early exit of a tenant with a 30-year contract, causing an accelerated recognition of unearned revenue amounts (see note E). The Authority also received Coronavirus State and Local Fiscal Recovery Funds (ARPA Funds) totaling \$17,716 in 2022, recorded as intergovernmental grant revenue. Tenant contributions for construction totaled \$22,093. Noteworthy in fiscal years 2022 and 2021 is a significant increase in shared revenue from primary government of \$9,766 and \$9,847, respectively, compared to \$1,847 in fiscal year 2020. The increase is a result of certain debt obligations previously recorded on the books of the City, on behalf of the Authority, serviced by this revenue source being fully satisfied at year end 2020. Beginning in 2021 and forward, the Authority receives the full share of these interlocal revenues.

Capital contributions in 2022, which includes state, local and federal grants, totaled \$25,996, compared to \$35,619 in prior year. In 2021, was local capital contribution of \$4,161 from the City of Jacksonville, which was in addition to \$35,000 provided in fiscal year 2020, specifically to support the final phase of the 47 feet harbor deepening project.

At the close of fiscal year 2022, the Authority had a net position of \$678,819, an increase of \$170,917 from \$507,902 at fiscal year-end 2021.

Revenue, Expenses and Changes in Net Position 2021 vs 2020

Total operating revenues for fiscal year 2021 were \$61,853, a decline in total revenues of 3%, compared to revenues of \$63,507 in fiscal year 2020. Container volumes in 2021 rebounded to a record 1,407,310 TEUs, and accounted for 51% of all revenues. Autos also rebounded in 2021, to 623,212 units and account for about 25% of all revenues. The absence of cruise revenues continued into all of fiscal year 2021, whereas fiscal year 2020 had reported about \$1.9 million in cruise related revenues. Bulk cargo volumes including breakbulk, dry bulk, and liquid bulk were relatively constant year over year, and collectively account for about 13% of total revenues. Container volumes growth in 2021, up 130,149 TEUs, reflected increased volumes in Puerto Rico and Caribbean trade lanes, as well as Asian trade.

Total operating expenses before depreciation for 2021 were \$31,369, a decrease of \$5,319 from prior year expenses before depreciation of \$36,688. The Authority continued COVID-19 cost containment measures into early 2021, gradually returning to more normalized levels by year end. Salaries and benefits declined \$2,728, to \$15,882 in 2021, of which \$3,198 was attributable to variances in accounting for pension costs. Berth maintenance dredging expense declined \$1,408 in fiscal year 2021. The Authority was able to maintain employment of all existing personnel and incurred no furloughs of staff for both fiscal years 2020 and 2021.

Jacksonville Port Authority**Management's Discussion and Analysis (unaudited)**

Net non-operating revenues (expenses) for 2021 totaled \$1,593, compared to (\$9,398) in 2020, a \$10,991 favorable increase. Noteworthy in fiscal year 2021 is a significant increase in shared revenue from primary government totaling \$9,847, compared to \$1,847 in 2020. The increase is a result of certain debt obligations recorded on the books of the City, on behalf of the Authority, serviced by this revenue source, being fully satisfied at year end 2020. Interest expense on debt totaled \$7,261 in 2021, a reduction of \$1,226 from fiscal year 2020, primarily resulting from a bond refunding transaction in 2020.

Capital contributions in 2021, which include state, local, and federal grant contributions totaled \$35,619, compared to \$50,847 in 2020. Included in 2021, was a second capital contribution of \$4,161 from the City of Jacksonville, which was in addition to \$35,000 provided in fiscal 2020, provided specifically to support the funding of the final phase of the 47 feet harbor deepening project.

At the close of fiscal year 2021, the Authority had a net position of \$507,902, an increase of \$37,665 from \$470,237 at fiscal year-end 2020.

Net Position2022 vs. 2021

At September 30, 2022, the Authority's net position was \$678,819 compared to \$507,902 at year end 2021, an increase of \$170,917. Significant additions in 2022, were the receipt of \$18,758 in intragovernmental grant revenue, largely ARPA funds of \$17,700, tenant contributions for construction of \$22,093, and a \$109,114 gain on contract termination, all of which reduced total liabilities and deferred inflows in the same amount (eliminating unearned revenue balance). Other funding sources of support include shared revenue from primary government of \$9,707 and state and federal grants of \$25,996.

*(In thousands of dollars)***NET POSITION**

	2022	2021	2020
Current assets	\$ 61,669	\$ 54,109	\$ 42,662
Noncurrent assets (excluding capital assets)	31,496	23,373	31,614
Capital assets	856,329	849,826	849,045
Deferred outflows of resources	10,077	9,266	11,284
Total assets and deferred outflows	959,571	936,574	934,605
Current liabilities	20,615	24,563	24,675
Bonds and notes outstanding (net of current portion)	206,067	214,291	222,152
Other noncurrent liabilities and deferred inflows	54,070	189,818	217,541
Total liabilities and deferred inflows	280,752	428,672	464,368
Net position			
Net investment in capital assets	621,944	468,910	440,981
Restricted for debt service	18,391	18,080	17,468
Restricted – other	3,071	2,926	2,991
Unrestricted	35,413	17,986	8,797
Total net position	\$ 678,819	\$ 507,902	\$ 470,237

Total assets and deferred outflows at year end 2022 were \$959,571, Capital asset net increases were \$6,503. Current assets improved with unspent ARPA funds adding \$13,095 at year end, partly offset by \$5,540 in reduced grant receivable balances. Noncurrent assets were \$31,496 and include tenant funds provided for construction of \$15,535, partly offset by \$7,037 in a reduction of long-term grant receivables.

Jacksonville Port Authority

Management's Discussion and Analysis (unaudited)

Total liabilities and deferred inflows were \$280,752 at year end 2022, compared to \$428,672 in 2021. Bonds and notes outstanding (net of current portion), declined \$8,224, primarily from scheduled debt service. Other noncurrent liabilities and deferred inflows were reduced significantly in 2022, reflecting paydowns of other borrowings (line of credit and bridge loan) totaling \$29,730. The elimination of unearned revenue balances associated with the aforementioned gain on contract termination resulted in a \$6.3 million reduction (unearned revenue) in current liabilities and \$106.8 million reduction (unearned revenue) in other noncurrent liabilities and deferred inflows.

Total net position at year end 2022 was \$678,819, reflecting net investment in capital assets of \$621,944, amounts restricted for debt service of \$18,391, unrestricted balances of \$35,413 and repair and replacement funds of \$3,071.

Net Position

2021 vs. 2020

At September 30, 2021, the Authority's net position was \$507,902 compared to \$468,910 at year end 2020. Operating income before depreciation was \$30,484, compared to \$26,813 in 2020. The Authority's operations are also supported by state, local and federal grants, totaling \$35,619 in 2021, primarily dedicated to capital improvements. The Authority is also supported through an interlocal agreement with the City of Jacksonville, which provided \$9,847 in fiscal year 2021. See Note A.22 for additional information.

Total assets and deferred outflows at year end 2021 were \$936,517. Capital Asset net increases in 2021 were nominal compared to large net decreases in 2020 of \$77,344 and \$52,004 in fiscal years 2020 and 2019, respectively. Funding for the Harbor Deepening project was completed in fiscal year 2020 and included contributions from federal, state and local grants, as well as tenant and Authority support. See Note C for additional information. Depreciation expense was \$30,031 in 2021, compared to \$29,659 in 2020.

Total liabilities and deferred inflows were \$428,672 at year end 2021, compared to \$464,368 in 2020. Bonds and notes outstanding (net of current portion), declined \$7,861, primarily from scheduled debt service. Other noncurrent liabilities and deferred inflows were reduced significantly in 2021, reflecting paydowns of other borrowings (line and of credit and bridge loan) totaling \$16,567, and deferred revenue balances reductions of \$8,070. In addition to normal deferred lease revenue amortization, the Authority returned a \$4 million previous tenant lease prepayment, opting for future throughput fees instead. See Note F for additional information. Deferred inflows of resources for pensions and related net pension liability declined \$2,971.

Total net position at year end 2021 was \$507,902, reflecting net investment in capital assets of \$468,910, amounts restricted for debt service of \$18,080 and unrestricted balances of \$17,986.

Cash Flows

2022 vs 2021

Cash flows from operating activities in 2022 were \$23,758 compared to \$20,571 in prior year. Fiscal year 2021 included a return of funds to a tenant in the amount of \$4 million. The tenant had paid substantial upfront rents in fiscal year 2020, by mutual agreement the Authority refunded the \$4 million, in exchange for increased throughput tonnage rates.

Cash flows from noncapital financing activities in 2022 were \$27,485, compared to \$9,847 in 2021. This increase is attributable to the receipt of intragovernmental grant revenue (ARPA Funds) awarded in the amount of \$17,716 in fiscal year 2022.

Jacksonville Port Authority

Management's Discussion and Analysis (unaudited)

Net cash used in capital and related financing activities totaled \$23,090. Large outflows include funding for acquisition and construction of capital assets of \$34,786, principal and interest debt service payments of \$15,256. Additionally, the Authority paid off a bridge loan balance of \$25,000, and also a net paydown on the line of credit of \$4,730. The Authority also incurred a \$4,064 outlay associated with a tenant lease termination (see Note E). Significant inflows include state and federal contributions-in-aid of construction of \$38,645 and tenant contributions for construction for \$22,093.

Cash and cash equivalents at the end of 2022 were \$69,752 compared to \$41,415 in 2021. The cash balance of \$69,752 at September 30, 2022 is comprised of \$17,349 in unrestricted cash, \$13,095 in current restricted cash (ARPA funds), \$15,535 in construction funds, \$20,702 in restricted debt service and reserve funds and \$3,071 for renewal and replacement funds.

Cash Flows

2021 vs 2020

Cash flows from operating activities in 2021 were \$20,571 compared to \$30,218 in 2020 for year. Most of this \$9,647 reduction was related to a \$6 million prepaid lease payment received in 2020 and a subsequent \$4 million return of these funds in 2021, pertaining to a contract amendment in 2021 which allows for ongoing increased "throughput" payments instead.

Cash flows from noncapital financing activities in 2021 were \$9,847 representing an increase of \$8,000 over \$1,847 in 2020. These receipts from the primary government increased in 2021 as a result of the satisfaction of all debt obligations originally issued and restricted by the City. These shared revenues had been pledged to pay the debt service on the obligations.

Net cash used in capital and related financing activities totaled \$33,212, which include outlays for acquisition and construction of capital assets of \$31,339, principal and interest debt service payments of \$14,686, and paydown on other interin borrowings (City bridge loan and net line of credit activity) of \$16,567. Significant inflows include state and federal contributions-in-aid of construction of \$26,183 and an additional contribution from the City of \$10,161 supporting the harbor deepening project.

Cash and cash equivalents at the end of 2021 were \$41,415 compared to \$44,199 in 2020. The cash balance of \$41,415 at September 30, 2021 is comprised of \$17,004 in unrestricted cash, \$345 in construction funds, \$21,140 in restricted debt service and reserve funds and \$2,926 for renewal and replacement funds.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

Capital assets include land, land improvements, harbor deepening and related costs, buildings and building improvements and equipment. At September 30, 2022, the Authority had commitments for future construction work of approximately \$63,036. Additional information regarding capital assets can be found in the accompanying notes to the financial statements (see Note C).

2022 vs. 2021

At September 30, 2022, the Authority's capital assets, net of depreciation, grew to \$856,329, compared to prior year net capital assets of \$849,826. Capital project additions for 2022 were \$37,838; major projects include terminal construction and rehab \$13,329, wharf rehabilitation projects \$5,976, and dredge material management sites \$9,032. Capital spending was partly funded by local, state and federal grants totaling \$25,996 in 2022. Depreciation expense for 2022 was \$30,989, compared to \$30,031 in 2021.

Jacksonville Port Authority**Management's Discussion and Analysis (unaudited)**

2021 vs. 2020

At September 30, 2021, the Authority's capital assets, net of depreciation, grew to \$849,826, compared to prior year net capital assets of \$849,045. Capital project additions for 2021 were \$30,981; major projects include wharf rehabilitation projects totaling \$13,057, dredge material management sites \$5,089, bridge rehabilitation \$2,130 and harbor deepening of \$1,509. Capital spending was partly funded by local, state and federal grants totaling \$35,619 in 2021. Depreciation expense for 2021 was \$30,031, compared to \$29,659 in 2020.

Long-Term Debt2022 vs. 2021

At September 30, 2022, the Authority had outstanding bonds and notes payable of \$214,103, a decrease of \$7,860 from \$221,963 at end of fiscal year 2021 (both net of unamortized bond premiums). Line of credit balances outstanding at September 30, 2022 were \$10,749, compared to \$15,479 at prior year-end. In 2022 the Authority paid off all outstanding balances on an original \$37,700 bridge loan from primary government, balances at prior year end 2021 was \$25,000.

2021 vs. 2020

At September 30, 2021, the Authority had outstanding bonds and notes payable of \$221,963, a decrease of \$7,352 from \$229,315 at end of fiscal year 2020 (both net of unamortized bond premiums). Line of credit balances outstanding at September 30, 2021 were \$15,479, compared to \$19,346 at prior year-end. The Authority paid down balances of \$37,700 bridge loan from primary government, to \$25,000 at year-end 2021. Both the line of credit borrowings and the bridge loan serve as funding sources for large grant-funded capital project in progress (harbor deepening and wharf rehabilitation), whereby associated repayment amounts pending from FDOT grant reimbursement agreements will provide total repayment for both obligations, to be paid in full by 2023.

The Authority exceeded its required minimum debt service coverage ratio for the 2022 fiscal year.

Budgetary Highlights

The City Council of the City of Jacksonville, Florida approves and adopts the Authority's annual operating and capital budget. The Authority did not experience any budgetary stress during the fiscal years ended September 30, 2022 and 2021.

REQUESTS FOR INFORMATION

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the Authority's finances and to demonstrate the Authority's accountability to each of those groups. Questions concerning any information included in this report or any request for additional information should be addressed to the Chief Financial Officer, Jacksonville Port Authority, P.O. Box 3005, Jacksonville, FL 32206-0005.

Jacksonville Port Authority**Statements of Net Position
September 30, 2022 and 2021***(In thousands of dollars)*

	2022	2021
Assets		
Current assets		
Cash and cash equivalents	\$ 17,349	\$ 17,004
Restricted cash and cash equivalents	20,958	8,149
Accounts receivable, net	7,251	7,309
Notes and other receivables	120	420
Grants receivable	13,914	19,454
Inventories and prepaid items	2,077	1,773
Total current assets	<u>61,669</u>	<u>54,109</u>
Noncurrent assets		
Restricted assets:		
Cash and cash equivalents	15,910	15,917
Restricted for capital projects:		
Cash and cash equivalents	15,535	345
Notes receivable	51	74
Grants receivable	-	7,037
Capital assets, net	856,329	849,826
Total noncurrent assets	<u>887,825</u>	<u>873,199</u>
Total assets	<u>949,494</u>	<u>927,308</u>
Deferred outflow of resources	10,077	9,266
Total assets and deferred outflow of resources	<u>959,571</u>	<u>936,574</u>

(continued)

Jacksonville Port Authority**Statements of Net Position
September 30, 2022 and 2021***(In thousands of dollars)*

	2022	2021
Liabilities		
Current liabilities		
Accounts payable	2,257	2,202
Accrued expenses	683	1,066
Accrued interest payable	2,180	2,928
Construction contracts payable	3,139	2,326
Retainage payable	3,620	1,382
Unearned revenue	700	6,987
Bonds and notes payable	8,036	7,672
Total current liabilities	<u>20,615</u>	<u>24,563</u>
Noncurrent liabilities		
Unearned revenue	14,592	120,952
Accrued expenses	2,290	3,291
Other obligations	8,537	8,537
Net pension liability	16,545	6,690
Bridge loan from primary government	-	25,000
Line of credit note	10,749	15,479
Bonds and notes payable	206,067	214,291
Total noncurrent liabilities	<u>258,780</u>	<u>394,240</u>
Total liabilities	<u>279,395</u>	<u>418,803</u>
Deferred inflow of resources for pensions	<u>1,357</u>	<u>9,869</u>
Net Position		
Net investment in capital assets	621,944	468,910
Restricted for		
Debt service	18,391	18,080
Repair and replacement	3,071	2,926
Unrestricted	35,413	17,986
Total net position	<u>\$ 678,819</u>	<u>\$ 507,902</u>

See Notes to the Financial Statements.

Jacksonville Port Authority**Statements of Revenue, Expenses and Changes in Net Position
For the Years Ended September 30, 2022 and 2021***(In thousands of dollars)*

	2022	2021
Operating revenue	<u>\$ 61,233</u>	<u>\$ 61,853</u>
Operating expenses		
Salaries and benefits	18,913	15,882
Services and supplies	5,559	3,806
Security services	4,405	4,374
Business travel and training	322	141
Promotions, advertising, dues and memberships	647	539
Utility services	743	632
Repairs and maintenance	2,138	1,846
Berth maintenance dredging	1,920	3,986
Miscellaneous	155	163
Total operating expenses	<u>37,802</u>	<u>31,369</u>
Operating income before depreciation	23,431	30,484
Depreciation expense	<u>30,989</u>	<u>30,031</u>
Operating (loss) income	<u>(7,558)</u>	<u>453</u>
Non-operating revenues (expenses)		
Interest expense	(7,028)	(7,261)
Investment income	184	10
Shared revenue from primary government	9,769	9,847
Intragovernmental grant revenue	18,758	-
Gain on contract termination	109,114	-
Contributions from tenants	22,093	-
Loss on sale/disposition of assets	(317)	(150)
Other non-operating (expenses)	(94)	(853)
Total non-operating income (expenses)	<u>152,479</u>	<u>1,593</u>
Income before capital contributions	144,921	2,046
Capital contributions	<u>25,996</u>	<u>35,619</u>
Change in net position	170,917	37,665
Net position		
Beginning of year	507,902	470,237
End of year	<u>\$ 678,819</u>	<u>\$ 507,902</u>

See Notes to the Financial Statements.

Jacksonville Port Authority**Statements of Cash Flows****For The Years Ended September 30, 2022 and 2021***(In thousands of dollars)*

	2022	2021
Cash flows from operating activities		
Receipts from customers	\$ 62,023	\$ 56,815
Payments for services and supplies	(19,165)	(19,178)
Payments to/for employees	(19,100)	(17,066)
Net cash provided by operating activities	<u>23,758</u>	<u>20,571</u>
Cash flows from noncapital financing activities		
Receipts from primary government	9,769	9,847
Intragovernmental grant revenue	17,716	-
Net cash provided by noncapital financing activities	<u>27,485</u>	<u>9,847</u>
Cash flows from capital and related financing activities		
Proceeds from capital debt	88,870	-
Principal paid on debt refunding	(88,870)	-
Bridge loan from primary government	(25,000)	(12,700)
Contribution from primary government	-	4,161
Line of credit advances	10,000	10,844
Line of credit payments	(14,730)	(14,711)
Contributions from tenants for construction	22,093	-
Contributions-in-aid of construction (grants)	38,645	26,183
Acquisition and construction of capital assets	(34,786)	(31,369)
Principal paid on capital debt	(7,672)	(7,163)
Interest paid on capital debt	(7,584)	(7,523)
Proceeds from sale of assets	52	42
Costs associated with contract termination	(4,064)	
Other	(44)	(976)
Net cash used in capital and related financing activities	<u>(23,090)</u>	<u>(33,212)</u>
Cash flows provided from investing activities		
Interest on investments	184	10
Net cash provided by investing activities	<u>184</u>	<u>10</u>
Net increase (decrease) in cash and cash equivalents	28,337	(2,784)
Cash and cash equivalents		
Beginning of year	41,415	44,199
End of year	<u>\$ 69,752</u>	<u>\$ 41,415</u>

(continued)

Jacksonville Port Authority**Statements of Cash Flows****For The Years Ended September 30, 2022 and 2021***(In thousands of dollars)*

	2022	2021
Reconciliation of operating (loss) income to net cash provided by operating activities		
Operating (loss) income	\$ (7,558)	\$ 453
Adjustment to reconcile operating (loss) income to net cash provided by operating activities:		
Depreciation expense	30,989	30,031
Decrease in accounts receivable and other current assets	(47)	(738)
Increase (decrease) in deferred outflow of resources – pension	(1,177)	1,653
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	(324)	627
Unearned revenue	532	(8,484)
Pension	9,855	(11,379)
Increase (decrease) in deferred inflows of resources – pension	(8,512)	8,408
Total adjustments	31,316	20,118
Net cash provided by operating activities	\$ 23,758	\$ 20,571
Noncash investing, capital and financing activities		
Construction cost paid on account	\$ 6,759	\$ 3,708
Grants receivable	13,914	26,491

See Notes to the Financial Statements.

Jacksonville Port Authority

Notes to Financial Statements

Note A – Summary of Significant Accounting Policies

1. Reporting entity

The Jacksonville Port Authority (the Authority) was created in 1963 by Chapter 63-1447 of the Laws of Florida, to own and operate marine facilities in Duval County, Florida. The Authority is governed by a seven-member board. Three board members are appointed by the Governor of Florida and four are appointed by the Mayor and confirmed by the City Council of the City of Jacksonville, Florida. The City Council reviews and approves the Authority's annual budget.

The Authority is a component unit of the City of Jacksonville, Florida (the City), as defined by Governmental Accounting Standards Board (GASB) Section 2100 of Codification, *The Financial Reporting Entity*. The Authority's financial statements include all funds and departments controlled by the Authority or which are dependent on the Authority. No other agencies or organizations have been included in the Authority's financial statements.

2. Basic financial statements

The Authority is considered a special purpose government engaged in a single business-type activity. Business-type activities are those activities primarily supported by user fees and charges. The Authority maintains a proprietary fund, which reports transactions related to activities similar to those found in the private sector. As such, the Authority presents only the statements required of enterprise funds, which include the statements of net position, statements of revenue, expense, and changes in net position and statements of cash flows.

3. Fund structure

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

4. Basis of accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The Authority's financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Under this method, revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Grants and similar items are recognized as revenue or capital contributions when all eligibility requirements imposed by the provider are met.

Operating revenues of the Authority include revenues from facility leases, which are recognized over the term of the lease agreements. All other revenues, such as fees from wharfage, throughput and dockage, are recognized as services are provided.

The Authority's policy is to use restricted resources first, then unrestricted resources, when both are available for use to fund activity.

Jacksonville Port Authority

Notes to Financial Statements

Note A – Summary of Significant Accounting Policies (Continued)

5. New pronouncements not yet adopted

GASB Statement No. 91, Conduit Debt Obligations was issued in May 2019, and will be effective for the Authority in fiscal year 2023. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with: (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation, establishing that a conduit debt obligation is not a liability of the issuer, establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations and improving required note disclosures. Management does not expect this to have a significant impact on the financial statements of the Authority.

GASB Statement No. 96, Subscription – Based Information Technology Arrangements was issued in May 2020, and will be effective for the Authority in fiscal year 2023. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users. This Statement: (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, Leases, as amended. Management is currently evaluating the impact of this standard on the Authority's financial statements.

GASB Statement No. 101, Compensated Absences was issued in June 2022, and will be effective for the Authority in fiscal year 2024. Earlier application is encouraged. The objective of this standard is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. Management is currently evaluating the impact of this standard on the Authority's financial statements.

6. Budgeting Procedures

The Authority's charter and related amendments, City Council resolutions and/or Board policies have established the following budgetary procedures for certain accounts maintained within its enterprise fund. These include:

Prior to July 1 of each year, the Authority shall prepare and submit its budget to the City Council for the ensuing fiscal year.

The City Council may increase or decrease the appropriation requested by the Authority on a total basis or a line-by-line basis; however, the appropriation from the City Council for construction, reconstruction, enlargement, expansion, improvement or development of any marine project or projects authorized to be undertaken by the Authority, shall not be reduced below \$800,000.

Once adopted, additional appropriations may only be through action of the City Council.

The Authority is authorized to transfer within Operating/Non-Operating Schedules and the Capital Schedule as needed. Transfers between schedules are allowable up to \$50,000. Once the \$50,000 limit is reached, City Council approval must be obtained. Operating budget item transfers require Chief Executive Officer or Chief Financial Officer approval. Line-to-line capital budget transfers of \$50,000 or less require the same approval levels. Line-to-line capital budget transfers of more than \$50,000 require the same approval levels, with additional notification to the Board if deemed necessary by either of the above-mentioned parties. Any Capital Budget transfer creating a new capital project greater than \$1,000,000 requires Board approval. All appropriations lapse at the end of each fiscal year and must be re-appropriated.

Jacksonville Port Authority

Notes to Financial Statements

Note A – Summary of Significant Accounting Policies (Continued)

7. Cash and cash equivalents

Cash and cash equivalents consist of demand deposits, money market funds and the Florida State Board of Administration investment pool. Cash equivalents are investments with a maturity of three months or less when purchased.

8. Accounts receivable

Management considers all accounts to be fully collectible; however, the Authority has established an allowance for doubtful accounts based upon collections experience. The allowance for doubtful accounts for the years ended September 30, 2022 and 2021 was \$92,000.

9. Leases

The Authority, as a landlord port, has various leases which convey usage of property, facilities, equipment, terminal privileges, and space to its tenants. As lessor, the Authority administers the leases as a Marine Terminal Operator (MTO), as defined by the Federal Maritime Commission (FMC). Additionally, lessees (tenants) are also defined as MTOs. The Authority takes the position that all its lease agreements and tariffs are regulated and *subject to external laws, regulations, or legal rulings*, and meet the definition under the accounting standard as *certain regulated leases*. The Authority has no material ancillary operational activities outside the scope of those defined as a "terminal facility" by FMC regulations.

The Authority implemented GASB Statement 87, *Leases* in fiscal year 2022. In accordance with the standard, recognition and measurement for *certain regulated leases* under *GASB 87, paragraphs 42 and 43*, prescribes that *lessors should recognize leases on their balance sheet based upon payment provisions of the lease contract and provide disclosures as provided in paragraph 60 of GASB Statement 87 for leases for which external laws, regulations or legal rulings apply*. Please see note D for required disclosures.

The Authority owns all its facilities and has no property or equipment leases defined as long term, and accordingly reports no lease obligations.

10. Grants receivable

Grants received from federal and state government agencies that are restricted for the acquisition of construction of capital assets are recorded as capital contributions when earned. Grants are earned when costs relating to such capital assets, which are reimbursable under the terms of the grant, have been incurred. Grants receivable are classified as current unless deferred receipts arrangements are prescribed by grantor agreement.

11. Investments

The Authority's investments are reported at fair value using quoted market price or other fair value techniques as required by GASB Statement No. 72, *Fair Value Measurements* (GASB 72). Fair value is defined by GASB 72, as the price that would be received to sell an asset or to transfer a liability in an orderly transaction between market participants at the measurement date. Categories within the fair value hierarchy include: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs and Level 3 are unobservable inputs. As of September 30, 2022 and 2021, the Authority did not hold any investments.

Jacksonville Port Authority**Notes to Financial Statements**

Note A – Summary of Significant Accounting Policies (Continued)**12. Restricted assets**

Certain proceeds of revenue bonds and notes, as well as certain resources set aside for their repayment, are classified as restricted assets on the statement of net position, as their use is limited by applicable debt agreements. Restricted cash also includes renewals and replacement funds restricted for capital improvements and other funds as specifically designated by contributors or by grant agreement.

13. Capital assets

Capital assets are carried at cost less accumulated depreciation. Capital assets are defined by the Authority as assets with an individual cost of \$5,000 or greater, and an estimated useful life of more than one year.

Capital assets are depreciated on a straight-line basis over the estimated useful lives of the assets. The estimated useful lives of property and equipment are as follows:

<u>Asset Class</u>	<u>Estimated Service Life (Years)</u>
Buildings	20-30
Other improvements	10-50
Equipment	3-30

When capital assets are disposed of, the related cost and accumulated depreciation are recorded as gains or losses on disposition.

Costs incurred for major deepening are accounted for as non-depreciable land improvements. Costs incurred for the development of dredge spoil sites are recorded as land improvements and amortized over 20 years. Bank maintenance dredging is expensed as incurred.

14. Inventories and prepaid items

Inventories are stated at cost using the average cost method. Payments made to vendors for services that will benefit periods beyond the current fiscal year are recorded as prepaid items.

15. Deferred outflows/inflows of resources

In addition to assets, the statements of net position include a separate section for deferred outflows of resources. These separate financial statements section, deferred outflows of resources, represents a consumption of net assets that applies to future periods and so will not be recognized as an outflow of resources (expenses) until that time. The Authority currently reports the net deferred loss on refunding of debt and deferred outflows related to pensions in this category.

In addition to liabilities, the statements of financial position include a separate section for deferred inflows of resources. This separate financial statement section, deferred inflows of resources, represents an acquisition of net assets that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The Authority currently reports deferred inflows related to pensions in this category.

Jacksonville Port Authority

Notes to Financial Statements

Note A – Summary of Significant Accounting Policies (Continued)

16. Unearned revenue

Resources that do not meet revenue recognition requirements (not earned) are recorded as unearned revenue in the financial statements. Unearned revenue consists primarily of unearned lease revenue.

17. Compensated absences (accrued leave plan)

Compensated absences consist of paid time off, which employees accrue each pay period. Individual leave accrual rates vary based upon position and years of service criteria. A liability is accrued as the benefits are earned by the employee for services already rendered and to the extent it is probable the employer will compensate the employees for the benefits. Maximum leave accrual balances cap at 480 hours for union employees, and 350 hours for non-union employees.

18. Conduit debt

On February 28, 2022, a Surrender and Termination of Lease Agreement was executed by the Authority and its tenant Trapac Jacksonville, LLC. On that date, per the agreement, Insui O.S.K. (MOL) redeemed the outstanding balance of Special Facilities Bonds (Mittli O.S.K. Inc., Ltd. Project), Series 2007 Bonds (Par amount of redeemed bonds were \$57,050,000). Please see Note E for additional information.

19. Long-term obligations

In the financial statements, long-term obligations are reported as liabilities in the statements of net position. Bond premiums and discounts are deferred and amortized over the life of the related obligation using the straight-line method, which is not materially different than the effective interest method. Bonds payable are reported net of the applicable premium or discount. Costs of issuance are expensed as incurred.

20. Pensions

In the statement of net position, liabilities are recognized for the Authority's proportionate share of each pension plan's net pension liability. For purposes of measuring the net pension liability, deferred outflows/inflows of resources and pension expense, information about the fiduciary net position of the Florida Retirement System (FRS) defined benefit plan and the Health Insurance Subsidy (HIS) and additions to/deductions from FRS's and HIS's fiduciary net position have been determined on the same basis as they are reported by the FRS and HIS plans. For this purpose, plan contributions are recognized as of employer payroll paid dates.

21. Other post-employment benefits (OPEB)

The Authority obtains actuarial valuation reports for its post-employment benefit plan (other than pensions) and records the total OPEB liability as required under GASB Statement No. 75. *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

22. Net position

In the financial statements, net position is classified in the following categories:

Net Investment in Capital Assets – This category groups all capital assets into one component of net position. Accumulated depreciation and the outstanding balances of debt, deferred balances from debt refunding and prepaid lease revenues (unearned revenues) that are attributable to the acquisition, construction or improvement of these assets will reduce this category.

Jacksonville Port Authority

Notes to Financial Statements

Note A – Summary of Significant Accounting Policies (Continued)

Restricted Net Position – This category represents the net position of the Authority which is restricted by constraints placed on the use by external groups such as creditors, grantors, contributors or laws and regulations.

Unrestricted Net Position – This category represents the net position of the Authority, which is not restricted for any project or other purpose.

23. Shared revenue from primary government

Shared revenue from primary government represents the Authority's share of the Communications Service Tax received by the City, millage payments from the Jacksonville Electric Authority (JEA) pursuant to City Ordinance Code and the Interlocal Agreement, as well as a fixed contribution from the City. These revenues had been pledged to pay debt service on bond obligations issued by the city and designated for port expansion projects. All previous debt obligations issued by the City, on behalf of the Authority, were paid off at year-end 2020. Shared revenue from primary government was \$9,769,000 and \$9,847,000 in 2022 and 2021, respectively.

24. Intragovernmental grant revenue

Intragovernmental grant revenues are accounted for as non-operating revenues in the period they are received or recognized, as defined by the grant agreement. Most common are reimbursements for specific federal security grants for security of public safety operations. Also included are Federal Emergency Management Agency (FEMA) funds received for disaster relief, examples would include federal assistance for costs incurred for hurricane preparation and recovery. In fiscal year 2022, the Authority received Coronavirus State Fiscal Recovery funds under the American Rescue Plan Act (ARPA) in the amount of \$17,716,224 accounted for as operating grants.

25. Contributions from tenants for construction

Tenant Contributions are accounted for as contributions within non-operating income (in a non-exchange transaction). Whereby the tenant contributes funding for a construction project they would have otherwise undertaken, but the project is administered by the Authority when federal or state grants are involved.

26. Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows, liabilities and deferred inflows and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Note B – Deposits and Investments

Cash and Deposits

At September 30, 2022 and 2021, the carrying amount of the Authority's cash deposit accounts was \$20,551,000 and \$20,063,000, respectively. The Authority's cash deposits are held by banks that qualify as a public depository under the Florida Security for Community Deposits Act as required by Chapter 280, Florida Statutes. The Authority's cash deposits are fully insured by the Public Deposits Trust Fund.

Jacksonville Port Authority**Notes to Financial Statements****Note B – Deposits and Investments (Continued)**

Cash equivalents consist of deposits with the State Board of Administration (SBA) for participation in the Local Government Surplus Funds Trust Fund investment pool created by Section 218.405, Florida Statutes. This investment pool operates under investment guidelines established by Section 215.47, Florida Statutes.

Investments

The Authority formally adopted a comprehensive investment policy pursuant to Section 218.415, Florida Statutes that established permitted investments, asset allocation limits and issuer limits, credit ratings requirements and maturity limits to protect the Authority's cash and investment assets.

The Authority's investment policy allows for the following investments: The State Board of Administration's Local Government Surplus Funds Trust Fund, United States Government Securities, United States Government Agencies, Federal Instrumentalities, Interest Bearing Time Deposit or Saving Accounts, Repurchase Agreements, Commercial Paper, Corporate Bonds, Bankers' Acceptances, State and/or Local Government Taxable and/or Tax-Exempt Debt, Registered Investment Companies (Money Market Mutual Funds) and Intergovernmental Investment Pools.

In instances where unspent bond proceeds, scheduled bond payments held by a third-party trustee, or other bond reserves as prescribed by bond covenants are held, the Authority will look first to the Authority's Bond Resolution for guidance on qualified investments and then to the Authority's investment policy.

Interest Rate Risk

Interest rate risk is the risk of changes in market interest rates adversely affecting the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. The Authority's investment policy limits interest rate risk by attempting to match investment maturities with known cash needs and anticipated cash flow requirements. The policy of the Authority is to maintain an amount equal to three months, or one quarter, of the budgeted operating expenses of the current fiscal year in securities with maturities of less than 90 days. The weighted average duration of the portfolio will not exceed 3 years at the time of each reporting period. As of September 30, the Authority had the following investments and effective duration presented in terms of years:

Investment Type	Fair Value	Investment Maturities (in Years)	
		Less Than 1	1-5
Investments Subject to Interest Rate Risk			
Money market funds	\$ 20,570	\$ 20,570	\$ -
Total investments	\$ 20,570	\$ 20,570	\$ -

Investment Type	Fair Value	Investment Maturities (in Years)	
		Less Than 1	1-5
Investments Subject to Interest Rate Risk			
Money market funds	\$ 21,352	\$ 21,352	\$ -
Total investments	\$ 21,352	\$ 21,352	\$ -

Jacksonville Port Authority**Notes to Financial Statements**

Note B – Deposits and Investments (Continued)

Total investments amounts shown above are classified as restricted cash and cash equivalents, reflecting money market funds held for debt service obligations (and related proceeds), on the statements of net position.

Credit Risk

Credit risk is the risk that a security or a portfolio will lose some or all of its value due to a real or perceived change in the ability of the issuer to repay its debt. This risk is generally measured by the assignment of a rating by a nationally recognized statistical rating organization. The Authority's investment policy permits the following investments, which are limited to credit quality ratings from nationally recognized rating agencies as described below:

Commercial paper of any United States company or foreign company domiciled in the United States that is rated, at the time of purchase, 'Prime-1' by Moody's and 'A-1' by Standard & Poor's (prime commercial paper), or equivalent as provided by two nationally recognized rating agencies. If the commercial paper is backed by a letter of credit (LOC), the long-term debt of the LOC provider must be rated 'A' or better by at least two nationally recognized rating agencies.

Corporate bonds issued by corporations organized and operating within the United States or by depository institutions licensed by the United States that have a long-term debt rating, at the time of purchase, at a minimum 'A' by Moody's and a minimum long-term debt rating of 'A' by Standard & Poor's, or equivalent as provided by two nationally recognized rating agencies.

Bankers' acceptances issued by a domestic bank or a federally chartered domestic office of a foreign bank, which are eligible for purchase by the Federal Reserve System, at the time of purchase, the short-term paper is rated, at a minimum 'A-1' by Moody's Investors Service and 'A-1' Standard & Poor's, or equivalent as provided by two nationally recognized rating agencies.

State and/or local government taxable and/or tax-exempt debt, general obligation and/or revenue bonds, rated at least 'Aa' by Moody's and 'AA' by Standard & Poor's for long-term debt, or rated at least 'VMIG-2'

by Moody's and 'A-2' by Standard & Poor's for short-term debt (one year or less), or equivalent as provided by two nationally recognized rating agencies.

Federal instrumentalities or U.S. Government sponsored agencies which are non-full faith and credit agencies limited to the following:

- Federal Farm Credit Bank (FFCB)
- Federal Home Loan Bank or its Authority banks (FHLB)
- Federal National Mortgage Association (FNMA)
- Federal Home Loan Mortgage Corporation (Freddie Macs)

Money market funds shall be rated 'AAAm' or better by Standard & Poor's or the equivalent by another rating agency.

Jacksonville Port Authority**Notes to Financial Statements****Note B – Deposits and Investments (Continued)**

As of September 30, the Authority had the following credit exposure as a percentage of total investments:

2022

<u>Security type:</u>	<u>Credit Rating</u>	<u>% of Portfolio</u>
Money market funds	AAAm	100.00%
Total		100.00%

2021

<u>Security type:</u>	<u>Credit Rating</u>	<u>% of Portfolio</u>
Money market funds	AAAm	100.00%
Total		100.00%

Custodial Credit Risk

This is the risk that in the event of the failure of the counterpart, the Authority will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Authority's investment policy, pursuant to Section 218.47(18), Florida Statutes, requires securities, with the exception of certificates of deposits, shall be held with a third-party custodian and all securities purchased by and all collateral obtained by the Authority should be properly designated as an asset of the Authority. The securities must be held in an account separate and apart from the assets of the financial institution. A third-party custodian is defined as a bank duly chartered by the Federal Government, the State of Florida, or any other state or territory of the United States which has a branch or principal place of business in the State of Florida, or by a national association organized and existing under the laws of the United States which is authorized to accept and execute trusts and which is doing business in the State of Florida.

Concentration of Credit Risk

The Authority's investment policy has established asset allocation and issuer limits on the following investments, which are designed to reduce concentration of credit risk of the Authority's investment portfolio.

A maximum of 100% may be invested in non-negotiable interest-bearing time certificates of deposit, time deposit accounts, demand deposit accounts, or savings accounts in banks organized under State of Florida law. To include national banks organized under the laws of the United States and doing business in the State of Florida, provided that any such deposits are secured by the Florida Security for Public Deposits

Act, Chapter 280, Florida Statutes, or such deposits are with a national bank whose short-term ratings are at least A-1 by Standard Poor's, or P-1 by Moody's Rating agency.

A maximum of 100% of available funds may be invested in the Local Government Surplus Funds Trust Fund, in Savings Accounts and in the United States Government Securities: 50% of available funds may be invested in United States Government Agencies with a 25% limit on individual issuers; 100% of available funds may be invested in Federal Instrumentalities with a 40% limit on individual Issuers; 25% of available funds may be invested in Interest Bearing Time Deposit with a 15% limit on individual issuers; 50% of available funds may be invested in Repurchase Agreements with a 25% limit on individual issuers; 20% of available funds may be directly invested in Commercial Paper with a 10% limit on individual issuers; 15% of available funds may be directly invested in Corporate Bonds with a 5% limit on individual issuers; 20% of available funds may be directly invested in Bankers Acceptances with a 10% limit on individual issuers; 20% of available funds may be invested in State and/or Local Government Taxable and/or Tax-Exempt Debt with a 25% limit of individual funds and 25% of available funds may be invested in intergovernmental investment pools.

Jacksonville Port Authority**Notes to Financial Statements****Note B – Deposits and Investments (Continued)****Fair Value Measurements**

The Authority categorizes its fair value measurements within the fair value hierarchy established by U.S. GAAP. The hierarchy is based upon the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are unobservable inputs. The Authority had no fair value measurements at September 30, 2022 or 2021.

Note C – Capital Assets

Capital asset activity for the fiscal year ended September 30, 2022, was as follows:

2022 (in thousands of dollars)	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated				
Land and improvements	\$ 145,447	\$ -	\$ -	\$ 145,447
Harbor deepening and related costs	279,996	-	-	279,996
Construction in progress	72,418	7,993	(56,736)	42,095
Total capital assets not being depreciated	486,861	37,986	(56,736)	467,538
Depreciable capital assets				
Buildings	95,484	41	-	96,525
Improvements	595,437	55,766	(65)	651,134
Equipment	19,637	1,374	(7,611)	140,600
Total depreciable capital assets at historical cost	838,754	57,181	(7,676)	888,259
Less accumulated depreciation for:				
Buildings	65,358	3,159	-	68,517
Improvements	328,934	22,275	(57)	351,152
Equipment	81,517	5,555	(7,273)	79,799
Total accumulated depreciation	475,809	30,989	(7,330)	499,468
Depreciable capital assets, net	362,945	26,192	(346)	388,791
Capital assets, net	\$ 849,826	\$ 63,585	\$ (57,082)	\$ 856,329

Jacksonville Port Authority**Notes to Financial Statements****Note C – Capital Assets (Continued)**

Capital asset activity for the fiscal year ended September 30, 2021, was as follows:

2021 (in thousands of dollars)	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated				
Land and improvements	\$ 144,763	\$ 684	\$ -	\$ 145,447
Harbor Deepening and related costs	278,487	1,509	-	279,996
Construction in progress	37,450	28,510	(4,522)	61,438
Total capital assets not being depreciated	460,700	30,703	(4,522)	486,881
Depreciable capital assets				
Buildings	96,484	-	-	96,484
Improvements	592,754	2,679	-	595,433
Equipment	147,883	2,121	(3,167)	146,837
Total depreciable capital assets at historical cost	837,121	4,800	(3,167)	838,754
Less accumulated depreciation for:				
Buildings	62,270	2,093	-	65,358
Improvements	215,483	21,451	-	328,934
Equipment	79,097	5,422	(2,998)	81,517
Total accumulated depreciation	456,850	30,031	(2,998)	475,809
Depreciable capital assets, net	380,271	(25,231)	(169)	354,871
Capital assets, net	\$ 840,971	\$ 8,472	\$ (4,691)	\$ 844,752

Land Improvements – Harbor Deepening and Dredge Spoil Sites

The Authority has entered into cooperative agreements with the United States Army Corps of Engineers (USACE) to share in costs to deepen the channel of open access waterways to agreed-upon depths. To date, the Authority's share (as Non-Federal Sponsor) of these costs amounts to approximately \$280 million. These costs, referred to as harbor deepening costs, are classified as non-depreciable land improvements on the Authority's financial statements. Pursuant to the agreement, the USACE provides for the continued maintenance of the channel at the deepened depth in perpetuity. Similarly, dredge spoil sites are also managed in conjunction with the USACE and costs associated with the improvement and expansions of these sites are accounted for as improvements made to land, which is included in other capital assets and amortized over a 20-year life. To date, the Authority's share of these costs total, net of depreciation is approximately \$30 million. Costs incurred and paid by the USACE (Federal Sponsor / Government) for both harbor deepening and dredge spoil sites, are not capitalized or recorded on the books of the Authority.

Jacksonville Port Authority**Notes to Financial Statements****Note D – Leasing Operations**

In accordance with GASB 87 paragraph 43, lessors who are regulated by external laws, regulators, or legal rulings, should only recognize current inflows of resources and provide the required disclosures outlined in paragraph 60.

Required Disclosures

The Authority leases property to terminal operators for the purpose of cargo movement generated from foreign commerce. Capital assets held for lease have a cost of approximately \$892,184,000 and accumulated depreciation of \$410,838,000 as of September 30, 2022. All assets including cranes and other equipment include language in contracts such as – a minimum complement of cranes (not specified), tenant acreage is exclusive to the extent that the port properties are segregated for operational and security purposes.

Inflows of resources for leases for the fiscal year ending September 30, 2022, were \$45,89,736 of which \$28,010,148 were contractual annual guarantees and required rents. Inflows of resources in this reporting period that are related to variable payments not included in expected future minimum payments were \$24,679,588. The Authority has no lease agreements with terms and conditions which allow the lessee to solely terminate the lease or abate payments. The Authority looks to its pledged revenues to support its debt obligations, but no lease agreement calls for lease payments as security for debt obligations. Minimum future rental receipts and contractual minimum annual guarantees for each of the next five years and thereafter, excluding contingent or voluntary variable amounts on cancellable operating facility leases at September 30, 2022, are as follows:

<i>(in thousands of dollars)</i>	Total
2022	\$ 27,785
2024	28,637
2025	29,529
2026	28,997
2027	27,139
2028-2032	126,399
2033-2037	119,662
2038-2042	115,206
2043-2047	104,999
2048-2052	100,187
2053-2057	44,245
	<u>\$ 752,785</u>

Note E – Lease with Mitsui O.S.K. Lines, Ltd. (MOL)

In 2005, the Authority entered into a lease agreement with Mitsui O.S.K. Lines (MOL), LTD., Japanese Corporation, whereby the Authority agreed to construct a 158-acre container terminal for exclusive use by MOL. The 30-year lease term began at the date of project completion, which occurred January 2009. MOL was responsible for all operational costs of the facility over the lease term. MOL subsequently assigned the lease to TraPac, Inc (Trapac), a wholly-owned subsidiary of MOL.

Jacksonville Port Authority**Notes to Financial Statements**

Note E – Lease with Mitsui O.S.K. Lines, Ltd. (MOL) (Continued)Project Financing

The lease agreement stipulates that MOL would provide project financing arrangements for the first \$195 million, the financing includes:

\$100 million in Special Purpose Bonds, Series 2007 (SPB), issued in April 2007 as conduit debt designated for the MOL project. MOL was solely responsible for repayment supported by an irrevocable direct-pay Letter of Credit from Sumitomo Mitsui Banking Corporation.

Additionally, the Authority issued \$95 million of its own debt, whereby MOL TraPac agreed to provide scheduled monthly rent payments to the Authority to meet these debt service requirements. Remaining scheduled rent payments and related debt service obligations were fully extinguished in 2022.

Surrender and Termination of Lease Agreement

On February 28, 2022, the Authority and TraPac executed a surrender and termination of lease agreement in connection with the sale of 100% of the issued and outstanding equity in TraPac to Ceres Terminal Holdings LLC. Per the terms of the agreement, the lease was hereby amended to provide that, upon and subject to the satisfaction of the closing, the expiration date of the lease shall be February 28, 2022, and the Term shall expire as if such date were the expiration date set forth in the Lease for the termination thereof.

All debt obligations pertaining to project financing have been satisfied in full by MOL/TraPac, including final rent payments remitted in 2022 to meet the Authority's remaining associated debt service obligations. Additionally, the redemption of the Special Purpose Bonds Series 2007 by MOL occurred on February 28, 2022. An associated SWAP agreement (between SMBC Capital Markets, Inc. and TraPac) was also terminated at a cost of approximately \$8.1 million. The SWAP (interest rate hedging transaction) was in place with the original issuance of the SPB. The lease agreement called for the Authority and MOL to each share 50% of the SWAP termination cost. The Authority's SWAP termination shared cost was approximately \$4.1 million, and is recorded net (an offset) with the gain on the contract termination transaction (net \$109 million).

Revenue Recognition

Lease revenue is recognized on a straight-line basis over the 30-year lease term, in accordance with lease accounting guidance. Revenue recognition for years ending September 30, 2022 and 2021, were \$2,801,446 and \$6,286,923, respectively. With the surrender and termination of the lease in mid-year 2022, the Authority recognized a gain on termination of contract of approximately \$109 million. As a result of this transaction, the Authority no longer reports any associated unearned revenue balances at September 30, 2022. Amounts reported at September 30, 2021, were approximately \$112 million.

Note F – Lease with SSA Atlantic, LLC (SSA)

In fiscal year 2019, the Authority executed a 25-year lease agreement with (SSA). The lease includes approximately 77 acres initially, with plans for future development totaling 100+ acres. As part of the agreement, SSA advanced \$18 million of rent payments, which are being recognized on a straight-line basis over the lease term, in accordance with lease accounting guidance. Unearned revenue at September 30, 2022 and 2021, was \$15,292,000 and \$15,993,000 respectively.

Jacksonville Port Authority

Notes to Financial Statements

Note G – Pension Plan

Retirement Benefits

The Authority provides retirement benefits to its employees through the Florida Retirement System (FRS), the Florida Retirement System Health Insurance Subsidy (HIS) and an FRS Deferred Retirement Option Program (DROP). Additionally, the Authority provides an implicit rate subsidy for retiree insurance (an age adjusted premium benefit), which is addressed in Note I – Other Post-Employment Benefits.

GASB No. 68

As a participating employer, the Authority follows accounting guidance under GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, which requires employers participating in cost-sharing multiple employer defined benefit pension plans to report the employers' proportionate share of the net pension liabilities and related pension amounts of the defined benefit pension plans. The GASB 68 component of pension expense captures and records the Authority's proportionate share of net pension liability of both the FRS Pension Plan and Health Insurance Program, along with the Authority's related allocation of deferred outflows and deferred inflows and pension expense impacts. The GASB 68 pension expense accrual has no current year impact on pension funding. The employer share of FRS and HIS pension funding contributions are recorded as expense when contributed. The two elements (accrual and contributions) are combined to show total pension expense of the Authority.

General Information about the FRS

The FRS was created in Chapter 121, Florida Statutes, to provide a defined benefit pension plan for participating public employees. The FRS was amended in 1988 to add the Deferred Retirement Option Program under the defined benefit plan and amended in 2000 to provide a defined contribution plan alternative to the defined benefit plan for FRS members effective July 1, 2002. This integrated defined contribution pension plan is the FRS Investment Plan. Chapter 112, Florida Statutes, established the Retiree Health Insurance Subsidy (HIS) Program, a cost-sharing multiple employer defined benefit pension plan, to assist retired members of a state-administered retirement system in paying the costs of health insurance.

Essentially all regular employees of the Authority are eligible to enroll as members of the State-administered FRS. Provisions relating to the FRS are established by Chapters 121 and 122, Florida Statutes; Chapter 112, Part IV, Florida Statutes; Chapter 238, Florida Statutes; and FRS Rules, Chapter 60S, Florida Administrative Code; wherein eligibility, contributions and benefits are defined and described in detail. Such provisions may be amended at any time by further action from the Florida Legislature. The FRS is a single retirement system administered by the Florida Department of Management Services, Division of Retirement and consists of the two cost-sharing, multiple employer defined benefit plans and other nonintegrated programs. A comprehensive annual financial report of the FRS, which includes its financial statements, required supplementary information, actuarial report and other relevant information, is available from the Florida Department of Management Services Web site (www.dms.myflorida.com).

The Authority's pension expense for FRS and HIS totaled \$2,117,971 and \$264,479 for the fiscal years ended September 30, 2022 and 2021, respectively. Included in pension expense is the amortization of deferred inflows and outflows as well as the changes in the net pension liability.

Jacksonville Port Authority

Notes to Financial Statements

Note G – Pension Plan (Continued)

Florida Retirement System (FRS) Pension Plan

Plan Description: The FRS Pension Plan (the Plan) is a cost-sharing multiple-employer defined benefit pension plan, with a Deferred Retirement Option Program (DROP) for eligible employees. The general classes of membership are as follows:

- *Regular Class* – Members of the FRS who do not qualify for membership in the other classes.
- *Senior Management Service Class (SMSC)* – Members in senior management level positions.

Employees enrolled in the Plan prior to July 1, 2011, vest at 6 years of creditable service and employees enrolled in the Plan on or after July 1, 2011, vest at 8 years of creditable service. All vested members, enrolled prior to July 1, 2011, are eligible for normal retirement benefits at age 62 or at any age after 30 years of service. All members enrolled in the Plan on or after July 1, 2011, once vested, are eligible for normal retirement benefits at age 65 or any time after 33 years of creditable service. Members of the Plan may include up to 4 years of credit for military service toward creditable service.

The Plan also includes an early retirement provision; however, there is a benefit reduction for each year a member retires before his or her normal retirement date. The Plan provides retirement, disability, death benefits and annual cost-of-living adjustments to eligible participants.

DROP, subject to provisions of Section 121.071, Florida Statutes, permits employees eligible for normal retirement under the Plan to defer receipt of monthly benefit payments while continuing employment with an FRS employer. An employee may participate in DROP for a period not to exceed 60 months after electing to participate, except that certain construction personnel may participate for up to 96 months. During the period of DROP participation, deferred monthly benefits are held in the FRS Trust Fund and accrue interest. The net pension liability does not include amounts for DROP participants, as these members are considered retired and are not accruing additional pension benefits.

Benefits Provided: Benefits under the Plan are computed on the basis of age and/or years of service, average final compensation and service credit. Credit for each year of service is expressed as a percentage of the average final compensation. For members initially enrolled before July 1, 2011, the average final compensation is the average of the five highest fiscal years' earnings; for members initially enrolled on or after July 1, 2011, the average final compensation is the average of the eight highest fiscal years' earnings. The total percentage value of the benefit received is determined by calculating the total value of all service, which is based on the retirement class to which the member belonged when the service credit was earned. Members are eligible for in-line-of-duty or regular disability and survivors' benefits. The following chart shows the percentage value for each year of service credit earned:

	% Value
<i>Regular Class members initially enrolled before July 1, 2011</i>	
Retirement up to age 62 or up to 30 years of service	1.60
Retirement at age 63 or with 31 years of service	1.63
Retirement at age 64 or with 32 years of service	1.65
Retirement at age 65 or with 33 or more years of service	1.68
<i>Regular Class members initially enrolled on or after July 1, 2011</i>	
Retirement up to age 65 or up to 33 years of service	1.60
Retirement at age 66 or with 34 years of service	1.63
Retirement at age 67 or with 35 years of service	1.65
Retirement at age 68 or with 36 or more years of service	1.68
<i>Senior Management Service Class</i>	2.00

Jacksonville Port Authority

Notes to Financial Statements

Note G – Pension Plan (Continued)

As provided in Section 121.101, Florida Statutes, if the member is initially enrolled in the FRS before July 1, 2011, and all service credit was accrued before July 1, 2011, the annual cost-of-living adjustment is 3% per year. If the member is initially enrolled before July 1, 2011, and has service credit on or after July 1, 2011, there is an individually calculated cost-of-living adjustment. The annual cost-of-living adjustment is a proportion of 3% determined by dividing the sum of the pre-July 2011 service credit by the total service credit at retirement multiplied by 3%. Plan members initially enrolled on or after July 1, 2011, will not have a cost-of-living adjustment after retirement.

Contributions: The Florida Legislature establishes contribution rates for participating employers and employees. Contribution rates for fiscal years 2022 and 2021, were as follows:

Notes: Employer rates include 1.66% for the postemployment health insurance subsidy program.

Class	Percent of Gross Salary		
	Employee	2022 Employer	2021 Employer
FRS, Regular	3.00	11.91	10.82
FRS, Senior Management Service	3.00	31.57	29.01
DROP – Applicable to Members from all above classes	0.00	18.60	18.34

The Authority's contributions, for FRS and HIS, totaled \$1,655,376 and employee contributions totaled \$375,917 for the fiscal year ended September 30, 2022. The Authority's contributions, for FRS and HIS totaled \$1,640,690 and employee contributions totaled \$340,433 for the fiscal year ended September 30, 2021.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: At September 30, 2022, the Authority reported a liability of \$12,764,006 for its proportionate share of the FRS Plan's net pension liability, compared to \$2,480,995 at September 30, 2021. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022. The Authority's proportionate share of the net pension liability was based on the Authority's 2021-22 fiscal year contributions relative to the 2021-22 fiscal year contributions of all participating members. At June 30, 2022, the Authority's proportionate share was .0343%, which was an increase of 0.0015% from its proportionate share measured as of June 30, 2021, of 0.0328%.

Jacksonville Port Authority**Notes to Financial Statements****Note G – Pension Plan (Continued)**

For the fiscal year ended September 30, 2022, the Authority recognized the Plan pension expense of \$1,951,619. Fiscal year 2021 showed pension expense of \$10,616, which, in addition, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources, for 2022 and 2021, as shown:

<u>Description</u>	<u>2022</u>	Deferred Outflow of Resources	Deferred Inflow of Resources
Differences between expected and actual experience	\$ 606,217	\$ -	
Change of assumptions	1,571,941	-	
Net difference between projected and actual earnings on FRS pension plan investments	842,806	-	
Changes in proportion and differences between Authority FRS contributions and proportional share of contributions	573,410	489,378	
Authority FRS contributions subsequent to the measurement date	406,143	-	
Total	\$ 4,000,551	\$ 489,378	
	<u>2021</u>	Deferred Outflow of Resources	Deferred Inflow of Resources
Differences between expected and actual experience	\$ 425,247	\$ -	
Change of assumptions	1,697,620	-	
Net difference between projected and actual earnings on FRS pension plan investments	-	8,665,570	
Changes in proportion and differences between Authority FRS contributions and proportional share of contributions	358,517	690,432	
Authority FRS contributions subsequent to the measurement date	315,926	-	
Total	\$ 2,797,310	\$ 9,356,002	

Jacksonville Port Authority**Notes to Financial Statements****Note G – Pension Plan (Continued)**

The deferred outflows of resources related to pensions, totaling \$406,143, resulted from the Authority's contributions to the Plan subsequent to the measurement date and will be recognized as a reduction of the net pension liability in 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

2022	Amount
2023	\$ 482.7
2024	391.7
2025	373.7
2026	343.4
2027	658.0
Thereafter	855.6

Actuarial Assumptions: The total pension liabilities in the July 1, 2012 and 2021 actuarial valuations were determined using the following actuarial assumptions, applied to all periods included in the measurement:

	2022	2021
Inflation	2.40%	2.40%
Salary Increase	3.25%	3.25%
Investment Rate of Return	6.70%	6.80%

PUB2010 base table varies by member category and sex, projected generationally with Scale MP-2018 details in valuation reports.

The long-term expected rate of return on pension plan investments was not based on historical returns, but instead is based on a forward-looking capital market economic model. The allocation policy's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions and includes an adjustment for the inflation assumption. The target allocation and best estimates of arithmetic and geometric real rates of return for each major asset class are summarized in the following tables:

July 1, 2022 actuarial assumptions:

Asset Class	Target Allocation	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1.0%	2.6%	2.6%	1.1%
Fixed Income	19.8%	4.4%	4.4%	3.2%
Global Equity	54.0%	8.8%	7.3%	17.8%
Real Estate	10.3%	7.4%	6.3%	15.7%
Private Equity	11.1%	12.0%	8.9%	26.3%
Strategic Investments	3.8%	6.2%	5.9%	7.8%
Total	<u>100.0%</u>			
Assumed inflation – Mean			2.4%	1.3%

Jacksonville Port Authority**Notes to Financial Statements****Note G – Pension Plan (Continued)**

July 1, 2021 actuarial assumptions:

Asset Class	Target Allocation	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1.0%	2.1%	2.1%	1.1%
Fixed Income	20.0%	3.8%	3.7%	3.3%
Global Equity	54.2%	8.2%	6.7%	17.8%
Real Estate	10.3%	7.1%	6.2%	13.8%
Private Equity	10.8%	11.7%	8.5%	26.4%
Strategic Investments	3.7%	5.7%	5.4%	8.4%
Total	<u>100%</u>			
Assumed inflation – Mean			2.4%	1.2%

Discount Rate: The discount rate used to measure the total pension liability was 6.7%. The Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return.

Sensitivity of the Authority's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate: The following presents the Authority's proportionate share of the net pension liability calculated using the discount rate of 6.7%, as well as what the Authority's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (5.7%) or 1 percentage-point higher (7.7%) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
Authority's proportionate share of the net pension liability			
As of July 1, 2022	\$ 22,074,470	\$ 12,764,006	\$ 4,979,350
As of July 1, 2021	\$ 11,095,178	\$ 2,480,995	\$ (4,719,495)

Pension Plan Fiduciary Net Position: Detailed information about the Plan's fiduciary net position is available in the separately issued FRS Pension Plan and Other State-Administered Systems, Annual Comprehensive Financial Report.

The Retiree Health Insurance Subsidy Program (HIS)

Plan Description: The HIS Pension Plan (HIS Plan) is a cost-sharing multiple employer defined benefit pension plan established under Section 112.363, Florida Statutes and may be amended by the Florida Legislature at any time. The benefit is a monthly payment to assist retirees of State-administered retirement systems in paying their health insurance costs and is administered by the Florida Department of Management Services, Division of Retirement.

Jacksonville Port Authority**Notes to Financial Statements**

Note G – Pension Plan (Continued)

Benefits Provided: For the fiscal year ended June 30, 2022, eligible retirees and beneficiaries received a monthly HIS payment of \$5 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$30 and a maximum HIS payment of \$150 per month, pursuant to Section 112.363, Florida Statutes. To be eligible to receive HIS Plan benefits, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

Contributions: The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended June 30, 2022, the contribution rate was 1.66% of payroll pursuant to section 112.363, Florida Statutes. HIS Plan contributions are deposited in a separate trust fund from which payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event the legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or canceled.

The Authority's contributions to the HIS Plan totaled \$223,739 for the fiscal year ended June 30, 2022, and \$203,674 for the fiscal year ended June 30, 2021.

Pension Liabilities, Pension Expense, and Deferred Outflow of Resources and Deferred Inflows of Resources Related to Pensions: At June 30, 2022, the Authority reported a net pension liability of

\$3,780,704 for its proportionate share of the HIS Plan's net pension liability, compared to \$4,209,146 at September 30, 2021. The net pension liability was measured as of June 30, 2022, and the total pension

liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022. The Authority's proportionate share of the net pension liability was based on the Authority's 2021-22 fiscal year contribution relative to the total 2020-21 fiscal year contributions of all participating members. At June 30, 2022, the Authority's proportionate share was 0.0356%, a 0.0013% increase in its proportionate share measured as of June 30, 2021, of 0.0343%.

Jacksonville Port Authority**Notes to Financial Statements****Note G – Pension Plan (Continued)**

For the fiscal year ended June 30, 2022, the Authority recognized the HIS Plan pension expense of \$166,352 and \$253,863 for fiscal year 2021. In addition, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Description</u>	<u>2022</u>	Deferred Outflow of Resources	Deferred Inflow of Resources
Differences between expected and actual experience		\$ 114,753	\$ 16,635
Change of assumptions		216,712	584,872
Net difference between projected and actual earnings on HIS pension plan investments		5,474	-
Changes in proportion and differences between Authority HIS contributions and proportional share of contributions		159,436	266,979
Authority HIS contributions subsequent to the measurement date		60,503	-
Total		<u>\$ 556,875</u>	<u>\$ 868,486</u>
<u>Description</u>	<u>2021</u>	Deferred Outflow of Resources	Deferred Inflow of Resources
Differences between expected and actual experience		\$ 140,849	\$ 1,763
Change of assumptions		330,745	173,428
Net difference between projected and actual earnings on HIS pension plan investments		4,388	-
Changes in proportion and differences between Authority HIS contributions and proportional share of contributions		59,860	348,191
Authority HIS contributions subsequent to the measurement date		46,984	-
Total		<u>\$ 582,826</u>	<u>\$ 523,382</u>

The deferred outflows of resources related to pensions, totaling \$60,503, resulted from the Authority's contributions to the Plan subsequent to the measurement date and will be recognized as a reduction of the net pension liability in 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>2022</u>	<u>Amount</u>
2023	\$ (83.8)
2024	(80.3)
2025	(40.7)
2026	(40.3)
2027	(41.4)
Thereafter	(85.6)

Jacksonville Port Authority**Notes to Financial Statements****Note G – Pension Plan (Continued)**

Actuarial Assumptions: The total pension liabilities in the July 1, 2022 and 2021 actuarial valuations were determined using the following actuarial assumptions, applied to all periods included in the measurement:

	2022	2021
Inflation	2.40%	2.40%
Salary Increase	3.25%	3.25%
Investment Rate of Return	3.54%	2.16%

Mortality rates were based on the Generational RP-2010 with Projection Scale MP 2018.

Discount Rate: The discount rate used to measure the total pension liability was 3.54%. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate and the single equivalent discount rate is equal to the municipal bond rate selected by the HIS Plan sponsor.

Sensitivity of the Authority's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate: The following presents the Authority's proportionate share of the net pension liability calculated using the discount rate of 3.54%, as well as what the Authority's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (2.54%) or 1 percentage-point higher (4.54%) than the current rate.

	1% Decrease	Current Discount Rate	1% Increase
Authority's proportionate share of the net pension liability			
As of July 1, 2021	\$ 4,325,435	\$ 3,780,704	\$ 3,329,949
As of July 1, 2020	\$ 4,866,180	\$ 4,209,146	\$ 3,670,853

Jacksonville Port Authority

Notes to Financial Statements

Note G – Pension Plan (Continued)

Pension Plan Fiduciary Net Position: Detailed information about the HIS Plan's fiduciary net position is available in the separately issued FRS Pension Plan and Other State Administered Systems Annual Comprehensive Financial Report.

FRS – Defined Contribution Pension Plan

The SBA administers the defined contribution plan officially titled the FRS Investment Plan (Investment Plan). The Investment Plan is reported in the SBA's annual financial statements and in the State of Florida Comprehensive Annual Financial Report.

As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined benefit plan. Authority employees participating in DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to individual member's accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular Class, Elected County Officers, etc.), as in the FRS defined benefit plan. Contributions are directed to individual member accounts and the individual members allocate contributions and account balances among various approved investment choices. Costs of administering plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.04% of payroll and by forfeited benefits of plan members.

For all membership classes, employees are immediately vested in their own contributions and are vested after one year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit or monthly earnings under the FRS Pension Plan is transferred to the Investment Plan, the member must have the year of service required for FRS Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Non-vested employer contributions are placed in a suspense account for up to five years. If the employee returns to FRS-covered employment within the five-year period, the employee will regain control over their account. If the employee does not return within the five-year period, the employee will forfeit the accumulated account balance. For the fiscal year ended September 30, 2022, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the Authority.

After termination and applying to receive benefits, the member may rollover vested funds to another qualified plan, structure a periodic payment under the Investment Plan, receive a lump-sum distribution, leave the funds invested for future distribution, or any combination of these options. Disability coverage is provided, the member may either transfer the account balance to the FRS Pension Plan when approved for disability retirement to receive guaranteed lifetime monthly benefits under the FRS Pension Plan or remain in the Investment Plan and rely upon that account balance for retirement income.

The Authority's Investment Plan pension expense totaled \$721,967 for the fiscal year ended September 30, 2022, and \$584,052 for the fiscal year ended September 30, 2021.

Jacksonville Port Authority

Notes to Financial Statements

Note H – Deferred Compensation Plan

The Authority offers its employees a deferred compensation plan (the 457 Plan) created in accordance with Internal Revenue Code (IRC) Section 457. The 457 Plan, which is available to all full-time employees, permits employees to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency. All plan assets are held by trustees for the exclusive benefit of plan participants and beneficiaries. Thus, the assets and liabilities relating to the 457 Plan are not reflected on the Authority's statements of net position.

The Authority also makes matching contributions to a separate retirement plan created in accordance with IRC Section 401(a). The Authority contributes a specified amount for each dollar the employee defers to the 457 Plan. All 401(a) Plan assets are held by trustees for the exclusive benefit of plan participants and beneficiaries. Thus, the assets and liabilities relating to the 401(a) plan are not reflected on the Authority's statements of position. The Authority's 401(a) matching contributions were \$191,000 and \$172,000 for the years ended September 30, 2022 and 2021, respectively.

Note I – Other Post-Employment Benefits (OPEB)

Plan Description

The Authority maintains a single employer medical benefits plan that it makes available both to current and retired employees. Retiree employees have a one-time benefit option to continue coverage under the group plan upon retirement. Retirees pay the full insurance premium with no direct subsidy from the Authority. The medical plan is an experience-rated insurance contract that provides medical benefits to employees and eligible retirees and their dependents. The OPEB portion of the benefits (referred to as OPEB) refers to the benefits applicable to current and future retirees based upon GASB 75. The Authority currently has 129 active participants in the group medical plan and 3 participating retirees.

OPEB Liability

GASB 75 requires the recording of the OPEB liability. The OPEB liability is the actuarial present value of the total projected benefits allocated to years of employment prior to the measurement date. The Authority recognizes an implicit rate subsidy (age-adjusted premium benefit), which is calculated based on the annual required contribution of the employer, as determined in accordance with parameters of GASB 75. The OPEB expense reflects the annual change in the employer's OPEB liability, with deferred recognition provided for certain items. GASB 75 calls for the Authority to have an OPEB valuation performed every two years. The Authority does not accumulate assets to pay benefits but rather finances the program on a pay-as-you-go basis.

Jacksonville Port Authority**Notes to Financial Statements****Note I – Other Post-Employment Benefits (OPEB) (Continued)****Actuarial Assumptions****Valuation Date:** 10/1/2021 (9/30/2021 census)**Discount Rate:** 2.43% per annum (beginning of year) 4.77% per annum (end of year). *Source: The S&P 20 AA Municipal Bond Index***Salary Scale:** 3.0% per annum**Health Care Cost Trend Rate:** 6.5% per annum trending down 0.5% each year until reaching the ultimate trend of 4.5%**Mortality:** PUB-2010 mortality table with MP-2021 projection.**Asset Valuation Method:** Market value.**Amortization Basis:** Experience gains/losses: average expected future working lifetime of the whole group. assumption changes: average expected future working lifetime of the whole group.**Changes in Total OPEB Liability**

The following data presents the changes in the total OPEB Liability for fiscal years ended September 30:

	2022	2021
Balance, beginning of year	\$ 404,992	\$ 315,914
Service cost	16,442	15,206
Interest cost	9,397	7,917
Differences between expected and actual experience	(5,422)	18,890
Changes in assumptions or other inputs	(35,873)	83,659
Benefit payments	(36,594)	(36,594)
Net change	(52,050)	89,078
Balance, end of year	\$ 352,942	\$ 404,992

Deferred inflows and outflows associated with the Authority's total OPEB liability are not considered significant by management and accordingly have not been recorded in the Authority's financial statements.

Jacksonville Port Authority**Notes to Financial Statements****Note I – Other Post-Employment Benefits (OPEB) (Continued)***Sensitivity of the Total OPEB Liability to Changes in the Health Care Cost Trend Rate and Discount Rate*

Health Care Cost Trend Sensitivity, calculated using trend rates that are one percent lower or higher than the current rate assumption:

	Rate	Total OPEB Liability		
		1% Decrease	Current Rate	1% Increase
As of September 30, 2022	8.0%	\$324,864	\$352,942	\$385,958
As of September 30, 2021	6.5%	\$375,074	\$404,992	\$440,071

Discount Rate Sensitivity: The discount rate was based upon a 20-year tax-exempt municipal bond fund, below are the changes as impacted by a 1% lower or higher than the current rate assumption:

	Discount Rate	Total OPEB Liability		
		1% Decrease	Current Rate	1% Increase
As of September 30, 2022	7.7%	\$324,864	\$352,942	\$385,958
As of September 30, 2021	2.13%	\$420,284	\$404,992	\$389,095

Note J – Risk Management

The Authority participates in the City's experience rated self-insurance plan which provides for auto liability, comprehensive general liability and workers' compensation coverage, up to \$1,200,000 per occurrence for workers' compensation claims. The Authority has excess coverage for individual workers' compensation claims above \$1,200,000. The Authority's expense is the premium charged by the City's self-insurance plan. Workers' compensation and general liability insurance premiums amounted to \$856,000 and \$176,000 for the years ended September 30, 2022 and 2021, respectively. Fiscal year 2022 amounts included a multi-year assessment catchup premium of \$566,000.

The Authority is also a participant in the City's property insurance program which is provided through commercial insurance policies. Premium expense amounted to \$597,000 and \$535,000 for the years ended September 30, 2022 and 2021, respectively.

As a part of the Authority's risk management program, the Authority also purchases certain additional commercial insurance policies to cover exposures such as special risk employees and business interruption coverage. The Authority does not retain any risk on their policies and settlements have not exceeded insurance coverage for each of the last three fiscal years.

Jacksonville Port Authority**Notes to Financial Statements****Note K – Long-Term Debt and Other Noncurrent Liabilities**

Long-term liability activity for the years ended September 30, was as follows:

<i>(In thousands of dollars)</i>	2022				Amounts Due Within One Year
	Beginning Balance	Additions	Reductions	Ending Balance	
Bonds and notes payable					
Revenue bonds	\$ 42,400	\$ -	\$ -	\$ 42,400	\$ -
Revenue and Refunding bonds	1,850	-	(905)	945	945
Revenue Notes – Tax Exempt	169,196	88,870	(95,247)	162,819	6,571
Revenue Note – Taxable	3,305	-	(390)	2,915	520
Unamortized original issue premium amounts	5,212	-	(188)	5,024	-
Total bonds and notes payable	221,963	88,870	(96,730)	214,103	8,036
Liability for pollution remediation	798	-	(59)	739	-
Compensated absences and other	1,771	433	(245)	1,959	356
Line of credit	15,479	10,100	(14,730)	10,749	-
Bridge loan from primary government	25,000	-	(25,000)	-	-
Reserve for grants assessment	970	-	(970)	-	-
Other obligation	8,537	-	-	8,537	-
	\$ 274,517	\$ 99,403	\$ (137,734)	\$ 236,087	\$ 8,392
	2021				
<i>(In thousands of dollars)</i>	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Bonds and notes payable					
Revenue bonds	\$ 42,400	\$ -	\$ -	\$ 42,400	\$ -
Revenue and Refunding bonds	2,715	-	(865)	1,850	905
Revenue Notes – Tax Exempt	175,393	-	(6,197)	169,196	6,377
Revenue Note – Taxable	3,405	-	(100)	3,305	390
Unamortized original issue premium amounts	5,402	-	(190)	5,212	-
Total bonds and notes payable	229,315	-	(7,352)	221,963	7,672
Liability for pollution remediation	876	-	(78)	798	-
Compensated absences and other	1,539	533	(301)	1,771	338
Line of credit	19,346	10,844	(14,711)	15,479	-
Bridge loan from primary government	37,700	-	(12,700)	25,000	-
Reserve for grants assessment	970	-	-	970	-
Other obligation	8,537	-	-	8,537	-
	\$ 298,283	\$ 11,377	\$ (35,142)	\$ 274,518	\$ 8,010

Jacksonville Port Authority**Notes to Financial Statements****Note K – Long-Term Debt and Other Noncurrent Liabilities (Continued)**

Long-term liabilities at September 30, consisted of the following:

<i>(in thousands of dollars)</i>	2022	2021
Tax Exempt Revenue Note, Series 2017, due in varying amounts through 2028. Interest rate is fixed at 2.25%.	\$ 16,725	\$ 18,900
Revenue and Refunding Bonds, Series 2012, including serial bonds due in varying amounts through 2023. Interest rates range from 4.00% to 5.0%.	945	1,850
Tax Exempt Revenue Note, Series 2010, due in varying amounts through 2030. Interest rate is fixed at 2.69%.	15,274	16,654
Tax Exempt Bank Note Crane 2014, Subordinate Obligation due in varying amounts through 2034. Interest rate is fixed at 3.04%	17,430	17,496
Revenue Bonds, Series 2018B, due in varying amounts through 2040. Interest rate is fixed at 5%.	42,400	42,400
Tax Exempt Revenue Note, Series 2018A, due in varying amounts through 2033. Interest rate is fixed at 2.72%.	25,520	27,276
Taxable Revenue Note, Series 2021, due in varying amounts through 2024. Interest rate is fixed at 2.65%.	2,915	3,305
Taxable Revenue Note, Series 2020B, due in varying amounts through 2038. Interest rate, taxable plus 2.66% thru 2022.	-	88,870
Tax Exempt Revenue Note, Series 2022, due in varying amounts through 2028. Interest rate is fixed at 2.10%.	88,870	-
Tax Exempt Bridge Loan from primary government, due in varying amounts through 2023. Outstanding balance paid in mid 2022. Interest rates based upon the city's commercial paper rate.	-	25,000
\$50 million Line of Credit Note, Subordinate Obligation, interest due semi-annually in varying rates, 1.09% to 3.15% in 2021 and 2022. Principal due February 2028, per December 12, 2022 renewal.	10,749	15,479
	219,828	257,230
Less current portion	8,036	7,672
	\$ 211,792	\$ 249,558

Jacksonville Port Authority**Notes to Financial Statements**

Note K – Long-Term Debt and Other Noncurrent Liabilities (Continued)

In January 2009, the Authority established a \$50 million multi-year Line of Credit with Regions Bank, which has been subsequently renewed for multi-year terms since that time. An eighth renewal was executed on December 12, 2022 and is due and payable February 2028. The current agreement allows for additional renewal options up to 1-5 years through 2029. It is the intention of the Authority to use the line for a revolving medium term or long-term funding source designated for the Authority's capital spending program. All amounts currently on the line of credit will be paid from FDOT grants reimbursement, pending receipt in fiscal year 2023. The outstanding balance on the Line of Credit at September 30, 2022 was \$10,749,000.

In November 2010, the Authority executed a loan agreement with Regions Bank, Tax-Exempt Revenue Note Series 2010, for the purpose of paying off the Series 2000 Revenue Bonds and to establish a required reserve account. The Regions Bank, Tax Exempt Note Series 2010, has a final maturity of 2030. The outstanding balance as of September 30, 2022 was \$15,274,000.

In September 2012, the Authority issued \$87,410,000 in Revenue and Refunding Bonds, Series 2012. The bonds were issued to refund \$65,020,000 of the Authority's outstanding Series 2008 Bonds and to finance new capital project spending. The Series 2012 issue had a final maturity of 2035. In 2020, the 2012 Bonds were advance refunded with the issuance of the 2020A and 2020B Bonds, with the exception of 5% of the outstanding balance. These remaining obligations have a maturity date of November 2022. The outstanding balance as of September 30, 2022 was \$945,000.

In September 2014, the Authority executed a loan agreement in the amount of \$25,000,000 to support the acquisition of new three cranes. The agreement has a fixed term rate of 3.04%. The SunTrust Bank Note issue has a final maturity of 2034. The outstanding balance as of September 30, 2022 was \$16,430,000.

In November 2017, the Authority executed a loan agreement with Regions Bank, the Tax-Exempt Revenue Note, Series 2017, for the purpose of paying off the balance of the 2008 Bonds. The original amount of the loan was \$23,120,000 at a fixed term rate of 2.35%, with a final maturity of 2028. The outstanding balance as of September 30, 2022 was \$16,725,000.

In August 2018, the Authority executed a \$28,982,000 loan agreement with Chase Bank, N.A., Tax-Exempt Revenue Note Series 2018A, for the purpose of financing or refinancing expenditures relating to the cost of portions of the Authority's capital program and to pay down the Authority's Line of Credit. The agreement has a fixed term rate of 2.872% with a term of 15 years. The outstanding balance as of September 30, 2022 was \$25,520,000.

In August 2018, the Authority issued \$42,400,000 in Revenue Bonds, Series 2018B, for the purposes of financing the Authority's capital improvement program, largely the harbor deepening project. The bonds have a fixed term rate of 5.00% with a term of 30 years. The outstanding balance as of September 30, 2022 was \$42,400,000.

In March 2020, the Authority executed loan agreements with Truist Bank for the purpose of advance refunding \$84,695,000 (95%) of the Series 2012 bonds. The transaction effectively defeased 95% of the outstanding Series 2012 Bonds in advance of their 2022 call date in a Cinderella Bonds transaction. The transaction resulted in two bank notes, the Taxable Revenue Note, Series 2020A for \$3,405,000, at 2.66%, and the Taxable Revenue Note, Series 2020B for \$88,870,000, ranging from 2.10% to 2.66%. On August 3, 2022, the Revenue Refunding Bond, Series 2022 \$88,870,000 (Tax-Exempt) were exchanged for Taxable Revenue Note, Series 2020B in the same amount. The remaining Taxable Revenue Note, Series 2020A (maturity date 2024), had an outstanding balance as of September 30, 2022 of \$2,915,000.

Jacksonville Port Authority**Notes to Financial Statements****Note K – Long-Term Debt and Other Noncurrent Liabilities (Continued)**

In August 2022, the Authority executed an agreement with Truist Commercial Equity, Inc. to issue Tax-Exempt Revenue Refunding Bond, Series 2022 for \$88,870,000 for the purposes of redeeming the Taxable Revenue Note, Series 2020B in the same amount (see March 2020 note – Cinderella Bonds transaction). The bond has a tax-exempt interest rate of 2.10%, with a maturity date of November 2038.

Bridge loan from primary government

In August 2020, the Authority executed the 2020 Tax Exempt Bridge Loan with the City in the amount of \$37,700,000. The purpose of the loan was to provide bridge financing for an FDOT Grant, in like amount, for the Harbor Deepening Project Contract C. The related FDOT grant calls for reimbursements to occur based upon project progress expenditures. FDOT funds collected by the Authority are concurrently remitted against the outstanding balance on the loan from the city. The Authority paid off this bridge loan in full in mid-2022, with no balance outstanding at September 30, 2022.

Bond covenants

The Authority's debt resolutions place restrictions on the issuance of additional bonds, designate required funding of related bond reserves and requires certain monies for debt service payments be held in trust funds. The Authority has also agreed in its bond covenants to establish and maintain rates charged to customers that will be sufficient to generate a main level of operating revenues and operating income in excess of its annual debt service on the various outstanding bonds. The Authority has agreed to maintain net operating revenues in excess of 125% of the senior debt service obligations and 100% of the total subordinate debt service obligations.

Debt Maturities

Required debt service on the outstanding bonds and notes payable for the next five years and thereafter to maturity as of September 30, 2022, was as follows:

Years ending	(in thousands of dollars)	Interest	Principal
2023		\$ 5,550	\$ 8,036
2024		5,795	8,668
2025		5,565	8,920
2026		5,334	9,183
2027		5,098	9,438
2028 – 2032		21,656	53,624
2033 – 2037		14,615	56,800
2038 – 2042		7,946	30,670
2043 – 2047		4,004	16,090
2048 – 2052		387	7,650
		<u>\$ 75,950</u>	<u>\$ 209,079</u>

Jacksonville Port Authority**Notes to Financial Statements****Note K – Long-Term Debt and Other Noncurrent Liabilities (Continued)**Original Issue Discount and Deferred Loss on Refundings (in thousands of dollars)

Unamortized premiums on bonds were \$5,024 and \$5,212 in 2022 and 2021, respectively. Unamortized deferred loss on debt refundings was \$5,520 and \$5,886 in 2022 and 2021, respectively.

Deferred outflow/inflow of resources

Deferred outflow of resources as shown on the statements of net position include unamortized loss on debt refundings and defeasance transactions. Additionally, deferred outflows and inflows are recorded for changes related to pensions activities.

<i>(in thousands of dollars)</i>	2022	2021
Deferred loss on debt refundings	\$ 5,520	5,886
Deferred outflow pension (see Note G)	3,380	3,380
Total deferred outflow of resources	\$ 8,900	\$ 9,266
Deferred inflow of resources – pension (see Note G)	9,869	9,869

Other Noncurrent Liabilities

Unearned revenue balances were approximately \$15,292,000 and \$127,939,000 for years ended September 30, 2022 and 2021, respectively. The current portion was \$700,000 and represents one year of rent amortization on SSA rent collected but unearned. See Note E and Note F for further explanation regarding unearned lease rents revenue recognition.

The Authority has accrued reserves in the amount of \$739,000 for specific pollution remediation liability. These reserves are reviewed annually for any additional liability and adequacy and adjusted accordingly.

OPEB liabilities for retiree medical benefits were \$353,000 and \$405,000 at September 30, 2022 and 2021, respectively. See Note I for additional information.

Note L – Other Obligation

The Authority entered into a Project Cooperation Agreement with the USACE in 2001 for Construction of the improvement features of the Jacksonville Harbor Federal Navigation Project. This project was completed in 2010, and cooperatively resulted in 40 feet depth of general navigation features in the Jacksonville Harbor.

The Project Cooperation Agreement committed Federal Government funding of 65% towards project costs and required the Authority to fund 25% of the project costs. The agreement also required that the Authority be responsible for the remaining 10% of total projects costs, payable over a period of up to a 30-year amortization. As a result, an estimated liability amount of \$8,537,000 is currently recorded as other obligations by the Authority. As of September 30, 2022, repayment terms had not been determined.

Jacksonville Port Authority**Notes to Financial Statements**

Note M – Commitments and ContingenciesConstruction Related

At September 30, 2022, the Authority had commitments for future construction work of approximately \$63,036,000, primarily for terminal construction projects and improvements, and Dredge Material Management Areas development.

Environmental Remediation

The Authority owns several parcels of property located at the southernmost portion of the Talleyrand Marine Terminal which were used by previous owners to conduct fertilizer blending and packaging and other operations involving the use of chemicals. Property adjacent to these parcels, owned by an unrelated third-party has also been identified to contain contaminants attributed to its former use. In conjunction with the Florida Department of Environmental Protection (FDEP), the Authority developed an Interim Remedial Action Plan (IRAP), which includes a site soil and groundwater treatment system allowing for the groundwater to be captured by wells and discharged to a nearby publicly owned treatment works facility (POTW). The Authority had originally established a \$1.5 million reserve for project and ongoing operations costs of the groundwater treatment system, of which \$739,000 remains at September 30, 2022, for ongoing operations and monitoring costs.

Collective Bargaining Agreement

The Authority's workforce is made up of approximately 160 employees. Union employees represent about 40% of the total. The current union contract expires through September 30, 2025.

Note N – Significant Customers

For the fiscal year ended September 30, 2022, the Authority had five customers with significant operating revenues (10% or more of total revenues): Crowley Liner Services (16%), SSA Atlantic (14%), Tote Maritime (11%), APS East Coast (10%), and

Note O – Capital ContributionsFederal Contributions

The Authority received monies from federal funding awards designated for constructing various capital assets and capital improvements. Contributions of \$3,002,265 and \$653,225 were recorded for the years ended September 30, 2022 and 2021, respectively.

State Contributions

Amounts from state funding awards totaled \$22,993,142 and \$30,804,926 for the years ended September 30, 2022 and 2021, respectively.

Local Contributions

Amounts from local funding from the City, designated for the Harbor Deepening project, totaled \$0 and \$4,160,988 for the years ended September 30, 2022 and 2021, respectively.

JACKSONVILLE PORT AUTHORITY
REQUIRED SUPPLEMENTAL INFORMATION (UNAUDITED)

Schedule of Changes in Total OPEB Liability
Last Ten Fiscal Years*
(in dollars)

	2022	2021	2020	2019	2018
Total OPEB liability – beginning	\$ 404,992	\$ 315,914	\$ 294,914	\$ 317,699	\$ 319,347
Service cost	16,442	15,206	15,000	16,000	14,896
Interest cost	9,397	7,917	12,000	12,098	11,984
Differences between expected and actual experience	(5,422)	18,890	-	67,260	-
Changes in assumptions or other inputs	(35,873)	83,659	-	(115,492)	(18,451)
Benefit payments	(36,594)	(36,594)	(6,000)	(2,651)	(10,077)
Net change	(52,050)	89,078	21,000	(22,785)	(1,648)
Total OPEB liability – ending	\$ 352,942	\$ 404,992	\$ 315,914	\$ 294,914	\$ 317,699
Covered employee payroll	\$ 10,920,134	\$ 10,092,846	\$ 9,887,483	\$ 9,578,318	\$ 9,164,400
Total OPEB liability as a percentage of covered payroll	3.23%	4.01%	3.20%	3.08%	3.47%

* Changes in total OPEB Liability for the fiscal years prior to 2018 were not available, and accordingly, not included in the schedule.

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**SCHEDULE OF THE AUTHORITY'S PROPORTIONATE
SHARE OF THE NET PENSION LIABILITY –
FLORIDA RETIREMENT SYSTEM PENSION PLAN
LAST TEN FISCAL YEARS
(amounts expressed in dollars)**

	2022	2021	2020	2019	2018	2017	2016	2015
Authority's proportion of the FRS net pension liability	0.0343%	0.0328%	0.0317%	0.0341%	0.0358%	0.0374%	0.0353%	0.0352%
Authority's proportionate share of the FRS net pension liability	\$12,764,006	\$2,480,995	\$13,754,260	\$11,740,361	\$10,797,420	\$11,070,761	\$8,917,567	\$4,546,261
Authority's covered-employee payroll	\$12,713,611	\$12,269,541	\$12,234,777	\$12,246,587	\$12,533,283	\$12,195,198	\$11,910,007	\$11,486,853
Authority's proportionate share of the FRS net pension liability as a percentage of its covered-employee payroll	100.40%	20.22%	112.42%	95.86%	86.15%	90.78%	74.87%	39.58%
FRS Plan fiduciary net position as a percentage of the total pension liability	82.89%	96.40%	78.85%	82.61%	84.26%	83.89%	84.88%	92.00%

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Note: The amounts presented for each fiscal year were determined as of June 30th. The schedule is presented to illustrate the requirements of GASB Statement No. 68. Currently, only data for fiscal years ending June 30, 2015, 2016, 2017, 2018, 2019, 2020, 2021 and 2022 are available.

**SCHEDULE OF THE AUTHORITY'S PROPORTIONATE
SHARE OF THE NET PENSION LIABILITY –
HEALTH INSURANCE SUBSIDY PENSION PLAN
LAST TEN FISCAL YEARS
(amounts expressed in dollars)**

	2022	2021	2020	2019	2018	2017	2016	2015
Authority's proportion of the HIS net pension liability	0.0365%	0.0343%	0.0353%	0.0370%	0.0370%	0.0398%	0.0383%	0.0373%
Authority's proportionate share of the HIS net pension liability	\$3,780,704	\$4,209,146	\$4,315,437	\$4,137,205	\$3,917,903	\$4,250,943	\$4,461,658	\$3,806,082
Authority's covered-employee payroll	\$12,713,610	\$12,269,541	\$12,234,777	\$12,246,587	\$12,533,283	\$12,195,198	\$11,910,007	\$11,486,853
Authority's proportionate share of the HIS net pension liability as a percentage of its covered-employee payroll	29.74%	34.31%	35.27%	33.78%	31.26%	34.86%	37.46%	33.13%
HIS Plan fiduciary net position as a percentage of the total pension liability	4.81%	3.56%	3.00%	2.63%	2.15%	1.64%	0.97%	0.50%

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**SCHEDULE OF THE AUTHORITY'S CONTRIBUTIONS
FLORIDA RETIREMENT SYSTEM PENSION PLAN
LAST TEN FISCAL YEARS
(amounts expressed in dollars)**

	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required FRS contribution	\$ 1,731,637	\$ 1,437,015	\$ 1,217,755	\$ 1,167,644	\$ 1,202,882	\$ 1,046,313	\$ 947,884	\$ 948,391
FRS contributions in relation to the contractually required FRS	1,731,637	1,437,015	1,217,755	1,167,644	1,202,882	1,046,313	947,884	948,391
FRS contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Authority's covered-employee payroll	\$ 12,713,610	\$ 12,269,541	\$ 12,234,777	\$ 12,246,587	\$ 12,553,283	\$ 12,195,198	\$ 11,910,007	\$ 11,486,853
FRS contributions as a percentage of cover-employee payroll	13.6%	11.7%	10.0%	9.5%	9.6%	8.6%	8.0%	8.3%

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Note: The amounts presented for each fiscal year were determined as of September 30th. The schedule is presented to illustrate the requirements of GASB Statement No. 68. Currently, only data for fiscal years ending September 30, 2015, 2016, 2017, 2018, 2019, 2020, 2021 and 2022 are available.

**SCHEDULE OF THE AUTHORITY'S CONTRIBUTIONS
HEALTH INSURANCE SUBSIDY PENSION PLAN
LAST TEN FISCAL YEARS
(amounts expressed in dollars)**

	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required HIS contribution	\$ 223,739	\$ 203,674	\$ 203,097	\$ 203,293	\$ 208,052	\$ 202,440	\$ 197,706	\$ 157,222
HIS contributions in relation to the contractually required HIS	223,739	203,674	203,097	203,293	208,052	202,440	197,706	157,222
HIS contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Authority's covered-employee payroll	\$ 12,713,610	\$ 12,269,541	\$ 12,234,777	\$ 12,246,587	\$ 12,533,283	\$ 12,195,198	\$ 11,910,007	\$ 11,486,853
HIS contributions as a percentage of cover-employee payroll	1.8%	1.7%	1.7%	1.7%	1.7%	1.7%	1.7%	1.4%

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SUPPLEMENTAL INFORMATION

Jacksonville Port Authority

**Revenue Recognition
GAAP to Budgetary Basis Reconciliation
For the Fiscal Year Ended September 30, 2022**

GAAP Revenue – per Financial Statements	\$ 61,233
Reconciling Adjustment – GAAP to Budgetary Revenues – See Note (1)	<u>184</u>
Budgetary Basis Revenues	<u>\$ 61,417</u>

Note 1. MOL and SSA rent payments are recognized on a straight-line basis over the contract lease term for GAAP, while budgetary basis revenues are recognized primarily when received.

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Jacksonville Port Authority, Florida

**Schedule of Expenditures of Federal Awards and State Financial Assistance
Fiscal Year Ended September 30, 2022**

Agency/Program	ALN/ CFSA Number	Grant Number	Expenditures
FEDERAL AWARDS			
<u>U.S. Department of Homeland Security</u>			
Port Security Grant Program	97.056	EMW-2020-PU-00121	\$ 311,223
Port Security Grant Program – Operating	97.056	EMW-2021-PU-00128	26,411
Total U.S. Department of Homeland Security			337,634
<u>US Department of Transportation (MARAD)</u>			
FY19 Build Grant Program	20.933	693JF72040002	2,691,042
Total U.S. Department of Transportation			2,691,042
<u>FEMA – Hurricane Disaster Assistance</u>			
FEMA	97.056	Hurricane Dorian	975,310
FEMA	97.036	COVID 19	40,478
Total FEMA Hurricane Disaster Assistance			1,015,788
<u>Coronavirus State and Local Fiscal Recovery Funds (ARPA)</u>			
State Issued (State of Florida)	21.027	G1Z79	13,716,224
Local Issued (City of Jacksonville)	21.027	N/A	4,000,000
Total Coronavirus Recovery Funds (ARPA)			17,716,224
Total Expenditures of Federal Awards			\$ 21,760,688
STATE PROJECTS			
<u>State of Florida Department of Transportation</u>			
Seaport Grants	55.005	GOG95	\$ 575,416
Seaport Grants	55.005	G0496	3,201,749
Seaport Grants	55.005	G1604	(15,660)
Seaport Grants	55.005	G1K24	12,707,957
Seaport Grants	55.005	G1L70	15,660
Seaport Grants	55.005	G1L95	322,743
Seaport Grants	55.005	G1M54	204,693
Seaport Grants	55.005	G1V25	1,269,466
Seaport Grants	55.005	G1P01	3,047,478
Seaport Grants	55.005	G2408	1,466,066
Seaport Grants	55.005	G2756	52,063
Seaport Grants	55.005	G2758	214,460
Total Expenditures of State Financial Assistance			\$ 23,062,091
Total Expenditures of Federal Awards and State Financial Assistance			\$ 44,822,779

See accompanying notes to the Schedule of Federal Expenditures and State Financial Assistance

Jacksonville Port Authority, Florida

**Notes to Schedule of Expenditures of Federal Awards and State Financial Assistance
For the Year Ended September 30, 2022**

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards and state financial assistance (the Schedule) includes the federal and state grant activity of the Jacksonville Port Authority (Authority), a component unit of the City of Jacksonville, Florida, and is presented using the accrual basis of accounting for grants which are accounted for in proprietary funds. Such expenditures are reported following the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), and Chapter 10.550, Rules of the Florida Auditor General. Wherein certain types of expenditures are not allowable or are limited as to reimbursement. Therefore, some amounts presented in the Schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

The accompanying Schedule includes the federal and state award activity of the Authority under programs of the federal and state government for the year ended September 30, 2022. Because the Schedule presents only a selected portion of the operations of the Authority, it is not intended to do so, does not present the financial position, and changes in net position or cash flows of the Authority.

Note 2. Subrecipients

The Authority did not make sub-awards of state financial assistance during the year ended September 30, 2022.

Note 3. Indirect Cost Recovery

The Authority did not recover its indirect costs using the 10% de minimis indirect cost rate provided under section 200.414 of the Uniform Guidance.

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Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With Governmental Auditing Standards

Independent Auditor's Report

Members of the Board of Directors
Jacksonville Port Authority
Jacksonville, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Jacksonville Port Authority (the Authority), a component unit of the City of Jacksonville, as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated **DATE**.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of This Report

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

Jacksonville, Florida

DATE

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**Report on Compliance for Each Major Federal Program and State Financial Assistance Project
and Report on Internal Control Over Compliance Required by the Uniform Guidance
and State of Florida Chapter 10.650, *Rules of the Auditor General***

Independent Auditor's Report

Members of the Board of Directors
Jacksonville Port Authority
Jacksonville, Florida

Report on Compliance for Each Major Federal Program and State Financial Assistance Project

Opinion on Each Major Federal Program and State Financial Assistance Project

We have audited the Jacksonville Port Authority's (the Authority's) a component unit of the City of Jacksonville, compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and in the State of Florida's *Department of Financial Services State Projects Compliance Supplement* that could have a direct and material effect on each of the Authority's major federal programs and state financial assistance projects for the year ended September 30, 2022. The Authority's major federal programs and state financial assistance projects are identified in the summary of auditor's results section of the accompanying schedule findings and questioned costs.

In our opinion, the Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs and state financial assistance projects for the year ended September 30, 2022.

Basis for Opinion on Each Major Federal Program and State Financial Assistance Project

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*); the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and the State of Florida Chapter 10.650, *Rules of the Auditor General* (Chapter 10.650). Our responsibilities under those standards, the Uniform Guidance and Chapter 10.650 are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program and state financial assistance project. Our audit does not provide a legal determination of the Authority's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Authority's federal programs and state projects.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Authority's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance, and Chapter 10.650 will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Authority's compliance with the requirements of each major federal program and state financial assistance project as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance, and Chapter 10.650, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Authority's compliance with the compliance requirements referred to above and performing other procedures as we consider necessary in the circumstances.
- Obtain an understanding of the Authority's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit, we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and Chapter 10.650. Accordingly, this report is not suitable for any other purpose.

Jacksonville, Florida

DATE

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**Schedule of Findings and Questioned Costs
Year Ended September 30, 2022**

I – Summary of Independent Auditor’s Results

Financial Statements

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

Unmodified

Internal control over financial reporting:

Material weakness(es) identified?	_____ Yes	_____ X	_____ No
Significant deficiency(ies) identified that are not considered to be material weakness(es)?	_____ Yes	_____ X	_____ None Reported
Noncompliance material to financial statements noted?	_____ Yes	_____ X	_____ No

Federal Awards

Internal control over major program:

Material weakness(es) identified?	_____ Yes	_____ X	_____ No
Significant deficiency(ies) identified not considered to be material weakness(es)?	_____ Yes	_____ X	_____ None Reported

Type of auditor’s report issued on compliance for major program:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with Section 200.516(a)?	_____ Yes	_____ X	_____ No
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Identification of major program:

<u>Assistance Listing Number</u>	<u>Name of Federal Program or Cluster</u>
20.937	Build Grant Program
1.026	Hurricane Disaster Assistance
21.027	Coronavirus State and Local Fiscal Recovery Funds (ARPA)

Dollar threshold used to distinguish between type A and type B programs (Federal and State):

\$ 750,000

Auditee qualified as low-risk auditee?	_____ X	_____ Yes	_____ No
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State Financial Assistance

Internal control over major project:

Material weakness(es) identified?	_____ Yes	_____ X	_____ No
Significant deficiency(ies) identified not considered to be material weakness(es)?	_____ Yes	_____ X	_____ None Reported

Type of auditor’s report issued on compliance for major project:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with Chapter 10.550, Rules of the Auditor General?	_____ Yes	_____ X	_____ No
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Identification of major project:

<u>CSFA Number</u>	<u>Name of State Program or Project</u>
55.005	Seaport Grants

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Jacksonville Port Authority

**Schedule of Findings and Questioned Costs (Continued)
Year Ended September 30, 2022**

II – Financial Statement Findings

No matters to report.

III – Findings and Questioned Costs for Federal Awards

No matters to report.

IV – Findings and Questioned Costs for State Financial Assistance

No matters to report.

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Jacksonville Port Authority

**Summary Schedule of Prior Audit Findings
Year Ended September 30, 2022**

The prior year state Single Audits disclosed no findings, and no uncorrected or unresolved findings exist from prior Single Audits. There was no federal Single Audit performed in the prior year.

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**Management Letter Required By
Chapter 10.550 of the Rules of the
Auditor General of the State of Florida**

Members of the Board of Directors
Jacksonville Port Authority
Jacksonville, Florida

Report on the Financial Statements

We have audited the financial statements of the Jacksonville Port Authority (the Authority), a component unit of the City of Jacksonville, as of and for the year ended September 30, 2022, and issued our report thereon dated **DATE**.

Auditor's Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance); and Chapter 10.550 Rules of the Auditor General.

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financing Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*, Independent Auditor's Report on Compliance for Each Major Federal Program and State Financial Assistance Project and Report on Internal Control Over Compliance; Schedule of Findings and Questioned Costs; and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated **DATE**, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Official Title and Legal Authority

Section 10.554(1)(i)4, Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The specific legal authority that established the Authority is disclosed in Note 1 of the financial statements.

Financial Condition and Management

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

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

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

Additional Matters

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

Purpose of This Letter

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

Jacksonville, Florida

DATE

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**Independent Accountant's Report on Compliance with
Local Government Investment Policies**

Members of the Board of Directors
Jacksonville Port Authority
Jacksonville, Florida

We have examined the Jacksonville Port Authority's (the Authority), a component unit of the City of Jacksonville, compliance with the local government investment policy requirements of Section 218.415, *Florida Statutes*, during the period October 1, 2021 to September 30, 2022. Management of the Authority is responsible for the Authority's compliance with the specific requirements. Our responsibility is to express an opinion on Authority's compliance with the specified requirements based on our examination.

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

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

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

In our opinion, the Authority complied, in all material respects, with the aforementioned requirements of Section 218.415, *Florida Statutes*, during the period October 1, 2021 to September 30, 2022.

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

Jacksonville, Florida

DATE



**SUBMISSION
FOR
BOARD APPROVAL**

SUBJECT: Public Transportation Grant Agreement – Seaport Security	
COST: \$142,500.00	BUDGETED: N/A
SOURCE OF FUNDS: Florida Department of Transportation (FDOT)	

BACKGROUND: JAXPORT continues to meet all security requirements in order to maintain our terminals to required standards. This includes continual upgrades to our physical security, equipment, as well as hardware and software components as necessary.

STATUS: The Florida Department of Transportation (FDOT) has presented a Public Transportation Grant Agreement (PTGA) for JAXPORT’s Seaport Security Initiative in the amount of \$142,500 (75% FDOT) to match with \$47,500 (25% JAXPORT) funds. The three key components covered by the PTGA are:

1. The purchase of ballistic rated equipment that is installed or deployed at the seaport's cruise terminal, access control center, port operations building, and multiple MTSA access points.
2. This purchase and installation of incident command and control software, which will support real-time situational awareness of field assets and response to an incident at passenger or cargo terminals.
3. This purchase of two (2) drones for incident action planning, physical security inspections, incident response and over watch, and mapping.

FDOT requires a resolution authorizing the CEO to execute the PTGA and any supplemental changes to the grant.

RECOMMENDATION: It is recommended that the Jacksonville Port Authority Board of Directors approve the acceptance of the Public Transportation Grant Agreement and adopt the attached Resolution.

ATTACHEMENTS:

- Board Resolution
- Public Transportation Grant Agreement

BD2023-02-03



SUBMISSION FOR BOARD APPROVAL

RECOMMENDED FOR APPROVAL:

Justin Ryan, Manager,
Foreign Trade Zone No. 64
& Grant Administration

Signature: *Justin Ryan*
Justin Ryan (Feb 15, 2023 12:00 EST)
Email: justin.ryan@jaxport.com

Signature and Date

SUBMITTED FOR APPROVAL:

Eric Green
Chief Executive Officer

Signature: *Eric B. Green*
Eric B. Green (Feb 15, 2023 13:52 EST)
Email: eric.green@jaxport.com

Signature and Date

BOARD APPROVAL:

Feb. 27, 2023
Meeting Date

Rebecca Dicks/Recording Secretary

ATTEST:

Wendy O. Hamilton, Secretary

J. Palmer Clarkson, Chairman

A RESOLUTION OF THE JACKSONVILLE PORT AUTHORITY AUTHORIZING THE EXECUTION OF A PUBLIC TRANSPORTATION GRANT AGREEMENT BETWEEN THE FLORIDA DEPARTMENT OF TRANSPORTATION AND THE JACKSONVILLE PORT AUTHORITY FOR STATE FUNDING IN FDOT FISCAL YEAR 2023 FOR JAXPORT’S SEAPORT SECURITY INITIATIVE

WHEREAS, the Jacksonville Port Authority (JAXPORT) has been presented a Public Transportation Grant Agreement (PTGA) with the Florida Department of Transportation (FDOT) FM 444930-1-94-04 for: 1) purchase of ballistic rated equipment that is installed or deployed at the seaport's cruise terminal, access control center, port operations building, and multiple MTSA access points; and 2) purchase and installation of Incident command and control software, which will support real-time situational awareness of field assets and response to an incident at passenger or cargo terminals; and 3) purchase of two (2) drones for incident action planning, physical security inspections, incident response and over watch, and mapping; and

WHEREAS, FDOT and JAXPORT have agreed that FDOT will provide funds of \$142,500 under Reimbursement Payment Provisions according to the terms and conditions of the PTGA.

NOW THERE, BE IT REOLVED by JAXPORT:

Section 1: JAXPORT confirms its desire to enter into the PTGA with FDOT.

Section 2: The Chief Executive Officer, or his authorized representative, is herein specifically authorized to enter into and sign such documents as may be necessary, including the PTGA and any Supplemental Public Transportation Grant Agreement(s) for the purpose of scope changes, funding adjustments, contract duration changes, additional financial project numbers as well as execute Assurances, Certification and all other documents as may be required to support this project.

Section 3: Effective Date. This resolution shall take effect immediately upon its adoption.

APPROVED AND ADPOTED THIS 27th DAY OF FEBRUARY 2023.

JACKSONVILLE PORT AUTHORITY

(Official Seal)

ATTEST

J. Palmer Clarkson, Chairman

Wendy O. Hamilton, Secretary

STATE OF FLORIDA DEPARTMENT OF TRANSPORTATION
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Financial Project Number(s): <small>(item-segment-phase-sequence)</small> 444930-1-94-04	Fund(s): Work Activity Code/Function: 215	DPTO	FLAIR Category: 088794
	Federal Number/Federal Award	Object Code: 751000	Org. Code: 55022020229
	Identification Number (FAIN) – Transit only:	Vendor Number: F593730270001	
Contract Number:	Federal Award Date:		
CFDA Number: N/A	Agency SAM/UEI Number:		
CFDA Title: N/A			
CSFA Number: 55.005			
CSFA Title: Seaport Grant Program			

THIS PUBLIC TRANSPORTATION GRANT AGREEMENT (“Agreement”) is entered into _____, by and between the State of Florida, Department of Transportation, (“Department”), and Jacksonville Port Authority, (“Agency”). The Department and the Agency are sometimes referred to in this Agreement as a “Party” and collectively as the “Parties.”

NOW, THEREFORE, in consideration of the mutual benefits to be derived from joint participation on the Project, the Parties agree to the following:

- 1. Authority.** The Agency, by Resolution or other form of official authorization, a copy of which is attached as **Exhibit “D”, Agency Resolution** and made a part of this Agreement, has authorized its officers to execute this Agreement on its behalf. The Department has the authority pursuant to Section(s) 311, Florida Statutes, to enter into this Agreement.
- 2. Purpose of Agreement.** The purpose of this Agreement is to provide for the Department’s participation in Jaxport’s seaport security initiative, as further described in **Exhibit "A", Project Description and Responsibilities**, attached and incorporated into this Agreement (“Project”), to provide Department financial assistance to the Agency, state the terms and conditions upon which Department funds will be provided, and to set forth the manner in which the Project will be undertaken and completed.
- 3. Program Area.** For identification purposes only, this Agreement is implemented as part of the Department program area selected below (select all programs that apply):

- Aviation
- Seaports**
- Transit
- Intermodal
- Rail Crossing Closure
- Match to Direct Federal Funding (Aviation or Transit)
- (Note: Section 15 and Exhibit G do not apply to federally matched funding)
- Other

- 4. Exhibits.** The following Exhibits are attached and incorporated into this Agreement:

- Exhibit A: Project Description and Responsibilities
- Exhibit B: Schedule of Financial Assistance
- *Exhibit B1: Deferred Reimbursement Financial Provisions
- *Exhibit B2: Advance Payment Financial Provisions
- *Exhibit B3: Alternative Advanced Pay (Transit Bus Program)
- *Exhibit C: Terms and Conditions of Construction
- Exhibit D: Agency Resolution
- Exhibit E: Program Specific Terms and Conditions
- Exhibit F: Contract Payment Requirements
- *Exhibit G: Audit Requirements for Awards of State Financial Assistance
- *Exhibit H: Audit Requirements for Awards of Federal Financial Assistance

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- *Exhibit I: Certification of Disbursement of Payment to Vehicle and/or Equipment Vendor
- *Additional Exhibit(s):

*Indicates that the Exhibit is only attached and incorporated if applicable box is selected.

5. Time. Unless specified otherwise, all references to “days” within this Agreement refer to calendar days.

6. Term of Agreement. This Agreement shall commence upon full execution by both Parties (“Effective Date”) and continue through March 31, 2027. If the Agency does not complete the Project within this time period, this Agreement will expire unless an extension of the time period is requested by the Agency and granted in writing by the Department prior to the expiration of this Agreement. Expiration of this Agreement will be considered termination of the Project. The cost of any work performed prior to the Effective Date or after the expiration date of this Agreement will not be reimbursed by the Department.

a. If this box is checked the following provision applies:

Unless terminated earlier, work on the Project shall commence no later than the day of , or within days of the issuance of the Notice to Proceed for the construction phase of the Project (if the Project involves construction), whichever date is earlier. The Department shall have the option to immediately terminate this Agreement should the Agency fail to meet the above-required dates.

7. Amendments, Extensions, and Assignment. This Agreement may be amended or extended upon mutual written agreement of the Parties. This Agreement shall not be renewed. This Agreement shall not be assigned, transferred, or otherwise encumbered by the Agency under any circumstances without the prior written consent of the Department.

8. Termination or Suspension of Project. The Department may, by written notice to the Agency, suspend any or all of the Department’s obligations under this Agreement for the Agency’s failure to comply with applicable law or the terms of this Agreement until such time as the event or condition resulting in such suspension has ceased or been corrected.

- a. Notwithstanding any other provision of this Agreement, if the Department intends to terminate the Agreement, the Department shall notify the Agency of such termination in writing at least thirty (30) days prior to the termination of the Agreement, with instructions to the effective date of termination or specify the stage of work at which the Agreement is to be terminated.
- b. The Parties to this Agreement may terminate this Agreement when its continuation would not produce beneficial results commensurate with the further expenditure of funds. In this event, the Parties shall agree upon the termination conditions.
- c. If the Agreement is terminated before performance is completed, the Agency shall be paid only for that work satisfactorily performed for which costs can be substantiated. Such payment, however, may not exceed the equivalent percentage of the Department’s maximum financial assistance. If any portion of the Project is located on the Department’s right-of-way, then all work in progress on the Department right-of-way will become the property of the Department and will be turned over promptly by the Agency.
- d. In the event the Agency fails to perform or honor the requirements and provisions of this Agreement, the Agency shall promptly refund in full to the Department within thirty (30) days of the termination of the Agreement any funds that were determined by the Department to have been expended in violation of the Agreement.
- e. The Department reserves the right to unilaterally cancel this Agreement for failure by the Agency to comply with the Public Records provisions of Chapter 119, Florida Statutes.

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9. Project Cost:

- a. The estimated total cost of the Project is \$190,000. This amount is based upon **Exhibit "B", Schedule of Financial Assistance**. The timeline for deliverables and distribution of estimated amounts between deliverables within a grant phase, as outlined in **Exhibit "B", Schedule of Financial Assistance**, may be modified by mutual written agreement of the Parties and does not require execution of an **Amendment to the Public Transportation Grant Agreement**. The timeline for deliverables and distribution of estimated amounts between grant phases requires an amendment executed by both Parties in the same form as this Agreement.
- b. The Department agrees to participate in the Project cost up to the maximum amount of \$142,500 and, the Department’s participation in the Project shall not exceed 75.00% of the total eligible cost of the Project, and as more fully described in **Exhibit "B", Schedule of Financial Assistance**. The Agency agrees to bear all expenses in excess of the amount of the Department’s participation and any cost overruns or deficits involved.

10. Compensation and Payment:

- a. **Eligible Cost.** The Department shall reimburse the Agency for allowable costs incurred as described in **Exhibit "A", Project Description and Responsibilities**, and as set forth in **Exhibit "B", Schedule of Financial Assistance**.
- b. **Deliverables.** The Agency shall provide quantifiable, measurable, and verifiable units of deliverables. Each deliverable must specify the required minimum level of service to be performed and the criteria for evaluating successful completion. The Project and the quantifiable, measurable, and verifiable units of deliverables are described more fully in **Exhibit "A", Project Description and Responsibilities**. Modifications to the deliverables in **Exhibit "A", Project Description and Responsibilities** requires a formal written amendment.
- c. **Invoicing.** Invoices shall be submitted no more often than monthly by the Agency in detail sufficient for a proper pre-audit and post-audit, based on the quantifiable, measurable, and verifiable deliverables as established in **Exhibit "A", Project Description and Responsibilities**. Deliverables and costs incurred must be received and approved by the Department prior to reimbursement. Requests for reimbursement by the Agency shall include an invoice, progress report, and supporting documentation for the deliverables being billed that are acceptable to the Department. The Agency shall use the format for the invoice and progress report that is approved by the Department.
- d. **Supporting Documentation.** Supporting documentation must establish that the deliverables were received and accepted in writing by the Agency and must also establish that the required minimum standards or level of service to be performed based on the criteria for evaluating successful completion as specified in **Exhibit "A", Project Description and Responsibilities** has been met. All costs invoiced shall be supported by properly executed payrolls, time records, invoices, contracts, or vouchers evidencing in proper detail the nature and propriety of charges as described in **Exhibit "F", Contract Payment Requirements**.
- e. **Travel Expenses.** The selected provision below is controlling regarding travel expenses:

Travel expenses are NOT eligible for reimbursement under this Agreement.

Travel expenses ARE eligible for reimbursement under this Agreement. Bills for travel expenses specifically authorized in this Agreement shall be submitted on the Department’s Contractor Travel Form No. 300-000-06 and will be paid in accordance with Section 112.061, Florida Statutes, and the most current version of the Department’s Disbursement Handbook for Employees and Managers.

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- f. **Financial Consequences.** Payment shall be made only after receipt and approval of deliverables and costs incurred unless advance payments are authorized by the Chief Financial Officer of the State of Florida under Chapters 215 and 216, Florida Statutes, or the Department's Comptroller under Section 334.044(29), Florida Statutes. If the Department determines that the performance of the Agency is unsatisfactory, the Department shall notify the Agency of the deficiency to be corrected, which correction shall be made within a time-frame to be specified by the Department. The Agency shall, within thirty (30) days after notice from the Department, provide the Department with a corrective action plan describing how the Agency will address all issues of contract non-performance, unacceptable performance, failure to meet the minimum performance levels, deliverable deficiencies, or contract non-compliance. If the corrective action plan is unacceptable to the Department, the Agency will not be reimbursed. If the deficiency is subsequently resolved, the Agency may bill the Department for the amount that was previously not reimbursed during the next billing period. If the Agency is unable to resolve the deficiency, the funds shall be forfeited at the end of the Agreement's term.

- g. **Invoice Processing.** An Agency receiving financial assistance from the Department should be aware of the following time frames. Inspection or verification and approval of deliverables shall take no longer than 20 days from the Department's receipt of the invoice. The Department has 20 days to deliver a request for payment (voucher) to the Department of Financial Services. The 20 days are measured from the latter of the date the invoice is received or the deliverables are received, inspected or verified, and approved.

If a payment is not available within 40 days, a separate interest penalty at a rate as established pursuant to Section 55.03(1), Florida Statutes, will be due and payable, in addition to the invoice amount, to the Agency. Interest penalties of less than one (1) dollar will not be enforced unless the Agency requests payment. Invoices that have to be returned to an Agency because of Agency preparation errors will result in a delay in the payment. The invoice payment requirements do not start until a properly completed invoice is provided to the Department.

A Vendor Ombudsman has been established within the Department of Financial Services. The duties of this individual include acting as an advocate for Agency who may be experiencing problems in obtaining timely payment(s) from a state agency. The Vendor Ombudsman may be contacted at (850) 413-5516.

- h. **Records Retention.** The Agency shall maintain an accounting system or separate accounts to ensure funds and projects are tracked separately. Records of costs incurred under the terms of this Agreement shall be maintained and made available upon request to the Department at all times during the period of this Agreement and for five years after final payment is made. Copies of these records shall be furnished to the Department upon request. Records of costs incurred include the Agency's general accounting records and the Project records, together with supporting documents and records, of the Contractor and all subcontractors performing work on the Project, and all other records of the Contractor and subcontractors considered necessary by the Department for a proper audit of costs.

- i. **Progress Reports.** Upon request, the Agency agrees to provide progress reports to the Department in the standard format used by the Department and at intervals established by the Department. The Department will be entitled at all times to be advised, at its request, as to the status of the Project and of details thereof.

- j. **Submission of Other Documents.** The Agency shall submit to the Department such data, reports, records, contracts, and other documents relating to the Project as the Department may require as listed in **Exhibit "E", Program Specific Terms and Conditions** attached to and incorporated into this Agreement.

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- k. **Offsets for Claims.** If, after Project completion, any claim is made by the Department resulting from an audit or for work or services performed pursuant to this Agreement, the Department may offset such amount from payments due for work or services done under any agreement that it has with the Agency owing such amount if, upon written demand, payment of the amount is not made within 60 days to the Department. Offsetting any amount pursuant to this paragraph shall not be considered a breach of contract by the Department.
- l. **Final Invoice.** The Agency must submit the final invoice on the Project to the Department within 120 days after the completion of the Project. Invoices submitted after the 120-day time period may not be paid.
- m. **Department's Performance and Payment Contingent Upon Annual Appropriation by the Legislature.** The Department's performance and obligation to pay under this Agreement is contingent upon an annual appropriation by the Legislature. If the Department's funding for this Project is in multiple fiscal years, a notice of availability of funds from the Department's project manager must be received prior to costs being incurred by the Agency. See **Exhibit "B", Schedule of Financial Assistance** for funding levels by fiscal year. Project costs utilizing any fiscal year funds are not eligible for reimbursement if incurred prior to funds approval being received. The Department will notify the Agency, in writing, when funds are available.
- n. **Limits on Contracts Exceeding \$25,000 and Term more than 1 Year.** In the event this Agreement is in excess of \$25,000 and has a term for a period of more than one year, the provisions of Section 339.135(6)(a), Florida Statutes, are hereby incorporated:

"The Department, during any fiscal year, shall not expend money, incur any liability, or enter into any contract which, by its terms, involves the expenditure of money in excess of the amounts budgeted as available for expenditure during such fiscal year. Any contract, verbal or written, made in violation of this subsection is null and void, and no money may be paid on such contract. The Department shall require a statement from the comptroller of the Department that funds are available prior to entering into any such contract or other binding commitment of funds. Nothing herein contained shall prevent the making of contracts for periods exceeding 1 year, but any contract so made shall be executory only for the value of the services to be rendered or agreed to be paid for in succeeding fiscal years; and this paragraph shall be incorporated verbatim in all contracts of the Department which are for an amount in excess of \$25,000 and which have a term for a period of more than 1 year."
- o. **Agency Obligation to Refund Department.** Any Project funds made available by the Department pursuant to this Agreement that are determined by the Department to have been expended by the Agency in violation of this Agreement or any other applicable law or regulation shall be promptly refunded in full to the Department. Acceptance by the Department of any documentation or certifications, mandatory or otherwise permitted, that the Agency files shall not constitute a waiver of the Department's rights as the funding agency to verify all information at a later date by audit or investigation.
- p. **Non-Eligible Costs.** In determining the amount of the payment, the Department will exclude all Project costs incurred by the Agency prior to the execution of this Agreement, costs incurred after the expiration of the Agreement, costs that are not provided for in **Exhibit "A", Project Description and Responsibilities**, and as set forth in **Exhibit "B", Schedule of Financial Assistance**, costs agreed to be borne by the Agency or its contractors and subcontractors for not meeting the Project commencement and final invoice time lines, and costs attributable to goods or services received under a contract or other arrangement that has not been approved

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in writing by the Department. Specific unallowable costs may be listed in **Exhibit "A", Project Description and Responsibilities**.

- 11. General Requirements.** The Agency shall complete the Project with all practical dispatch in a sound, economical, and efficient manner, and in accordance with the provisions in this Agreement and all applicable laws.
- a. Necessary Permits Certification.** The Agency shall certify to the Department that the Agency's design consultant and/or construction contractor has secured the necessary permits.
 - b. Right-of-Way Certification.** If the Project involves construction, then the Agency shall provide to the Department certification and a copy of appropriate documentation substantiating that all required right-of-way necessary for the Project has been obtained. Certification is required prior to authorization for advertisement for or solicitation of bids for construction of the Project, even if no right-of-way is required.
 - c. Notification Requirements When Performing Construction on Department's Right-of-Way.** In the event the cost of the Project is greater than \$250,000.00, and the Project involves construction on the Department's right-of-way, the Agency shall provide the Department with written notification of either its intent to:
 - i.** Require the construction work of the Project that is on the Department's right-of-way to be performed by a Department prequalified contractor, or
 - ii.** Construct the Project utilizing existing Agency employees, if the Agency can complete said Project within the time frame set forth in this Agreement.
 - d.** If this box is checked, then the Agency is permitted to utilize its own forces and the following provision applies: **Use of Agency Workforce.** In the event the Agency proceeds with any phase of the Project utilizing its own forces, the Agency will only be reimbursed for direct costs (this excludes general overhead).
 - e.** If this box is checked, then the Agency is permitted to utilize **Indirect Costs: Reimbursement for Indirect Program Expenses** (select one):
 - i.** Agency has selected to seek reimbursement from the Department for actual indirect expenses (no rate).
 - ii.** Agency has selected to apply a de minimus rate of 10% to modified total direct costs. Note: The de minimus rate is available only to entities that have never had a negotiated indirect cost rate. When selected, the de minimus rate must be used consistently for all federal awards until such time the agency chooses to negotiate a rate. A cost policy statement and de minimis certification form must be submitted to the Department for review and approval.
 - iii.** Agency has selected to apply a state or federally approved indirect cost rate. A federally approved rate agreement or indirect cost allocation plan (ICAP) must be submitted annually.
 - f. Agency Compliance with Laws, Rules, and Regulations, Guidelines, and Standards.** The Agency shall comply and require its contractors and subcontractors to comply with all terms and conditions of this Agreement and all federal, state, and local laws and regulations applicable to this Project.
 - g. Claims and Requests for Additional Work.** The Agency shall have the sole responsibility for resolving claims and requests for additional work for the Project. The Agency will make

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best efforts to obtain the Department's input in its decisions. The Department is not obligated to reimburse for claims or requests for additional work.

12. Contracts of the Agency:

- a. **Approval of Third Party Contracts.** The Department specifically reserves the right to review and approve any and all third party contracts with respect to the Project before the Agency executes or obligates itself in any manner requiring the disbursement of Department funds, including consultant and purchase of commodities contracts, or amendments thereto. If the Department chooses to review and approve third party contracts for this Project and the Agency fails to obtain such approval, that shall be sufficient cause for nonpayment by the Department. The Department specifically reserves unto itself the right to review the qualifications of any consultant or contractor and to approve or disapprove the employment of the same. If Federal Transit Administration (FTA) funds are used in the Project, the Department must exercise the right to third party contract review.
- b. **Procurement of Commodities or Contractual Services.** It is understood and agreed by the Parties hereto that participation by the Department in a project with the Agency, where said project involves the purchase of commodities or contractual services where purchases or costs exceed the Threshold Amount for CATEGORY TWO per Section 287.017, Florida Statutes, is contingent on the Agency complying in full with the provisions of Section 287.057, Florida Statutes. The Agency's Authorized Official shall certify to the Department that the Agency's purchase of commodities or contractual services has been accomplished in compliance with Section 287.057, Florida Statutes. It shall be the sole responsibility of the Agency to ensure that any obligations made in accordance with this Section comply with the current threshold limits. Contracts, purchase orders, task orders, construction change orders, or any other agreement that would result in exceeding the current budget contained in **Exhibit "B", Schedule of Financial Assistance**, or that is not consistent with the Project description and scope of services contained in **Exhibit "A", Project Description and Responsibilities** must be approved by the Department prior to Agency execution. Failure to obtain such approval, and subsequent execution of an amendment to the Agreement if required, shall be sufficient cause for nonpayment by the Department, in accordance with this Agreement.
- c. **Consultants' Competitive Negotiation Act.** It is understood and agreed by the Parties to this Agreement that participation by the Department in a project with the Agency, where said project involves a consultant contract for professional services, is contingent on the Agency's full compliance with provisions of Section 287.055, Florida Statutes, Consultants' Competitive Negotiation Act. In all cases, the Agency's Authorized Official shall certify to the Department that selection has been accomplished in compliance with the Consultants' Competitive Negotiation Act.
- d. **Disadvantaged Business Enterprise (DBE) Policy and Obligation.** It is the policy of the Department that DBEs, as defined in 49 C.F.R. Part 26, as amended, shall have the opportunity to participate in the performance of contracts financed in whole or in part with Department funds under this Agreement. The DBE requirements of applicable federal and state laws and regulations apply to this Agreement. The Agency and its contractors agree to ensure that DBEs have the opportunity to participate in the performance of this Agreement. In this regard, all recipients and contractors shall take all necessary and reasonable steps in accordance with applicable federal and state laws and regulations to ensure that the DBEs have the opportunity to compete for and perform contracts. The Agency and its contractors and subcontractors shall not discriminate on the basis of race, color, national origin or sex in the award and performance of contracts, entered pursuant to this Agreement.

- 13. Maintenance Obligations.** In the event the Project includes construction or the acquisition of commodities then the following provisions are incorporated into this Agreement:

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- a. The Agency agrees to accept all future maintenance and other attendant costs occurring after completion of the Project for all improvements constructed or commodities acquired as part of the Project. The terms of this provision shall survive the termination of this Agreement.

14. Sale, Transfer, or Disposal of Department-funded Property:

- a. The Agency will not sell or otherwise transfer or dispose of any part of its title or other interests in real property, facilities, or equipment funded in any part by the Department under this Agreement without prior written approval by the Department.
- b. If a sale, transfer, or disposal by the Agency of all or a portion of Department-funded real property, facilities, or equipment is approved by the Department, the following provisions will apply:
 - i. The Agency shall reimburse the Department a proportional amount of the proceeds of the sale of any Department-funded property.
 - ii. The proportional amount shall be determined on the basis of the ratio of the Department funding of the development or acquisition of the property multiplied against the sale amount, and shall be remitted to the Department within ninety (90) days of closing of sale.
 - iii. Sale of property developed or acquired with Department funds shall be at market value as determined by appraisal or public bidding process, and the contract and process for sale must be approved in advance by the Department.
 - iv. If any portion of the proceeds from the sale to the Agency are non-cash considerations, reimbursement to the Department shall include a proportional amount based on the value of the non-cash considerations.
- c. The terms of provisions "a" and "b" above shall survive the termination of this Agreement.
 - i. The terms shall remain in full force and effect throughout the useful life of facilities developed, equipment acquired, or Project items installed within a facility, but shall not exceed twenty (20) years from the effective date of this Agreement.
 - ii. There shall be no limit on the duration of the terms with respect to real property acquired with Department funds.

- 15. Single Audit.** The administration of Federal or State resources awarded through the Department to the Agency by this Agreement may be subject to audits and/or monitoring by the Department. The following requirements do not limit the authority of the Department to conduct or arrange for the conduct of additional audits or evaluations of Federal awards or State financial assistance or limit the authority of any state agency inspector general, the State of Florida Auditor General, or any other state official. The Agency shall comply with all audit and audit reporting requirements as specified below.

Federal Funded:

- a. In addition to reviews of audits conducted in accordance with 2 CFR Part 200, Subpart F – Audit Requirements, monitoring procedures may include but not be limited to on-site visits by Department staff and/or other procedures, including reviewing any required performance and financial reports, following up, ensuring corrective action, and issuing management decisions on weaknesses found through audits when those findings pertain to Federal awards provided through the Department by this Agreement. By entering into this Agreement, the Agency agrees to comply and cooperate fully with any monitoring procedures/processes deemed appropriate by the Department. The Agency further agrees to comply and cooperate with any

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inspections, reviews, investigations, or audits deemed necessary by the Department, State of Florida Chief Financial Officer (CFO), or State of Florida Auditor General.

- b. The Agency, a non-Federal entity as defined by 2 CFR Part 200, Subpart F – Audit Requirements, as a subrecipient of a Federal award awarded by the Department through this Agreement, is subject to the following requirements:
- i. In the event the Agency expends a total amount of Federal awards equal to or in excess of the threshold established by 2 CFR Part 200, Subpart F – Audit Requirements, the Agency must have a Federal single or program-specific audit conducted for such fiscal year in accordance with the provisions of 2 CFR Part 200, Subpart F – Audit Requirements. **Exhibit “H”, Audit Requirements for Awards of Federal Financial Assistance**, to this Agreement provides the required Federal award identification information needed by the Agency to further comply with the requirements of 2 CFR Part 200, Subpart F – Audit Requirements. In determining Federal awards expended in a fiscal year, the Agency must consider all sources of Federal awards based on when the activity related to the Federal award occurs, including the Federal award provided through the Department by this Agreement. The determination of amounts of Federal awards expended should be in accordance with the guidelines established by 2 CFR Part 200, Subpart F – Audit Requirements. An audit conducted by the State of Florida Auditor General in accordance with the provisions of 2 CFR Part 200, Subpart F – Audit Requirements, will meet the requirements of this part.
 - ii. In connection with the audit requirements, the Agency shall fulfill the requirements relative to the auditee responsibilities as provided in 2 CFR Part 200, Subpart F – Audit Requirements.
 - iii. In the event the Agency expends less than the threshold established by 2 CFR Part 200, Subpart F – Audit Requirements, in Federal awards, the Agency is exempt from Federal audit requirements for that fiscal year. However, the Agency must provide a single audit exemption statement to the Department at FDOTSingleAudit@dot.state.fl.us no later than nine months after the end of the Agency’s audit period for each applicable audit year. In the event the Agency expends less than the threshold established by 2 CFR Part 200, Subpart F – Audit Requirements, in Federal awards in a fiscal year and elects to have an audit conducted in accordance with the provisions of 2 CFR Part 200, Subpart F – Audit Requirements, the cost of the audit must be paid from non-Federal resources (*i.e.*, the cost of such an audit must be paid from the Agency’s resources obtained from other than Federal entities).
 - iv. The Agency must electronically submit to the Federal Audit Clearinghouse (FAC) at <https://harvester.census.gov/facweb/> the audit reporting package as required by 2 CFR Part 200, Subpart F – Audit Requirements, within the earlier of 30 calendar days after receipt of the auditor’s report(s) or nine months after the end of the audit period. The FAC is the repository of record for audits required by 2 CFR Part 200, Subpart F – Audit Requirements. However, the Department requires a copy of the audit reporting package also be submitted to FDOTSingleAudit@dot.state.fl.us within the earlier of 30 calendar days after receipt of the auditor’s report(s) or nine months after the end of the audit period as required by 2 CFR Part 200, Subpart F – Audit Requirements.
 - v. Within six months of acceptance of the audit report by the FAC, the Department will review the Agency’s audit reporting package, including corrective action plans and management letters, to the extent necessary to determine whether timely and appropriate action on all deficiencies has been taken pertaining to the Federal award provided through the Department by this Agreement. If the Agency fails to have an

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audit conducted in accordance with 2 CFR Part 200, Subpart F – Audit Requirements, the Department may impose additional conditions to remedy noncompliance. If the Department determines that noncompliance cannot be remedied by imposing additional conditions, the Department may take appropriate actions to enforce compliance, which actions may include but not be limited to the following:

1. Temporarily withhold cash payments pending correction of the deficiency by the Agency or more severe enforcement action by the Department;
 2. Disallow (deny both use of funds and any applicable matching credit for) all or part of the cost of the activity or action not in compliance;
 3. Wholly or partly suspend or terminate the Federal award;
 4. Initiate suspension or debarment proceedings as authorized under 2 C.F.R. Part 180 and Federal awarding agency regulations (or in the case of the Department, recommend such a proceeding be initiated by the Federal awarding agency);
 5. Withhold further Federal awards for the Project or program;
 6. Take other remedies that may be legally available.
- vi. As a condition of receiving this Federal award, the Agency shall permit the Department or its designee, the CFO, or State of Florida Auditor General access to the Agency’s records, including financial statements, the independent auditor’s working papers, and project records as necessary. Records related to unresolved audit findings, appeals, or litigation shall be retained until the action is complete or the dispute is resolved.
- vii. The Department’s contact information for requirements under this part is as follows:

Office of Comptroller, MS 24
605 Suwannee Street
Tallahassee, Florida 32399-0450
FDOTSingleAudit@dot.state.fl.us

State Funded:

- a. In addition to reviews of audits conducted in accordance with Section 215.97, Florida Statutes, monitoring procedures to monitor the Agency’s use of state financial assistance may include but not be limited to on-site visits by Department staff and/or other procedures, including reviewing any required performance and financial reports, following up, ensuring corrective action, and issuing management decisions on weaknesses found through audits when those findings pertain to state financial assistance awarded through the Department by this Agreement. By entering into this Agreement, the Agency agrees to comply and cooperate fully with any monitoring procedures/processes deemed appropriate by the Department. The Agency further agrees to comply and cooperate with any inspections, reviews, investigations, or audits deemed necessary by the Department, the Department of Financial Services (DFS), or State of Florida Auditor General.
- b. The Agency, a “nonstate entity” as defined by Section 215.97, Florida Statutes, as a recipient of state financial assistance awarded by the Department through this Agreement, is subject to the following requirements:
 - i. In the event the Agency meets the audit threshold requirements established by Section 215.97, Florida Statutes, the Agency must have a State single or project-specific audit conducted for such fiscal year in accordance with Section 215.97, Florida Statutes; applicable rules of the Department of Financial Services; and Chapters 10.550 (local governmental entities) or 10.650 (nonprofit and for-profit organizations), Rules of the Auditor General. **Exhibit “G”, Audit Requirements for Awards of State Financial Assistance**, to this Agreement indicates state financial

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assistance awarded through the Department by this Agreement needed by the Agency to further comply with the requirements of Section 215.97, Florida Statutes. In determining the state financial assistance expended in a fiscal year, the Agency shall consider all sources of state financial assistance, including state financial assistance received from the Department by this Agreement, other state agencies, and other nonstate entities. State financial assistance does not include Federal direct or pass-through awards and resources received by a nonstate entity for Federal program matching requirements.

- ii. In connection with the audit requirements, the Agency shall ensure that the audit complies with the requirements of Section 215.97(8), Florida Statutes. This includes submission of a financial reporting package as defined by Section 215.97(2)(e), Florida Statutes, and Chapters 10.550 (local governmental entities) or 10.650 (nonprofit and for-profit organizations), Rules of the Auditor General.
- iii. In the event the Agency does not meet the audit threshold requirements established by Section 215.97, Florida Statutes, the Agency is exempt for such fiscal year from the state single audit requirements of Section 215.97, Florida Statutes. However, the Agency must provide a single audit exemption statement to the Department at FDOTSingleAudit@dot.state.fl.us no later than nine months after the end of the Agency's audit period for each applicable audit year. In the event the Agency does not meet the audit threshold requirements established by Section 215.97, Florida Statutes, in a fiscal year and elects to have an audit conducted in accordance with the provisions of Section 215.97, Florida Statutes, the cost of the audit must be paid from the Agency's resources (*i.e.*, the cost of such an audit must be paid from the Agency's resources obtained from other than State entities).
- iv. In accordance with Chapters 10.550 (local governmental entities) or 10.650 (nonprofit and for-profit organizations), Rules of the Auditor General, copies of financial reporting packages required by this Agreement shall be submitted to:

Florida Department of Transportation
Office of Comptroller, MS 24
605 Suwannee Street
Tallahassee, Florida 32399-0405
FDOTSingleAudit@dot.state.fl.us

And

State of Florida Auditor General
Local Government Audits/342
111 West Madison Street, Room 401
Tallahassee, FL 32399-1450
Email: flaudgen_localgovt@aud.state.fl.us

- v. Any copies of financial reporting packages, reports, or other information required to be submitted to the Department shall be submitted timely in accordance with Section 215.97, Florida Statutes, and Chapters 10.550 (local governmental entities) or 10.650 (nonprofit and for-profit organizations), Rules of the Auditor General, as applicable.
- vi. The Agency, when submitting financial reporting packages to the Department for audits done in accordance with Chapters 10.550 (local governmental entities) or 10.650 (nonprofit and for-profit organizations), Rules of the Auditor General, should indicate the date the reporting package was delivered to the Agency in correspondence accompanying the reporting package.

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- vii. Upon receipt, and within six months, the Department will review the Agency's financial reporting package, including corrective action plans and management letters, to the extent necessary to determine whether timely and appropriate corrective action on all deficiencies has been taken pertaining to the state financial assistance provided through the Department by this Agreement. If the Agency fails to have an audit conducted consistent with Section 215.97, Florida Statutes, the Department may take appropriate corrective action to enforce compliance.
- viii. As a condition of receiving state financial assistance, the Agency shall permit the Department or its designee, DFS, or the Auditor General access to the Agency's records, including financial statements, the independent auditor's working papers, and project records as necessary. Records related to unresolved audit findings, appeals, or litigation shall be retained until the action is complete or the dispute is resolved.
- c. The Agency shall retain sufficient records demonstrating its compliance with the terms of this Agreement for a period of five years from the date the audit report is issued and shall allow the Department or its designee, DFS, or State of Florida Auditor General access to such records upon request. The Agency shall ensure that the audit working papers are made available to the Department or its designee, DFS, or State of Florida Auditor General upon request for a period of five years from the date the audit report is issued, unless extended in writing by the Department.

16. Notices and Approvals. Notices and approvals referenced in this Agreement must be obtained in writing from the Parties' respective Administrators or their designees.

17. Restrictions, Prohibitions, Controls and Labor Provisions:

- a. **Convicted Vendor List.** A person or affiliate who has been placed on the convicted vendor list following a conviction for a public entity crime may not submit a bid on a contract to provide any goods or services to a public entity; may not submit a bid on a contract with a public entity for the construction or repair of a public building or public work; may not submit bids on leases of real property to a public entity; may not be awarded or perform work as a contractor, supplier, subcontractor, or consultant under a contract with any public entity; and may not transact business with any public entity in excess of the threshold amount provided in Section 287.017, Florida Statutes, for CATEGORY TWO for a period of 36 months from the date of being placed on the convicted vendor list.
- b. **Discriminatory Vendor List.** In accordance with Section 287.134, Florida Statutes, an entity or affiliate who has been placed on the Discriminatory Vendor List, kept by the Florida Department of Management Services, may not submit a bid on a contract to provide goods or services to a public entity; may not submit a bid on a contract with a public entity for the construction or repair of a public building or public work; may not submit bids on leases of real property to a public entity; may not be awarded or perform work as a contractor, supplier, subcontractor, or consultant under a contract with any public entity; and may not transact business with any public entity.
- c. **Non-Responsible Contractors.** An entity or affiliate who has had its Certificate of Qualification suspended, revoked, denied, or have further been determined by the Department to be a non-responsible contractor, may not submit a bid or perform work for the construction or repair of a public building or public work on a contract with the Agency.
- d. **Prohibition on Using Funds for Lobbying.** No funds received pursuant to this Agreement may be expended for lobbying the Florida Legislature, judicial branch, or any state agency, in accordance with Section 216.347, Florida Statutes.

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- e. **Unauthorized Aliens.** The Department shall consider the employment by any contractor of unauthorized aliens a violation of Section 274A(e) of the Immigration and Nationality Act. If the contractor knowingly employs unauthorized aliens, such violation will be cause for unilateral cancellation of this Agreement.
- f. **Procurement of Construction Services.** If the Project is procured pursuant to Chapter 255, Florida Statutes, for construction services and at the time of the competitive solicitation for the Project, 50 percent or more of the cost of the Project is to be paid from state-appropriated funds, then the Agency must comply with the requirements of Section 255.0991, Florida Statutes.
- g. **E-Verify.** The Agency shall:
 - i. Utilize the U.S. Department of Homeland Security's E-Verify system to verify the employment eligibility of all new employees hired by the Agency during the term of the contract; and
 - ii. Expressly require any subcontractors performing work or providing services pursuant to the state contract to likewise utilize the U.S. Department of Homeland Security's E-Verify system to verify the employment eligibility of all new employees hired by the subcontractor during the contract term.
- h. **Executive Order 20-44.** Pursuant to Governor's Executive Order 20-44, if the Agency is required by the Internal Revenue Code to file IRS Form 990 and is named in statute with which the Department must form a sole-source, public-private agreement; or through contract or other agreement with the State, annually receives 50% or more of its budget from the State or from a combination of State and Federal funds, Recipient shall submit an Annual Report to the Department, including the most recent IRS Form 990, detailing the total compensation for each member of the Agency executive leadership team. Total compensation shall include salary, bonuses, cashed-in leave, cash equivalents, severance pay, retirement benefits, deferred compensation, real-property gifts, and any other payout. The Agency shall inform the Department of any changes in total executive compensation during the period between the filing of Annual Reports within 60 days of any change taking effect. All compensation reports shall detail the percentage of executive leadership compensation received directly from all State and/or Federal allocations to the Agency. Annual Reports shall be in the form approved by the Department and shall be submitted to the Department at fdotsingleaudit@dot.state.fl.us within 180 days following the end of each tax year of the Agency receiving Department funding.
- i. **Design Services and Construction Engineering and Inspection Services.** If the Project is wholly or partially funded by the Department and administered by a local governmental entity, except for a seaport listed in Section 311.09, Florida Statutes, or an airport as defined in Section 332.004, Florida Statutes, the entity performing design and construction engineering and inspection services may not be the same entity.

18. Indemnification and Insurance:

- a. It is specifically agreed between the Parties executing this Agreement that it is not intended by any of the provisions of any part of this Agreement to create in the public or any member thereof, a third party beneficiary under this Agreement, or to authorize anyone not a party to this Agreement to maintain a suit for personal injuries or property damage pursuant to the terms or provisions of this Agreement. The Agency guarantees the payment of all just claims for materials, supplies, tools, or labor and other just claims against the Agency or any subcontractor, in connection with this Agreement. Additionally, the Agency shall indemnify, defend, and hold harmless the State of Florida, Department of Transportation, including the Department's officers and employees, from liabilities, damages, losses, and costs, including,

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but not limited to, reasonable attorney's fees, to the extent caused by the negligence, recklessness, or intentional wrongful misconduct of the Agency and persons employed or utilized by the Agency in the performance of this Agreement. This indemnification shall survive the termination of this Agreement. Additionally, the Agency agrees to include the following indemnification in all contracts with contractors/subcontractors and consultants/subconsultants who perform work in connection with this Agreement:

"To the fullest extent permitted by law, the Agency's contractor/consultant shall indemnify, defend, and hold harmless the Agency and the State of Florida, Department of Transportation, including the Department's officers and employees, from liabilities, damages, losses and costs, including, but not limited to, reasonable attorney's fees, to the extent caused by the negligence, recklessness or intentional wrongful misconduct of the contractor/consultant and persons employed or utilized by the contractor/consultant in the performance of this Agreement.

This indemnification shall survive the termination of this Agreement."

- b. The Agency shall provide Workers' Compensation Insurance in accordance with Florida's Workers' Compensation law for all employees. If subcontracting any of the work, ensure that the subcontractor(s) and subconsultant(s) have Workers' Compensation Insurance for their employees in accordance with Florida's Workers' Compensation law. If using "leased employees" or employees obtained through professional employer organizations ("PEO's"), ensure that such employees are covered by Workers' Compensation Insurance through the PEO's or other leasing entities. Ensure that any equipment rental agreements that include operators or other personnel who are employees of independent contractors, sole proprietorships, or partners are covered by insurance required under Florida's Workers' Compensation law.
- c. If the Agency elects to self-perform the Project, then the Agency may self-insure. If the Agency elects to hire a contractor or consultant to perform the Project, then the Agency shall carry, or cause its contractor or consultant to carry, Commercial General Liability insurance providing continuous coverage for all work or operations performed under this Agreement. Such insurance shall be no more restrictive than that provided by the latest occurrence form edition of the standard Commercial General Liability Coverage Form (ISO Form CG 00 01) as filed for use in the State of Florida. The Agency shall cause, or cause its contractor or consultant to cause, the Department to be made an Additional Insured as to such insurance. Such coverage shall be on an "occurrence" basis and shall include Products/Completed Operations coverage. The coverage afforded to the Department as an Additional Insured shall be primary as to any other available insurance and shall not be more restrictive than the coverage afforded to the Named Insured. The limits of coverage shall not be less than \$1,000,000 for each occurrence and not less than a \$5,000,000 annual general aggregate, inclusive of amounts provided by an umbrella or excess policy. The limits of coverage described herein shall apply fully to the work or operations performed under the Agreement, and may not be shared with or diminished by claims unrelated to the Agreement. The policy/ies and coverage described herein may be subject to a deductible and such deductibles shall be paid by the Named Insured. No policy/ies or coverage described herein may contain or be subject to a Retention or a Self-Insured Retention unless the Agency is a state agency or subdivision of the State of Florida that elects to self-perform the Project. Prior to the execution of the Agreement, and at all renewal periods which occur prior to final acceptance of the work, the Department shall be provided with an ACORD Certificate of Liability Insurance reflecting the coverage described herein. The Department shall be notified in writing within ten days of any cancellation, notice of cancellation, lapse, renewal, or proposed change to any policy or coverage described herein. The Department's approval or failure to disapprove any policy/ies, coverage, or ACORD Certificates shall not relieve or excuse any obligation to procure and maintain the insurance required herein, nor serve as a waiver of any rights or defenses the Department may have.

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- d. When the Agreement includes the construction of a railroad grade crossing, railroad overpass or underpass structure, or any other work or operations within the limits of the railroad right-of-way, including any encroachments thereon from work or operations in the vicinity of the railroad right-of-way, the Agency shall, or cause its contractor to, in addition to the insurance coverage required above, procure and maintain Railroad Protective Liability Coverage (ISO Form CG 00 35) where the railroad is the Named Insured and where the limits are not less than \$2,000,000 combined single limit for bodily injury and/or property damage per occurrence, and with an annual aggregate limit of not less than \$6,000,000. The railroad shall also be added along with the Department as an Additional Insured on the policy/ies procured pursuant to the paragraph above. Prior to the execution of the Agreement, and at all renewal periods which occur prior to final acceptance of the work, both the Department and the railroad shall be provided with an ACORD Certificate of Liability Insurance reflecting the coverage described herein. The insurance described herein shall be maintained through final acceptance of the work. Both the Department and the railroad shall be notified in writing within ten days of any cancellation, notice of cancellation, renewal, or proposed change to any policy or coverage described herein. The Department's approval or failure to disapprove any policy/ies, coverage, or ACORD Certificates shall not relieve or excuse any obligation to procure and maintain the insurance required herein, nor serve as a waiver of any rights the Department may have.
- e. When the Agreement involves work on or in the vicinity of utility-owned property or facilities, the utility shall be added along with the Department as an Additional Insured on the Commercial General Liability policy/ies procured above.

19. Miscellaneous:

- a. **Environmental Regulations.** The Agency will be solely responsible for compliance with all applicable environmental regulations and for any liability arising from non-compliance with these regulations, and will reimburse the Department for any loss incurred in connection therewith.
- b. **Non-Admission of Liability.** In no event shall the making by the Department of any payment to the Agency constitute or be construed as a waiver by the Department of any breach of covenant or any default which may then exist on the part of the Agency and the making of such payment by the Department, while any such breach or default shall exist, shall in no way impair or prejudice any right or remedy available to the Department with respect to such breach or default.
- c. **Severability.** If any provision of this Agreement is held invalid, the remainder of this Agreement shall not be affected. In such an instance, the remainder would then continue to conform to the terms and requirements of applicable law.
- d. **Agency not an agent of Department.** The Agency and the Department agree that the Agency, its employees, contractors, subcontractors, consultants, and subconsultants are not agents of the Department as a result of this Agreement.
- e. **Bonus or Commission.** By execution of the Agreement, the Agency represents that it has not paid and, also agrees not to pay, any bonus or commission for the purpose of obtaining an approval of its application for the financing hereunder.
- f. **Non-Contravention of State Law.** Nothing in the Agreement shall require the Agency to observe or enforce compliance with any provision or perform any act or do any other thing in contravention of any applicable state law. If any of the provisions of the Agreement violate any applicable state law, the Agency will at once notify the Department in writing so that

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appropriate changes and modifications may be made by the Department and the Agency to the end that the Agency may proceed as soon as possible with the Project.

- g. Execution of Agreement.** This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which shall constitute the same Agreement. A facsimile or electronic transmission of this Agreement with a signature on behalf of a party will be legal and binding on such party.
- h. Federal Award Identification Number (FAIN).** If the FAIN is not available prior to execution of the Agreement, the Department may unilaterally add the FAIN to the Agreement without approval of the Agency and without an amendment to the Agreement. If this occurs, an updated Agreement that includes the FAIN will be provided to the Agency and uploaded to the Department of Financial Services' Florida Accountability Contract Tracking System (FACTS).
- i. Inspector General Cooperation.** The Agency agrees to comply with Section 20.055(5), Florida Statutes, and to incorporate in all subcontracts the obligation to comply with Section 20.055(5), Florida Statutes.
- j. Law, Forum, and Venue.** This Agreement shall be governed by and construed in accordance with the laws of the State of Florida. In the event of a conflict between any portion of the contract and Florida law, the laws of Florida shall prevail. The Agency agrees to waive forum and venue and that the Department shall determine the forum and venue in which any dispute under this Agreement is decided.

IN WITNESS WHEREOF, the Parties have executed this Agreement on the day and year written above.

AGENCY Jacksonville Port Authority

STATE OF FLORIDA, DEPARTMENT OF TRANSPORTATION

By: _____

By: _____

Name: _____

Name: Authorized Official or James M. Knight, P.E.

Title: _____

Title: Urban Planning and Modal Administrator

STATE OF FLORIDA, DEPARTMENT OF TRANSPORTATION
Legal Review:

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EXHIBIT A

Project Description and Responsibilities

A. Project Description (description of Agency's project to provide context, description of project components funded via this Agreement (if not the entire project)): This Agreement provides for the Department's financial participation in Jaxport's seaport security initiative. This project has three components:

Component 1 addresses active shooter mitigation. This component includes purchase of ballistic rated equipment that is installed or deployed at the seaport's cruise terminal, access control center, port operations building, and multiple MTSA access points. Maximum state participation for this component is \$60,000 and the local match is \$20,000.

Component 2 addresses incident command tracking and management enhancements. This component includes purchase and installation of Incident command and control software, which will support real-time situational awareness of field assets and response to an incident at passenger or cargo terminals. Maximum state participation for this component is \$45,000 and the local match is \$15,000.

Component 3 addresses drone unit enhancement. This component includes the purchase of two (2) drones for incident action planning, physical security inspections, incident response and over watch, and mapping. Maximum state participation for this component is \$37,500 and the local match is \$12,500.

B. Project Location (limits, city, county, map): Jacksonville, Florida

C. Project Scope (allowable costs: describe project components, improvement type/service type, approximate timeline, project schedule, project size): This project includes the procurement and installation of capital equipment to complete the activities described in the Project Description, including: ballistic rated mobile or fixed barricades, glass, doors, and / or windows; drone unit; installation and testing; software / software license.

D. Deliverable(s):

The project scope identifies the ultimate project deliverables. Deliverables for requisition, payment and invoice purposes will be the incremental progress made toward completion of project scope elements. Supporting documentation will be quantifiable, measurable, and verifiable, to allow for a determination of the amount of incremental progress that has been made, and provide evidence that the payment requested is commensurate with the accomplished incremental progress and costs incurred by the Agency.

E. Unallowable Costs (including but not limited to): Travel costs are not allowed.

F. Transit Operating Grant Requirements (Transit Only):

Transit Operating Grants billed as an operational subsidy will require an expenditure detail report from the Agency that matches the invoice period. The expenditure detail, along with the progress report, will be the required deliverables for Transit Operating Grants. Operating grants may be issued for a term not to exceed three years from execution. The original grant agreement will include funding for year one. Funding for years two and three will be added by amendment as long as the grantee has submitted all invoices on schedule and the project deliverables for the year have been met.

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EXHIBIT B

Schedule of Financial Assistance

FUNDS AWARDED TO THE AGENCY AND REQUIRED MATCHING FUNDS PURSUANT TO THIS AGREEMENT CONSIST OF THE FOLLOWING:

A. Fund Type and Fiscal Year:

Financial Management Number	Fund Type	FLAIR Category	State Fiscal Year	Object Code	CSFA/CFDA Number	CSFA/CFDA Title or Funding Source Description	Funding Amount
444930-1-94-04	DPTO	088794	2023	751000	55.005	Seaport Grant Program	\$142,500.00
444930-1-94-04	LF	088794	2023	-	-	Local Matching Funds	\$47,500.00
Total Financial Assistance							\$190,000.00

B. Estimate of Project Costs by Grant Phase:

Phases*	State	Local	Federal	Totals	State %	Local %	Federal %
Land Acquisition	\$0.00	\$0.00	\$0.00	\$0.00	0.00	0.00	0.00
Planning	\$0.00	\$0.00	\$0.00	\$0.00	0.00	0.00	0.00
Environmental/Design/Construction	\$0.00	\$0.00	\$0.00	\$0.00	0.00	0.00	0.00
Capital Equipment/ Preventative Maintenance	\$142,500.00	\$47,500.00	\$0.00	\$190,000.00	75.00	25.00	0.00
Match to Direct Federal Funding	\$0.00	\$0.00	\$0.00	\$0.00	0.00	0.00	0.00
Mobility Management (Transit Only)	\$0.00	\$0.00	\$0.00	\$0.00	0.00	0.00	0.00
Totals	\$142,500.00	\$47,500.00	\$0.00	\$190,000.00			

*Shifting items between these grant phases requires execution of an Amendment to the Public Transportation Grant Agreement.

Scope Code and/or Activity Line Item (ALI) (Transit Only)	
--	--

BUDGET/COST ANALYSIS CERTIFICATION AS REQUIRED BY SECTION 216.3475, FLORIDA STATUTES:

I certify that the cost for each line item budget category (grant phase) has been evaluated and determined to be allowable, reasonable, and necessary as required by Section 216.3475, Florida Statutes. Documentation is on file evidencing the methodology used and the conclusions reached.

Hunter Livingston

Department Grant Manager Name

Signature

Date

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EXHIBIT C

TERMS AND CONDITIONS OF CONSTRUCTION

1. Design and Construction Standards and Required Approvals.

- a. The Agency understands that it is responsible for the preparation and certification of all design plans for the Project. The Agency shall hire a qualified consultant for the design phase of the Project or, if applicable, the Agency shall require their design-build contractor or construction management contractor to hire a qualified consultant for the design phase of the Project.
- b. Execution of this Agreement by both Parties shall be deemed a Notice to Proceed to the Agency for the design phase or other non-construction phases of the Project. If the Project involves a construction phase, the Agency shall not begin the construction phase of the Project until the Department issues a Notice to Proceed for the construction phase. Prior to commencing the construction work described in this Agreement, the Agency shall request a Notice to Proceed from the Department's Project Manager, FDOT District 2 Seaport Coordinator (email: hunter.livingston@dot.state.fl.us) or from an appointed designee. Any construction phase work performed prior to the execution of this required Notice to Proceed is not subject to reimbursement.
- c. The Agency will provide one (1) copy of the final design plans and specifications and final bid documents to the Department's Project Manager prior to bidding or commencing construction of the Project.
- d. The Agency shall require the Agency's contractor to post a payment and performance bond in accordance with applicable law(s).
- e. The Agency shall be responsible to ensure that the construction work under this Agreement is performed in accordance with the approved construction documents, and that the construction work will meet all applicable Agency and Department standards.
- f. Upon completion of the work authorized by this Agreement, the Agency shall notify the Department in writing of the completion of construction of the Project; and for all design work that originally required certification by a Professional Engineer, this notification shall contain an Engineer's Certification of Compliance, signed and sealed by a Professional Engineer, the form of which is attached to this Exhibit. The certification shall state that work has been completed in compliance with the Project construction plans and specifications. If any deviations are found from the approved plans or specifications, the certification shall include a list of all deviations along with an explanation that justifies the reason to accept each deviation.

2. Construction on the Department's Right of Way. If the Project involves construction on the Department's right-of-way, then the following provisions apply to any and all portions of the Project that are constructed on the Department's right-of-way:

- a. The Agency shall hire a qualified contractor using the Agency's normal bid procedures to perform the construction work for the Project. The Agency must certify that the installation of the Project is completed by a Contractor prequalified by the Department as required by Section 2 of the Standard Specifications for Road and Bridge Construction (2016), as amended, unless otherwise approved by the Department in writing or the Contractor exhibits past project experience in the last five years that are comparable in scale, composition, and overall quality to the site characterized within the scope of services of this Project.

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- b. Construction Engineering Inspection (CEI) services will be provided by the Agency by hiring a Department prequalified consultant firm including one individual that has completed the Advanced Maintenance of Traffic Level Training, unless otherwise approved by the Department in writing. The CEI staff shall be present on the Project at all times that the contractor is working. Administration of the CEI staff shall be under the responsible charge of a State of Florida Licensed Professional Engineer who shall provide the certification that all design and construction for the Project meets the minimum construction standards established by Department. The Department shall approve all CEI personnel. The CEI firm shall not be the same firm as that of the Engineer of Record for the Project. The Department shall have the right, but not the obligation, to perform independent assurance testing during the course of construction of the Project. Notwithstanding the foregoing, the Department may issue a written waiver of the CEI requirement for portions of Projects involving the construction of bus shelters, stops, or pads.
- c. The Project shall be designed and constructed in accordance with the latest edition of the Department's Standard Specifications for Road and Bridge Construction, the Department Design Standards, and the Manual of Uniform Traffic Control Devices (MUTCD). The following guidelines shall apply as deemed appropriate by the Department: the Department Structures Design Manual, AASHTO Guide Specifications for the Design of Pedestrian Bridges, AASHTO LRFD Bridge Design Specifications, Florida Design Manual, Manual for Uniform Minimum Standards for Design, Construction and Maintenance for Streets and Highways (the "Florida Green Book"), and the Department Traffic Engineering Manual. The Agency will be required to submit any construction plans required by the Department for review and approval prior to any work being commenced. Should any changes to the plans be required during construction of the Project, the Agency shall be required to notify the Department of the changes and receive approval from the Department prior to the changes being constructed. The Agency shall maintain the area of the Project at all times and coordinate any work needs of the Department during construction of the Project.
- d. The Agency shall notify the Department a minimum of 48 hours before beginning construction within Department right-of-way. The Agency shall notify the Department should construction be suspended for more than 5 working days. The Department contact person for construction is FDOT District 2 Seaport Coordinator.
- e. The Agency shall be responsible for monitoring construction operations and the maintenance of traffic (MOT) throughout the course of the Project in accordance with the latest edition of the Department Standard Specifications, section 102. The Agency is responsible for the development of a MOT plan and making any changes to that plan as necessary. The MOT plan shall be in accordance with the latest version of the Department Design Standards, Index 600 series. Any MOT plan developed by the Agency that deviates from the Department Design Standards must be signed and sealed by a professional engineer. MOT plans will require approval by the Department prior to implementation.
- f. The Agency shall be responsible for locating all existing utilities, both aerial and underground, and for ensuring that all utility locations be accurately documented on the construction plans. All utility conflicts shall be fully resolved directly with the applicable utility.
- g. The Agency will be responsible for obtaining all permits that may be required by other agencies or local governmental entities.
- h. It is hereby agreed by the Parties that this Agreement creates a permissive use only and all improvements located on the Department's right-of-way resulting from this Agreement shall become the property of the Department. Neither the granting of the permission to use the Department right of way nor the placing of facilities upon the Department property shall operate to create or vest any property right to or in the Agency, except as may otherwise be provided in separate agreements. The Agency shall not acquire any right, title, interest or

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estate in Department right of way, of any nature or kind whatsoever, by virtue of the execution, operation, effect, or performance of this Agreement including, but not limited to, the Agency's use, occupancy or possession of Department right of way. The Parties agree that this Agreement does not, and shall not be construed to, grant credit for any future transportation concurrency requirements pursuant to Chapter 163, F.S.

- i. The Agency shall not cause any liens or encumbrances to attach to any portion of the Department's property, including but not limited to, the Department's right-of-way.
- j. The Agency shall perform all required testing associated with the design and construction of the Project. Testing results shall be made available to the Department upon request. The Department shall have the right to perform its own independent testing during the course of the Project.
- k. The Agency shall exercise the rights granted herein and shall otherwise perform this Agreement in a good and workmanlike manner, with reasonable care, in accordance with the terms and provisions of this Agreement and all applicable federal, state, local, administrative, regulatory, safety and environmental laws, codes, rules, regulations, policies, procedures, guidelines, standards and permits, as the same may be constituted and amended from time to time, including, but not limited to, those of the Department, applicable Water Management District, Florida Department of Environmental Protection, the United States Environmental Protection Agency, the United States Army Corps of Engineers, the United States Coast Guard and local governmental entities.
- l. If the Department determines a condition exists which threatens the public's safety, the Department may, at its discretion, cause construction operations to cease and immediately have any potential hazards removed from its right-of-way at the sole cost, expense, and effort of the Agency. The Agency shall bear all construction delay costs incurred by the Department.
- m. The Agency shall be responsible to maintain and restore all features that might require relocation within the Department right-of-way.
- n. The Agency will be solely responsible for clean up or restoration required to correct any environmental or health hazards that may result from construction operations.
- o. The acceptance procedure will include a final "walk-through" by Agency and Department personnel. Upon completion of construction, the Agency will be required to submit to the Department final as-built plans and an engineering certification that construction was completed in accordance to the plans. Submittal of the final as-built plans shall include one complete set of the signed and sealed plans on 11" X 17" plan sheets and an electronic copy prepared in Portable Document Format (PDF). Prior to the termination of this Agreement, the Agency shall remove its presence, including, but not limited to, all of the Agency's property, machinery, and equipment from Department right-of-way and shall restore those portions of Department right of way disturbed or otherwise altered by the Project to substantially the same condition that existed immediately prior to the commencement of the Project.
- p. If the Department determines that the Project is not completed in accordance with the provisions of this Agreement, the Department shall deliver written notification of such to the Agency. The Agency shall have thirty (30) days from the date of receipt of the Department's written notice, or such other time as the Agency and the Department mutually agree to in writing, to complete the Project and provide the Department with written notice of the same (the "Notice of Completion"). If the Agency fails to timely deliver the Notice of Completion, or if it is determined that the Project is not properly completed after receipt of the Notice of Completion, the Department, within its discretion may: 1) provide the Agency with written authorization granting such additional time as the Department deems appropriate to correct the deficiency(ies); or 2) correct the deficiency(ies) at the Agency's sole cost and expense,

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without Department liability to the Agency for any resulting loss or damage to property, including, but not limited to, machinery and equipment. If the Department elects to correct the deficiency(ies), the Department shall provide the Agency with an invoice for the costs incurred by the Department and the Agency shall pay the invoice within thirty (30) days of the date of the invoice.

- q. The Agency shall implement best management practices for erosion and pollution control to prevent violation of state water quality standards. The Agency shall be responsible for the correction of any erosion, shoaling, or water quality problems that result from the construction of the Project.
- r. Portable Traffic Monitoring Site (PTMS) or a Telemetry Traffic Monitoring Site (TTMS) may exist within the vicinity of your proposed work. It is the responsibility of the Agency to locate and avoid damage to these sites. If a PTMS or TTMS is encountered during construction, the Department must be contacted immediately.
- s. During construction, highest priority must be given to pedestrian safety. If permission is granted to temporarily close a sidewalk, it should be done with the express condition that an alternate route will be provided, and shall continuously maintain pedestrian features to meet Americans Disability Act (ADA) standards.
- t. Restricted hours of operation will be as follows, unless otherwise approved by the Department's District Construction Engineer or designee (insert hours and days of the week for restricted operation): Not Applicable
- u. Lane closures on the state road system must be coordinated with the Public Information Office at least two weeks prior to the closure. The contact information for the Department's Public Information Office is:

Insert District PIO contact info:
Phone: (904) 360-5457; FAX: (904) 360-5519

Note: (Highlighted sections indicate need to confirm information with District Office or appropriate DOT person managing the Agreement)

- 3. **Engineer's Certification of Compliance.** The Agency shall complete and submit and if applicable Engineer's Certification of Compliance to the Department upon completion of the construction phase of the Project.

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ENGINEER’S CERTIFICATION OF COMPLIANCE

PUBLIC TRANSPORTATION GRANT AGREEMENT
BETWEEN
THE STATE OF FLORIDA, DEPARTMENT OF TRANSPORTATION
and _____

PROJECT DESCRIPTION: _____

DEPARTMENT CONTRACT NO.: _____

FINANCIAL MANAGEMENT NO.: _____

In accordance with the Terms and Conditions of the Public Transportation Grant Agreement, the undersigned certifies that all work which originally required certification by a Professional Engineer has been completed in compliance with the Project construction plans and specifications. If any deviations have been made from the approved plans, a list of all deviations, along with an explanation that justifies the reason to accept each deviation, will be attached to this Certification. Also, with submittal of this certification, the Agency shall furnish the Department a set of “as-built” plans for construction on the Department’s Right of Way certified by the Engineer of Record/CEI.

By: _____, P.E.

SEAL:

Name: _____

Date: _____

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EXHIBIT D

AGENCY RESOLUTION

PLEASE SEE ATTACHED

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**EXHIBIT E
PROGRAM SPECIFIC TERMS AND CONDITIONS – SEAPORTS**

A. General.

1. These assurances shall form an integral part of the Agreement between the Department and the Agency.
2. These assurances delineate the obligations of the parties to this Agreement to ensure their commitment and compliance with specific provisions of **Exhibit “A”, Project Description and Responsibilities** and **Exhibit “B”, Schedule of Financial Assistance** as well as serving to protect public investment in seaports and the continued viability of the State Seaport System.
3. The Agency shall comply with the assurances as specified in this Agreement.

B. Required Documents. The documents listed below, as applicable, are required to be submitted to the Department by the Agency in accordance with the terms of this Agreement:

1. Quarterly Progress Reports provided within thirty (30) days of the end of each calendar year quarter, if requested by the Department.
2. Electronic invoice summaries and backup information, including a progress report must be submitted to the District Office when requesting payment.
3. All proposals, plans, specifications, and third party contracts covering the Project.
4. The Agency will upload required and final close out documents to the Department's web-based grant management system (e.g., SeaCIP.com).

C. Duration of Terms and Assurances.

1. The terms and assurances of this Agreement shall remain in full force and effect throughout the useful life of a facility developed; equipment acquired; or Project items installed within a facility for a seaport development project, but shall not exceed 20 years from the effective date of this Agreement.
2. There shall be no limit on the duration of the terms and assurances of this Agreement with respect to real property acquired with funds provided by the State of Florida.

D. Compliance with Laws and Rules. The Agency hereby certifies, with respect to this Project, it will comply, within its authority, with all applicable, current laws and rules of the State of Florida and local governments, which may apply to the Project. Including but not limited to the following (current version of each):

1. Chapter 311, Florida Statutes (F.S.)
2. Local Government Requirements
 - a. Local Zoning/Land Use Ordinance
 - b. Local Comprehensive Plan

E. Construction Certification. The Agency hereby certifies, with respect to a construction-related project, that all design plans and specifications will comply with applicable federal, state, local, and professional standards, including but not limited to the following:

1. Federal Requirements
2. Local Government Requirements
 - a. Local Building Codes
 - b. Local Zoning Codes
3. Department Requirements
 - a. Manual of Uniform Minimum Standards for Design, Construction and Maintenance for Streets and Highways (Commonly Referred to as the “Florida Green Book”)
 - b. Manual on Uniform Traffic Control Devices

F. Consistency with Local Government Plans.

1. The Agency assures the Project is consistent with the currently existing and planned future land use development plans approved by the local government having jurisdictional responsibility for the area surrounding the seaport.
2. The Agency assures that it has given fair consideration to the interest of local communities and has had reasonable consultation with those parties affected by the Project.

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3. The Agency assures that the Comprehensive Master Plan, if applicable, is incorporated as part of the approved local government comprehensive plan as required by Chapter 163, F.S.

G. Land Acquisition Projects. For the purchase of real property, the Agency assures that it will:

1. Acquire the land in accordance with federal and state laws governing such action.
2. Maintain direct control of Project administration, including:
 - a. Maintain responsibility for all related contract letting and administrative procedures.
 - b. Ensure a qualified, State certified general appraiser provides all necessary services and documentation.
 - c. Furnish the Department with a projected schedule of events and a cash flow projection within 20 calendar days after completion of the review appraisal.
 - d. Establish a Project account for the purchase of the land.
 - e. Collect and disburse federal, state, and local Project funds.
3. The Agency assures that it shall use the land for seaport purposes in accordance with the terms and assurances of this Agreement within 10 years of acquisition.

H. Preserving Rights, Powers and Interest.

1. The Agency will not take or permit any action that would operate to deprive it of any of the rights and powers necessary to perform any or all of the terms and assurances of this Agreement without the written approval of the Department. Further, it will act promptly to acquire, extinguish, or modify, in a manner acceptable to the Department, any outstanding rights or claims of right of others which would interfere with such performance by the Agency.
2. If an arrangement is made for management and operation of the funded facility or equipment by any entity or person other than the Agency, the Agency shall reserve sufficient rights and authority to ensure that the funded facility or equipment will be operated and maintained in accordance with the terms and assurances of this Agreement.
3. The Agency will not sell or otherwise transfer or dispose of any part of its title or other interests in the funded facility or equipment without prior written approval by the Department. This assurance shall not limit the Agency's right to lease seaport property, facilities or equipment for seaport-compatible purposes in the regular course of seaport business.

I. Third Party Contracts. The Department reserves the right to approve third party contracts, except that written approval is hereby granted for:

1. Execution of contracts for materials from a valid state or intergovernmental contract. Such materials must be included in the Department approved Project scope and/or quantities.
2. Other contracts less than \$5,000.00 excluding engineering consultant services and construction contracts. Such services and/or materials must be included in the Department approved Project scope and/or quantities.
3. Construction change orders less than \$5,000.00. Change orders must be fully executed prior to performance of work.
4. Contracts, purchase orders, and construction change orders (excluding engineering consultant services) up to the threshold limits of Category Three. Such contracts must be for services and/or materials included in the Department approved Project scope and/or quantities. Purchasing Categories and Thresholds are defined in Section 287.017, F.S., and Chapter 60, Florida Administrative Code. The threshold limits are adjusted periodically for inflation, and it shall be the sole responsibility of the Agency to ensure that any obligations made in accordance with this Agreement comply with the current threshold limits. Obligations made in excess of the appropriate limits shall be cause for Department non-participation.
5. In all cases, the Agency shall include a copy of the executed contract or other agreement with the backup documentation of the invoice for reimbursement of costs associated with the contract.

J. Inspection or verification and approval of deliverables. Section 215.422(1), F.S., allows 5 working days for the approval and inspection of goods and services unless the bid specifications, purchase orders, or contracts specifies otherwise. The Agreement extends this timeline by specifying that the inspection or verification and approval of deliverables shall take no longer than 20 days from the Department's receipt of an invoice.

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K. Federal Navigation Projects

1. Funding reimbursed from any federal agency for this Project shall be remitted to the Department, in an amount proportional to the Department's participating share in the Project. The Agency shall remit such funds to the Department immediately upon receipt.
2. Department funding, as listed in **Exhibit "B", Schedule of Financial Assistance**, may not be used for environmental monitoring costs.

L. Acquisition of Crane. Department funding, as listed in **Exhibit "B", Schedule of Financial Assistance** will be cost reimbursed using the following schedule, unless stated otherwise in **Exhibit "A", Project Description and Responsibilities**:

1. Sixty (60) percent after landside delivery and acceptance by the Agency.
2. Forty (40) percent after installation and commissioning has been completed.

-- End of Exhibit E --

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EXHIBIT F

**Contract Payment Requirements
Florida Department of Financial Services, Reference Guide for State Expenditures
Cost Reimbursement Contracts**

Invoices for cost reimbursement contracts must be supported by an itemized listing of expenditures by category (salary, travel, expenses, etc.). Supporting documentation shall be submitted for each amount for which reimbursement is being claimed indicating that the item has been paid. Documentation for each amount for which reimbursement is being claimed must indicate that the item has been paid. Check numbers may be provided in lieu of copies of actual checks. Each piece of documentation should clearly reflect the dates of service. Only expenditures for categories in the approved agreement budget may be reimbursed. These expenditures must be allowable (pursuant to law) and directly related to the services being provided.

Listed below are types and examples of supporting documentation for cost reimbursement agreements:

(1) Salaries: A payroll register or similar documentation should be submitted. The payroll register should show gross salary charges, fringe benefits, other deductions and net pay. If an individual for whom reimbursement is being claimed is paid by the hour, a document reflecting the hours worked times the rate of pay will be acceptable.

(2) Fringe Benefits: Fringe Benefits should be supported by invoices showing the amount paid on behalf of the employee (e.g., insurance premiums paid). If the contract specifically states that fringe benefits will be based on a specified percentage rather than the actual cost of fringe benefits, then the calculation for the fringe benefits amount must be shown.

Exception: Governmental entities are not required to provide check numbers or copies of checks for fringe benefits.

(3) Travel: Reimbursement for travel must be in accordance with Section 112.061, Florida Statutes, which includes submission of the claim on the approved State travel voucher or electronic means.

(4) Other direct costs: Reimbursement will be made based on paid invoices/receipts. If nonexpendable property is purchased using State funds, the contract should include a provision for the transfer of the property to the State when services are terminated. Documentation must be provided to show compliance with Department of Management Services Rule 60A-1.017, Florida Administrative Code, regarding the requirements for contracts which include services and that provide for the contractor to purchase tangible personal property as defined in Section 273.02, Florida Statutes, for subsequent transfer to the State.

(5) In-house charges: Charges which may be of an internal nature (e.g., postage, copies, etc.) may be reimbursed on a usage log which shows the units times the rate being charged. The rates must be reasonable.

(6) Indirect costs: If the contract specifies that indirect costs will be paid based on a specified rate, then the calculation should be shown.

Contracts between state agencies, and/or contracts between universities may submit alternative documentation to substantiate the reimbursement request that may be in the form of FLAIR reports or other detailed reports.

The Florida Department of Financial Services, online Reference Guide for State Expenditures can be found at this web address <https://www.myfloridacfo.com/Division/AA/Manuals/documents/ReferenceGuideforStateExpenditures.pdf>.

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EXHIBIT G

AUDIT REQUIREMENTS FOR AWARDS OF STATE FINANCIAL ASSISTANCE

THE STATE RESOURCES AWARDED PURSUANT TO THIS AGREEMENT CONSIST OF THE FOLLOWING:

SUBJECT TO SECTION 215.97, FLORIDA STATUTES:~

Awarding Agency: Florida Department of Transportation
State Project Title: Seaport Grant Program
CSFA Number: 55.005
***Award Amount:** \$142,500

*The award amount may change with amendments

Specific project information for CSFA Number 55.005 is provided at: <https://apps.fldfs.com/fsaa/searchCatalog.aspx>

COMPLIANCE REQUIREMENTS APPLICABLE TO STATE RESOURCES AWARDED PURSUANT TO THIS AGREEMENT:

State Project Compliance Requirements for CSFA Number 55.005 are provided at: <https://apps.fldfs.com/fsaa/searchCompliance.aspx>

The State Projects Compliance Supplement is provided at: <https://apps.fldfs.com/fsaa/compliance.aspx>

BD2023-02-04



SUBMISSION FOR BOARD APPROVAL

**SUBJECT: SOVEREIGNTY SUBMERGED LAND EASEMENT MODIFICATION
(Easement No. 30636 BOT FILE NO. 160223162)**

COST: \$0.00 (Renewal Fee)

BUDGETED: N/A

SOURCE OF FUNDS: Capital or Operating Budget or N/A

BACKGROUND: JAXPORT originally entered into a Lease Agreement No. 160223162 ("SSLE") with the Board of Trustees of the Internal Improvement Trust Fund of the State of Florida ("State") in 2001 to be used solely for an access area and the dredging thereof adjacent to a pier loading platform (Berth 22). Due to modifications to Berth 22 to add additional breasting and mooring dolphins, the current easement must be modified to account for the larger vessel placement at the berth and allow for maintenance dredging.

STATUS: There is no cost to JAXPORT for the lease Renewal and Modification. The State will finalize the renewal upon acceptance.

RECOMMENDATION: Recommendation is hereby made for the Board to approve the Lease renewal and that the Board authorize the Chief Executive Officer, or his designee, to execute all documents necessary for the Submerged Lands Lease Renewal and Modification as shown in the attachment.

ATTACHMENTS:

- Location Map showing location of SSLE
- Agreement for execution with Board of Trustees of Internal Improvement Trust Fund of the State of Florida, which includes the property description and sketch

BD2023-02-04



SUBMISSION FOR BOARD APPROVAL

RECOMMENDED FOR APPROVAL:

James G. Bennett, PE
Chief Operating Officer

Signature: James G. Bennett, PE
James G. Bennett, PE (Feb 21, 2023 14:33 EST)
Email: James.Bennett@jaxport.com

Signature and Date

SUBMITTED FOR APPROVAL:

Eric Green, CEO

Signature: Eric B. Green
Eric B. Green (Feb 21, 2023 14:43 EST)
Email: eric.green@jaxport.com

Signature and Date

BOARD APPROVAL:

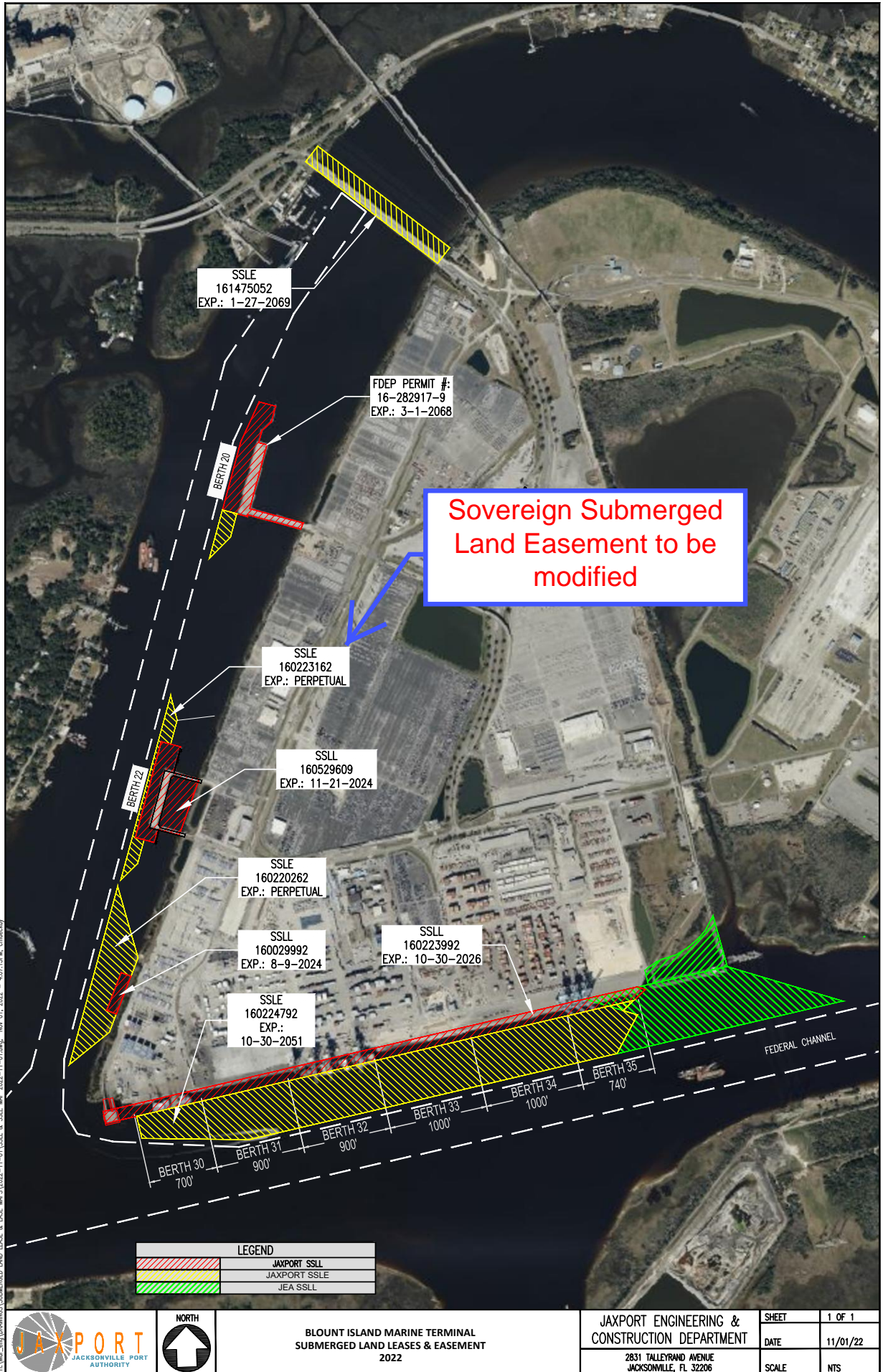
2/27/2023
Meeting Date

Rebecca Dicks/Recording Secretary

ATTEST:

Wendy O. Hamilton, Secretary

J. Palmer Clarkson, Chairman



Sovereign Submerged Land Easement to be modified

SSLE
161475052
EXP.: 1-27-2069

FDEP PERMIT #:
16-282917-9
EXP.: 3-1-2068

BERTH 20

SSLE
160223162
EXP.: PERPETUAL

BERTH 22

SSLL
160529609
EXP.: 11-21-2024

SSLE
160220262
EXP.: PERPETUAL

SSLL
160029992
EXP.: 8-9-2024

SSLL
160223992
EXP.: 10-30-2026

SSLE
160224792
EXP.: 10-30-2051

BERTH 30
700'

BERTH 31
900'

BERTH 32
900'

BERTH 33
1000'

BERTH 34
1000'

BERTH 35
740'

FEDERAL CHANNEL

LEGEND	
	JAXPORT SSL
	JAXPORT SSLE
	JEA SSL



BLOUNT ISLAND MARINE TERMINAL
SUBMERGED LAND LEASES & EASEMENT
2022

JAXPORT ENGINEERING &
CONSTRUCTION DEPARTMENT
2831 TALLEYRAND AVENUE
JACKSONVILLE, FL 32206

SHEET	1 OF 1
DATE	11/01/22
SCALE	NTS

This Instrument Prepared By:

Sue Jones

Action No. 46734

Bureau of Public Land Administration

3900 Commonwealth Boulevard

Mail Station No. 125

Tallahassee, Florida 32399

BOARD OF TRUSTEES OF THE INTERNAL IMPROVEMENT TRUST FUND
OF THE STATE OF FLORIDA

SOVEREIGNTY SUBMERGED LANDS EASEMENT RENEWAL
AND MODIFICATION INCREASE SQUARE FOOTAGE

EASEMENT NO. 30636

BOT FILE NO. 160223162

PA NO. 16-0010303-023-EI

THIS EASEMENT is hereby granted by the Board of Trustees of the Internal Improvement Trust Fund of the State of Florida, hereinafter referred to as the Grantor.

WITNESSETH: That for the faithful and timely performance of and compliance with the terms and conditions stated herein, the Grantor does hereby grant to Jacksonville Port Authority, a body Politic and corporate, hereinafter referred to as the Grantee, a nonexclusive easement on, under and across the sovereignty lands, if any, contained in the following legal description:

A parcel of sovereignty submerged land in
Section 25, Township 01 South, Range 27 East, in St Johns River,
Duval County, Florida, containing 128,943 square feet, more or less,
as is more particularly described and shown on Attachment A, dated April 20, 2022.

TO HAVE THE USE OF the hereinabove described premises from May 18, 2011, the effective date of this modified easement renewal, through May 18, 2036, the expiration date of this modified easement renewal. The terms and conditions on and for which this modified easement renewal is granted are as follows:

1. USE OF PROPERTY: The above described parcel of land shall be used solely for an access area and the dredging thereof adjacent to a pier loading platform and Grantee shall not engage in any activity related to this use except as described in the State of Florida Department of Environmental Protection Environmental Resource Permit Consolidated Environmental Resource Permit No. 16-10303-11, dated May 18, 2001, Consolidated Environmental Resource Permit No. 16-01303-21, dated February 28, 2019, and Consolidated Environmental Resource Permit No. 16-0010303-023-EI, dated November 9, 2022, incorporated herein and made a part of this easement by reference. All of the foregoing subject to the remaining conditions of this easement.

2. EASEMENT CONSIDERATION: In the event the Grantor amends its rules related to fees and the amended rules provide the Grantee will be charged a fee or an increased fee for this activity, the Grantee agrees to pay all charges required by such amended rules within 90 days of the date the amended rules become effective or by a date provided by an invoice from the Department, whichever is later. All fees charged under this provision shall be prospective in nature; i.e. they shall begin to accrue on the date that the amended rules become effective.

[40]

3. WARRANTY OF TITLE/GUARANTEE OF SUITABILITY OF USE OF LAND: Grantor neither warrants title to the lands described herein nor guarantees the suitability of any of the lands for any particular use.

4. RIGHTS GRANTED: The rights hereby granted shall be subject to any and all prior rights of the United States and any and all prior grants by the Grantor in and to the submerged lands situated within the limits of this easement.

5. DAMAGE TO EASEMENT PROPERTY AND INTERFERENCE WITH PUBLIC AND PRIVATE RIGHTS: Grantee shall not damage the easement lands or unduly interfere with public or private rights therein.

6. GRANTOR'S RIGHT TO GRANT COMPATIBLE USES OF THE EASEMENT PROPERTY: This easement is nonexclusive, and the Grantor, or its duly authorized agent, shall retain the right to enter the property or to engage in management activities not inconsistent with the use herein provided for and shall retain the right to grant compatible uses of the property to third parties during the term of this easement.

7. RIGHT TO INSPECT: Grantor, or its duly authorized agent, shall have the right at any time to inspect the works and operations of the Grantee in any matter pertaining to this easement.

8. LIABILITY/INVESTIGATION OF ALL CLAIMS: The Grantee shall investigate all claims of every nature at its expense. Each party is responsible for all personal injury and property damage attributable to the negligent acts or omissions of that party and the officers, employees and agents thereof. Nothing herein shall be construed as an indemnity or a waiver of sovereign immunity enjoyed by any party hereto, as provided in Section 768.28, Florida Statutes, as amended from time to time, or any other law providing limitations on claims.

9. ASSIGNMENT OF EASEMENT: This easement shall not be assigned or otherwise transferred without prior written consent of the Grantor or its duly authorized agent and which consent shall not be unreasonably withheld. Any assignment or other transfer without prior written consent of the Grantor shall be null and void and without legal effect.

10. TERMINATION: The Grantee, by acceptance of this easement, binds itself, its successors and assigns, to abide by the provisions and conditions herein set forth, and said provisions and conditions shall be deemed covenants of the Grantee, its successors and assigns. In the event the Grantee fails or refuses to comply with the provisions and conditions herein set forth or in the event the Grantee violates any of the provisions and conditions herein, this easement may be terminated by the Grantor upon 30 days written notice to the Grantee. If terminated, all of the above-described parcel of land shall revert to the Grantor. Any costs or expenses incurred by the Grantor in removing the Grantee or its property from the easement area shall be paid by the Grantee. All notices required to be given to the Grantee by this easement or applicable law or administrative rules shall be sufficient if sent by U.S. Mail to the following address:

Jacksonville Port Authority
2831 Talleyrand Ave
Jacksonville , FL 32206

The Grantee agrees to notify the Grantor by certified mail of any changes to this address at least ten (10) days before the change is effective.

11. TAXES AND ASSESSMENTS: The Grantee shall assume all responsibility for liabilities that accrue to the subject property or to the improvements thereon, including any and all drainage or special assessments or taxes of every kind and description which are now or may be hereafter lawfully assessed and levied against the subject property during the effective period of this easement which result from the grant of this easement or the activities of Grantee hereunder.

12. REMOVAL OF STRUCTURES/ADMINISTRATIVE FINES: If the Grantee does not remove said structures and equipment occupying and erected upon the premises after expiration or cancellation of this easement, such structures and equipment will be deemed forfeited to the Grantor, and the Grantor may authorize removal and may sell such forfeited structures and equipment after ten (10) days written notice by certified mail addressed to the Grantee at the address specified in paragraph 10 or at such address on record as provided to the Grantor by the Grantee. However, such remedy shall be in addition to all other remedies available to Grantor under applicable laws, rules and regulations including the right to compel removal of all structures and the right to impose administrative fines.

13. ENFORCEMENT OF PROVISIONS: No failure, or successive failures, on the part of the Grantor to enforce any provision, nor any waiver or successive waivers on its part of any provision herein, shall operate as a discharge thereof or render the same inoperative or impair the right of the Grantor to enforce the same upon any renewal thereof or in the event of subsequent breach or breaches.

14. AMENDMENT/MODIFICATIONS: This easement is the entire and only agreement between the parties. Its provisions are not severable. Any amendment or modification to this easement must be in writing and must be accepted, acknowledged and executed by the Grantee and Grantor.

15. USACE AUTHORIZATION: Prior to commencement of construction and/or activities authorized herein, the Grantee shall obtain the U.S. Army Corps of Engineers (USACE) permit if it is required by the USACE. Any modifications to the construction and/or activities authorized herein that may be required by the USACE shall require consideration by and the prior written approval of the Grantor prior to the commencement of construction and/or any activities on sovereign, submerged lands.

16. ADDITIONAL STRUCTURES OR ACTIVITIES/EMERGENCY STRUCTURAL REPAIRS: No additional structures shall be erected and/or activities undertaken, including but not limited to, dredging, relocation/realignment or major repairs or renovations made to authorized structures, on, in or over sovereignty, submerged lands without the prior written consent from the Grantor, with the exception of emergency repairs. Unless specifically authorized in writing by the Grantor, such activities or structures shall be considered unauthorized and a violation of Chapter 253, Florida Statutes, and shall subject the Grantee to administrative fines under Chapter 18-14, Florida Administrative Code. If emergency repairs are required to be undertaken in the interests of public health, safety or welfare, the Grantee shall notify the Grantor of such repairs as quickly as is practicable; provided, however, that such emergency activities shall not exceed the activities authorized by this easement.

17. UPLAND RIPARIAN PROPERTY INTEREST: During the term of this easement, Grantee must have satisfactory evidence of sufficient upland interest as defined in subsection 18-21.003(63), Florida Administrative Code, to the extent required by paragraph 18-21.004(3)(b), Florida Administrative Code, in order to conduct the activity described in this easement. If at any time during the term of this easement, Grantee fails to comply with this requirement, use of sovereignty, submerged lands described in this easement shall immediately cease and this easement shall terminate and title to this easement shall revert to and vest in the Grantor immediately and automatically.

[Remainder of page intentionally left blank; Signature page follows]

IN WITNESS WHEREOF, the Grantee and the Grantor have executed this instrument on the day and year first above written.

WITNESSES:

BOARD OF TRUSTEES OF THE INTERNAL
IMPROVEMENT TRUST FUND OF THE STATE
OF FLORIDA

Original Signature

(SEAL)

Print/Type Name of Witness

BY: _____

Brad Richardson, Chief, Bureau of Public Land Administration,
Division of State Lands, State of Florida Department of
Environmental Protection, as agent for and on behalf of the Board
of Trustees of the Internal Improvement Trust Fund of the
State of Florida.

Original Signature


Print/Type Name of Witness

"GRANTOR"

STATE OF FLORIDA
COUNTY OF LEON

The foregoing instrument was acknowledged before me by means of physical presence this _____ day of _____, 20____, by Brad Richardson, Chief, Bureau of Public Land Administration, Division of State Lands, State of Florida Department of Environmental Protection, as agent for and on behalf of the Board of Trustees of the Internal Improvement Trust Fund of the State of Florida. He is personally known to me.

APPROVED SUBJECT TO PROPER EXECUTION:


DEP Attorney

2/14/2023

Date

Notary Public, State of Florida

Printed, Typed or Stamped Name

My Commission Expires:

Commission/Serial No.

WITNESSES:

Jacksonville Port Authority, a body politic and corporate (SEAL)

Original Signature

BY:

Original Signature of Executing Authority

Typed/Printed Name of Witness

Eric Green

Typed/Printed Name of Executing Authority

Original Signature

Chief Executive Officer

Title of Executing Authority

Typed/Printed Name of Witness

“GRANTEE”

STATE OF _____

COUNTY OF _____

The foregoing instrument was acknowledged before me by means of __ physical presence or __ online notarization this _____ day of _____, 20____, by Eric Green as Chief Executive Officer, for and on behalf of Jacksonville Port Authority, a body politic and corporate. He is personally known to me or who has produced _____, as identification.

My Commission Expires:

Signature of Notary Public

Notary Public, State of _____

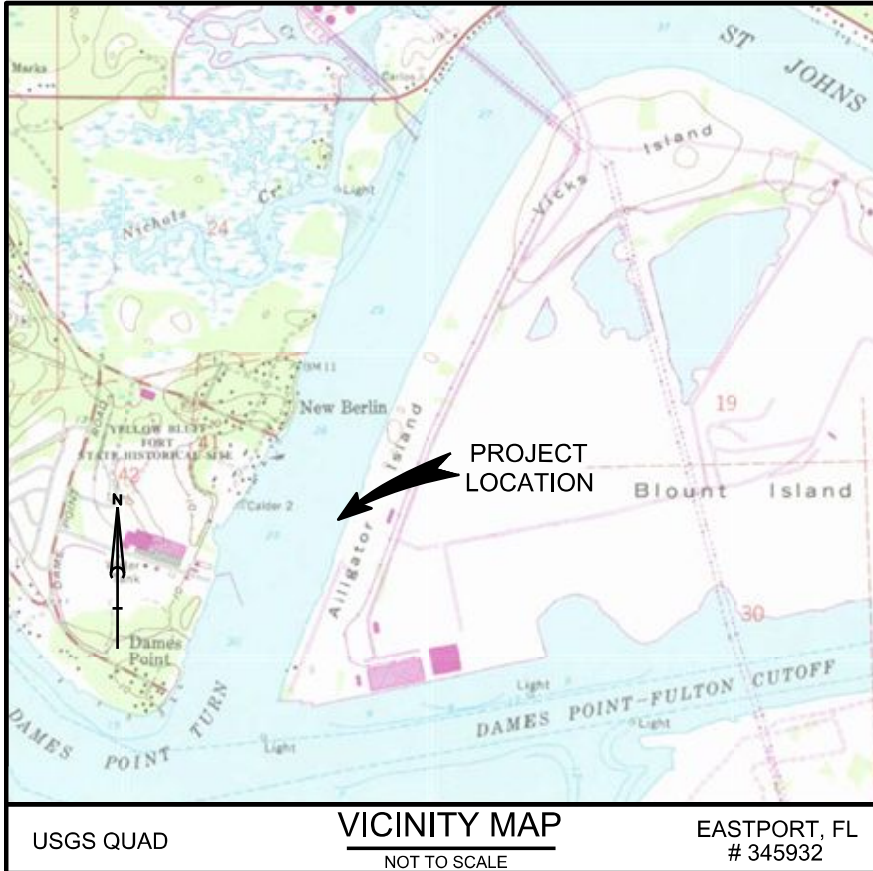
Commission/Serial No. _____

Printed, Typed or Stamped Name

MAPS SHOWING A SKETCH TO ACCOMPANY DESCRIPTION:

FOR A PORTION OF SUBMERGED SOVEREIGN LANDS EASEMENT OF THE STATE OF FLORIDA
 LYING ADJACENT TO THE BLOUNT ISLAND WEST CHANNEL OF THE ST. JOHNS RIVER,
 UNSURVEYED SECTION 25, TOWNSHIP 1 SOUTH, RANGE 27 EAST,
 DUVAL COUNTY, FLORIDA

Attachment A
 Page 6 of 8 Pages
 SSSL NO. 160223162



LEGEND

O.R.V.	OFFICIAL RECORDS VOLUME
PG.	PAGE
P.C.	POINT OF CURVATURE
P.T.	POINT OF TANGENCY
P.R.C.	POINT OF REVERSE CURVATURE
P.C.C.	POINT OF COMPOUND CURVATURE
LB	LICENSED BUSINESS
R/W	RIGHT OF WAY
MHWL	MEAN HIGH WATER LINE
[10.5]	TIE TO LEASE AREA

SURVEY NOTES

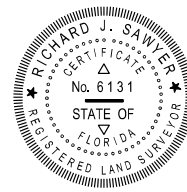
1. THIS MAP REPRESENTS A FIELD SURVEY DATED MARCH 25, 2022.
2. BEARINGS SHOWN HEREON ARE BASED ON THE NORTH WESTERLY BULKHEAD LINE OF BLOUNT ISLAND S20°15'39"W AS IN ESTABLISHED BULKHEAD LINES PLAT BOOK 1,PAGE32, DUVAL COUNTY, FLORIDA.
3. ALL DIMENSIONS SHOWN HEREON ARE IN FEET AND IN TENTHS AND ARE BASED ON THE U.S. SURVEY FOOT.
4. A TITLE COMMITMENT HAS NOT BEEN PROVIDED FOR THIS SURVEY.
5. NOTICE: THERE MAY BE ADDITIONAL RESTRICTIONS THAT ARE NOT SHOWN ON THIS SURVEY THAT MAY BE FOUND IN THE PUBLIC RECORDS OF THIS COUNTY.
6. ELEVATIONS SHOWN HEREON ARE BASED UPON NORTH AMERICAN VERTICAL DATUM, 1988 (NAVD88).
7. THE MEAN HIGH WATER LINE IS LOCATED AS INSTRUCTED BY THE DEPARTMENT OF ENVIRONMENTAL PROTECTION, BUREAU OF SURVEYING AND MAPPING, LABINS.ORG, AT ELEVATION 1.20' NAVD 1988 FOR INTERPOLATION TIDE POINT (TIP) No. 6023.
8. THE SURVEY SHOWN HEREON MEETS THE STANDARDS OF PRACTICE SET FORTH BY THE FLORIDA BOARD OF PROFESSIONAL SURVEYORS AND MAPPERS PURSUANT TO CHAPTER 5J-17.052 OF THE FLORIDA ADMINISTRATIVE CODES.

THIS SURVEY IS NOT COMPLETE WITHOUT ACCOMPANYING SHEETS 2 & 3.

CERTIFIED TO

BOARD OF TRUSTEES OF THE INTERNAL IMPROVEMENT
 TRUST FUND OF THE STATE OF FLORIDA
 JACKSONVILLE PORT AUTHORITY

Richard J. Sawyer
 Professional Surveyor and Mapper
 Florida Certificate No. 6131



FOR: JACKSONVILLE PORT AUTHORITY
 BERTH 22 - SOVEREIGN SUBMERGED LANDS EASEMENT

ARC SURVEYING & MAPPING, INC.



5202 SAN JUAN AVENUE,
 JACKSONVILLE, FLORIDA 32210
 PHONE: 904/384-8377
 LICENSED BUSINESS NO. 6487

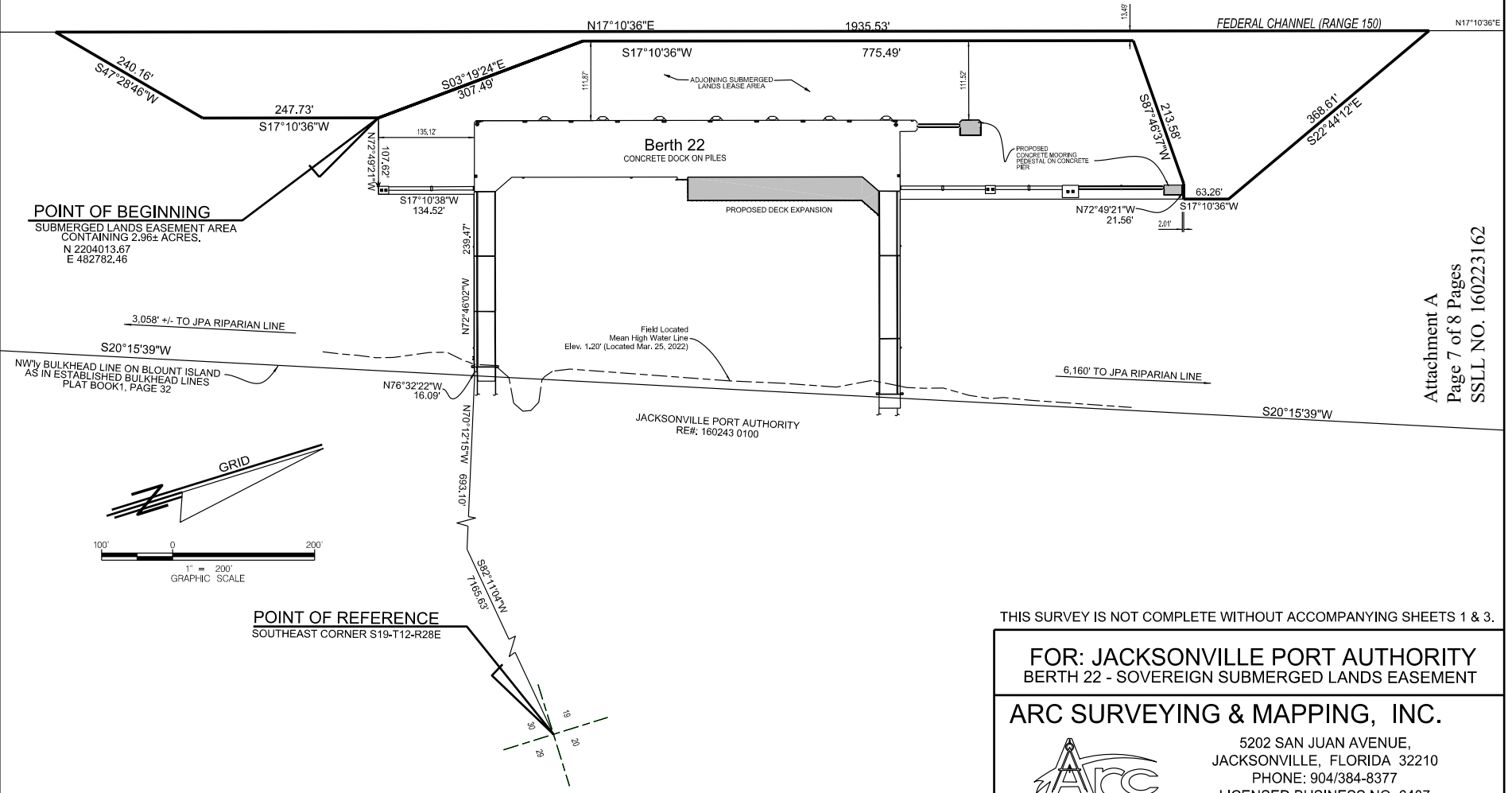
DRAWN BY:	DATE:	FILE #:	JOB NO.
RJS	4-20-22	JPA BERTH 22 SSSL_SLLE	21-086 SSL

MAPS SHOWING A SKETCH TO ACCOMPANY DESCRIPTION:

FOR A PORTION OF SUBMERGED SOVEREIGN LANDS EASEMENT OF THE STATE OF FLORIDA
 LYING ADJACENT TO THE BLOUNT ISLAND WEST CHANNEL OF THE ST. JOHNS RIVER,
 UNSURVEYED SECTION 25, TOWNSHIP 1 SOUTH, RANGE 27 EAST,
 DUVAL COUNTY, FLORIDA

ST. JOHNS RIVER

BOUNT ISLAND (WST) CHANNEL (300' FEDERAL CHANNEL) RANGE 0



Attachment A
 Page 7 of 8 Pages
 SSSL NO. 160223162

THIS SURVEY IS NOT COMPLETE WITHOUT ACCOMPANYING SHEETS 1 & 3.

FOR: JACKSONVILLE PORT AUTHORITY
 BERTH 22 - SOVEREIGN SUBMERGED LANDS EASEMENT

ARC SURVEYING & MAPPING, INC.



5202 SAN JUAN AVENUE,
 JACKSONVILLE, FLORIDA 32210
 PHONE: 904/384-8377
 LICENSED BUSINESS NO. 6487

DRAWN BY: RJS	DATE: 4-20-22	FILE #: JPA BERTH 22 SSSL_SLL E	JOB NO. 21-086 SSLE
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MAPS SHOWING A SKETCH TO ACCOMPANY DESCRIPTION:

FOR A PORTION OF SUBMERGED SOVEREIGN LANDS EASEMENT OF THE STATE OF FLORIDA LYING ADJACENT TO THE BLOUNT ISLAND WEST CHANNEL OF THE ST. JOHNS RIVER, UNSURVEYED SECTION 25, TOWNSHIP 1 SOUTH, RANGE 27 EAST, DUVAL COUNTY, FLORIDA

A PARCEL OF SOVEREIGN SUBMERGED LANDS LYING ADJACENT AND EAST TO THE BLOUNT ISLAND WEST CHANNEL OF THE ST. JOHNS RIVER, LOCATED IN UNSURVEYED SECTION 25, TOWNSHIP 1 SOUTH, RANGE 27 EAST, DUVAL COUNTY, FLORIDA, AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCE FOR A POINT OF REFERENCE AT THE SOUTHEAST CORNER OF SECTION 19, TOWNSHIP 1 SOUTH, RANGE 28 EAST, SAID DUVAL COUNTY AND PROCEED SOUTH 82°11'04" WEST, 7,165.63 FEET; THENCE NORTH 70°12'15" WEST, 693.10 FEET TO A POINT LYING ON THE NORTHWESTERLY BULKHEAD LINE OF BLOUNT ISLAND AS RECORDED IN ESTABLISHED BULKHEAD LINES, PLAT BOOK 1, PAGE 32 OF THE CURRENT PUBLIC RECORDS OF SAID COUNTY; THENCE NORTH 76°32'22" WEST, 16.09 FEET TO THE INTERSECTION OF THE SOUTHERLY LINE OF THE CONCRETE ACCESS RAMP TO BERTH 22 AND THE MEAN HIGH WATER LINE (MEAN HIGH WATER LINE HAVING AN ELEVATION OF 1.20 FEET ,NAVD88 DATUM (AS DESCRIBED BY THE DEPARTMENT OF ENVIRONMENTAL PROTECTION, BUREAU OF SURVEYING AND MAPPING, FOR INTERPOLATIOIN POINT No. 6023); THENCE CONTINUE ALONG SAID SOUTHERLY LINE OF THE EXISTING CONCRETE DECK OF BERTH 22, NORTH 72°46'02" WEST, 239.47 FEET; THENCE DEPARTING SAID SOUTH LINE OF THE EXISTING CONCRETE DECK OF BERTH 22, SOUTH 17°10'38" WEST, 134.52 FEET; THENCE NORTH 72°49'21" WEST, 107.62 FEET AND THE POINT OF BEGINNING.

FROM THE POINT OF BEGINNING PROCEED SOUTH 17°10'36" WEST, 247.73 FEET; THENCE SOUTH 47°28';46" WEST, 240.16 FEET, TO THE INTERSECTION OF THE EASTERLY LINE OF THE FEDERAL CHANNEL OF SAID ST. JOHNS RIVER, ALSO BEING THE BLOUNT ISLAND (WEST) CHANNEL OF SAID ST. JOHNS RIVER; THENCE ALONG SAID EASTERLY LINE OF THE FEDERAL CHANNEL OF SAID ST. JOHNS RIVER NORTH 17°10'36" EAST, 1,935.53 FEET; THENCE DEPARTING SAID EASTERLY LINE OF THE FEDERAL CHANNEL OF SAID ST. JOHNS RIVER, SOUTH 22°44'12" EAST, 368.61 FEET; THENCE SOUTH 17°10'36" WEST, 63.26 FEET; THENCE NORTH 72°49'21" WEST, 21.56 FEET; THENCE SOUTH 87°46'37" WEST, 213.58 FEET; THENCE SOUTH 17°10'36" WEST, 775.49 FEET; THENCE SOUTH 03°19'24" EAST, 307.49 FEET AND THE POINT OF BEGINNING.

THE LANDS THUS DESCRIBED CONTAIN 2.96 ACRES (128,943 SQUARE FEET), MORE OF LESS.

APPROVED
By Jorge G. Alonso at 1:48 pm, Aug 19, 2022

THIS SURVEY IS NOT COMPLETE WITHOUT ACCOMPANYING SHEETS 1 & 2.

FOR: JACKSONVILLE PORT AUTHORITY
BERTH 22 - SOVEREIGN SUBMERGED LANDS EASEMENT

ARC SURVEYING & MAPPING, INC.



5202 SAN JUAN AVENUE,
JACKSONVILLE, FLORIDA 32210
PHONE: 904/384-8377
LICENSED BUSINESS NO. 6487

DRAWN BY:	DATE:	FILE #:	JOB NO.
RJS	4-20-22	JPA BERTH 22 SSLL_SLLL	21-086 SSLE

Attachment A
Page 8 of 8 pages
SSLL NO 160223162

SUBMISSION FOR AWARDS COMMITTEE AND CHIEF EXECUTIVE OFFICER APPROVAL JACKSONVILLE PORT AUTHORITY

AC-2023-02-01
Reference No.

File

02/16/2023
Date

SUBJECT: Terminal Development for SET – CM at Risk
JPA Project No.: B2022.11 JPA Contract No.: AE-1830
JE Dunn Construction Company

COST: \$700,000.00 BUDGETED NON-BUDGETED

BACKGROUND:

On Thursday, December 22, 2022, in accordance with requirements of the Consultants’ Competitive Negotiations Act (CCNA), Procurement Services solicited a Request for Qualifications (RFQ) AE-1830 Terminal Development for Southeast Toyota (SET) – CM at Risk. Through this contract, the most qualified construction management company will provide services during design and construction of the Southeast Toyota – Blount Island Automotive Distribution Facility. The Construction Manager at Risk (CMAR) will provide pre-construction phase services such as constructability reviews, construction phase sequencing, coordination, alternative evaluations, cost estimates and cost control (value engineering) services, project schedule development, and preparation and submission of a Guaranteed Maximum Price (GMP) proposal for construction phase services.

On Thursday, February 2, 2023, Procurement Services received four (4) conforming Statements of Qualifications (SOQ) from the following companies: JE Dunn Construction Company, Dana B. Kenyon Company, Austin Commercial L.P. and Evans General Contractor.

The Statements of Qualifications were evaluated and ranked by the Evaluation Committee in this order: 1) JE Dunn Construction Company 2) Dana B. Kenyon Company 3) Evans General Contractors and 4) Austin Commercial L.P. Upon final review of the Statements of Qualifications, the Evaluation Committee which consisted of: James Bennett, COO, JAXPORT; Brad Chupp, Strategic Projects Manager, SET; and Rick Jorden, Director of Design, Construction & Real Estate, SET, unanimously recommended negotiating with the highest-ranked construction management company.

In accordance with JAXPORT’s Procurement Code and CCNA rules and regulations, the Negotiation Team conducted successful negotiations. The negotiated rates include a fixed flat rate of \$700,000.00 during preconstruction and a percentage fee of 4.5% for the cost of the work, during construction. Once the construction phase packages are developed, guaranteed maximum prices will be negotiated, as set forth in the CMAR Agreement, no hidden fees will be accepted, and full transparency will be required.

At the conclusion of negotiations, it is the consensus of the Engineering and Construction Department and SET to recommend award of a contract to JE Dunn Construction Company the most qualified construction management company.

EXPENSE CATEGORY:

- Renewal of existing services
- Replacement (end of life) or upgrade of equipment
- Related to new opportunity
- Related to or part of cap-ex strategy

This is a budgeted capital item for FY 23, and will be funded with 50% FDOT funds and 50% SET funds.

FINANCIAL:

Available Budget:	\$44,345,043
Proposed Expense:	<u>\$700,000.00</u>
Remaining Balance:	\$43,645,043

RECOMMENDATION:

Management recommends that the Board of Directors approve the award of a contract to JE Dunn Construction Company for Terminal Development at SET – CM at Risk for the fixed flat rate of \$700,000.00

AC-2023-02-01

Once necessary approvals are obtained by the Awards Committee Chairman, the Chief Executive Officer is authorized to sign purchase orders, agreements or contracts for the Award.

Attachments: JE Dunn Construction Company negotiated proposal

ORIGINATED BY:

SUBMITTED FOR APPROVAL

Kelsey Cox
Kelsey Cox (Feb 17, 2023 10:08 EST)
Kelsey Cox, Sr. Director, Engineering & Construction

Lisa Gee
Lisa Gee (Feb 17, 2023 11:26 EST)
Lisa Gee, Director, Procurement Services

AWARDS COMMITTEE ACTION

APPROVED

APPROVED/REJECTED/DEFERRED

CONDITIONS OF APPROVAL (IF ANY):

Retta Rogers
Retta Rogers (Feb 21, 2023 07:35 EST)
Retta Rogers, Secretary to Awards Committee

Nicholas Primrose
Nicholas Primrose (Feb 21, 2023 09:03 EST)
Nick Primrose, Chairman to Awards Committee

CHIEF EXECUTIVE OFFICER ACTION

APPROVED

APPROVED/REJECTED/DEFERRED

CONDITIONS OF APPROVAL (IF ANY):

Eric B. Green
Eric B. Green (Feb 21, 2023 09:12 EST)
Eric B. Green, Chief Executive Officer

CONDITIONS OF APPROVAL (IF ANY):

Date

Rebecca Dicks, Corporate Secretary

BOARD DECISION

APPROVED/REJECTED/DEFERRED

CONDITIONS OF APPROVAL (IF ANY):

Date

Board Chairman

Date

Board Secretary



Lisa Gee
Director, Procurement Services
Jacksonville Port Authority
2831 Talleyrand Ave.
Jacksonville, Florida 32206

RE: AE-1830 Terminal Development for SE Toyota
SE Toyota – Blount Island Automotive Distribution Facility

Ms. Gee,

JE Dunn Construction Company is pleased to offer Preconstruction Services for the AE-1830 Terminal Development for SE Toyota (“SET”). The scope of services for this proposal includes Preconstruction Services for the following design milestones:

- a. Design Development (60%)
 - i. Including any preconstruction services required for Early Release Packages.
 - b. Design Development (90%) / Permit Documents
 - i. Including any preconstruction services required for Early Release Packages.
 - c. Construction Documents (100%)
 - d. Mutually Agreed Upon Guaranteed Maximum Price (“GMP”)
1. **Project Description** – The work includes building additions and site renovation of the existing eighty-eight (88) plus acre site at JAXPORT, Blount Island Marine Terminal. **Exhibit A** shows the latest site plan that shows what the general programming of the facility should include. Below is a general list of the main portions of the site and the buildings to be included.
- i. Site Asphalt and Concrete Work
 - ii. Rail Spur
 - iii. Accessories and Administration Building
 - iv. Production and Support Building
 - v. Security Building
 - vi. Car Wash Building
 - vii. Gas Island canopy structure with above-ground tanks
 - viii. Spray-In Bed Liner Building
 - ix. Trucking Restroom Building
 - x. Long Shoreman Restroom Building
2. **Scope of Services** – The Project has been requested to be done with a CM at Risk approach. JE Dunn Construction Company (“Construction Manager”) shall provide preconstruction services for the project from receipt of the Notice to Proceed till a mutually agreed upon GMP is established.
- a. **Preconstruction Services (JE Dunn)** - JE Dunn To provide the following design services:
 - i. Cost Estimating
 - ii. Site Logistics Planning/Staging
 - iii. Financing/Financial analysis



- iv. Constructability/Quality analysis
 - v. Bid Packaging/Buyout
 - vi. Value Analysis
 - vii. Phasing Analysis
 - viii. Schedule Development
 - ix. Life Cycle Cost Analysis
 - x. Permitting Services
- b. Provide preliminary evaluation of the program and project budget requirements, each in terms of the other. With the architect assistance, prepare preliminary estimates of construction cost for early schematic designs based on area, volume or other standards. Assist the owner and the architect in achieving mutually agreed upon program and project budget requirements and other design parameters. Provide cost evaluations of alternative materials and systems.
 - c. Review designs during their development. Advise on site use and improvements, selections of materials, building systems and equipment and methods of project delivery. Provide recommendations on relative feasibility on construction methods, availability of materials and labor, time requirements for procurement, installation and construction, and factors related to cost including, but not limited to, cost of alternative designs or materials, preliminary budgets and possible economies.
 - d. Provide for the architects and owners review and acceptance and periodically update a project schedule that coordinates and integrates the contractor's services, the architect's services and the owner's responsibilities with anticipated construction schedules.
 - e. Prepare for the owner's approval a more detailed estimate of construction cost, developed by using estimating techniques which anticipate the various elements of the project and the based on schematic design documents prepared by the architect. Update and refine the estimate periodically as the architect prepares design development and construction documents. Advise the owner and the architect if it appears that the construction cost may exceed the project budget. Make recommendations for corrective action.
 - f. Coordinate contract documents by consulting with the owner and the architect regarding drawings and specifications as they are being prepared and recommending alternative solutions whenever design details affect construction feasibility, cost, or schedules.
 - g. Develop a project construction schedule providing for all major elements such as phasing of construction and times of commencement and completion required of each separate contractor. Provide the project construction schedule for each set of bidding documents.
 - h. Investigate and recommend a schedule for the owners purchase of materials and equipment requiring long lead time procurement and coordinate the schedule with the early preparation of portions of the contract documents by the architect. Expedited and coordinate delivery of these purchases.
 - i. Prequalify bidders and develop bidders' interest in the project. Establish bidding schedules. With the help of the architect, issue bidding documents to bidders. Conduct pre-bid

conferences to familiarize bidders with the bidding documents and with any special systems, materials, or methods. Assist the architect with the receipt of the questions from bidders and with the issuance of addenda.

- j. Receive the bids and prepare bid analysis and prepare for owner review.

3. Deliverables

Design Development (60%)	Design Development (90%)	Construction Documents (100%)	GMP
1. Design Development Budget 2. Design Development Construction Schedule 3. Early Release Package (if applicable)	1. Design Development Budget 2. Design Development Construction Schedule 3. Early Release Package (if applicable)	1. Construction Development Budget 2. Construction Development Construction Schedule	1. Value Engineering (if applicable) 2. GMP Budget 3. GMP Construction Schedule

- 4. **Schedule** - The Schedule that this proposal is based upon is show in **Exhibit B**. These services cover Preconstruction Services from receipt of the 50% Design Development Documents, expected March 1st, 2023, through September 30th, 2023.

- 5. **Fees** – The Owner shall pay Construction Manager a “Preconstruction Services Fee” of Seven Hundred Thousand Dollars and Zero Cents (**\$700,000.00**). Construction Manager shall bill Owner on a monthly basis divided evenly over the seven-month Preconstruction Service period.



Total Budget For Preconstruction Services.....\$700,000.00

* *Construction Personnel Rates attached in Exhibit C*

Exclusions:

- a. Design Services

Thank you for the opportunity to provide our Preconstruction Services and we are looking forward to being a part of the team.

Should you have any question, please do not hesitate to contact me at 678-781-2548

Sincerely,

JE DUNN CONSTRUCTION



Scott Bodden, Project Executive

Exhibit A Site Plan

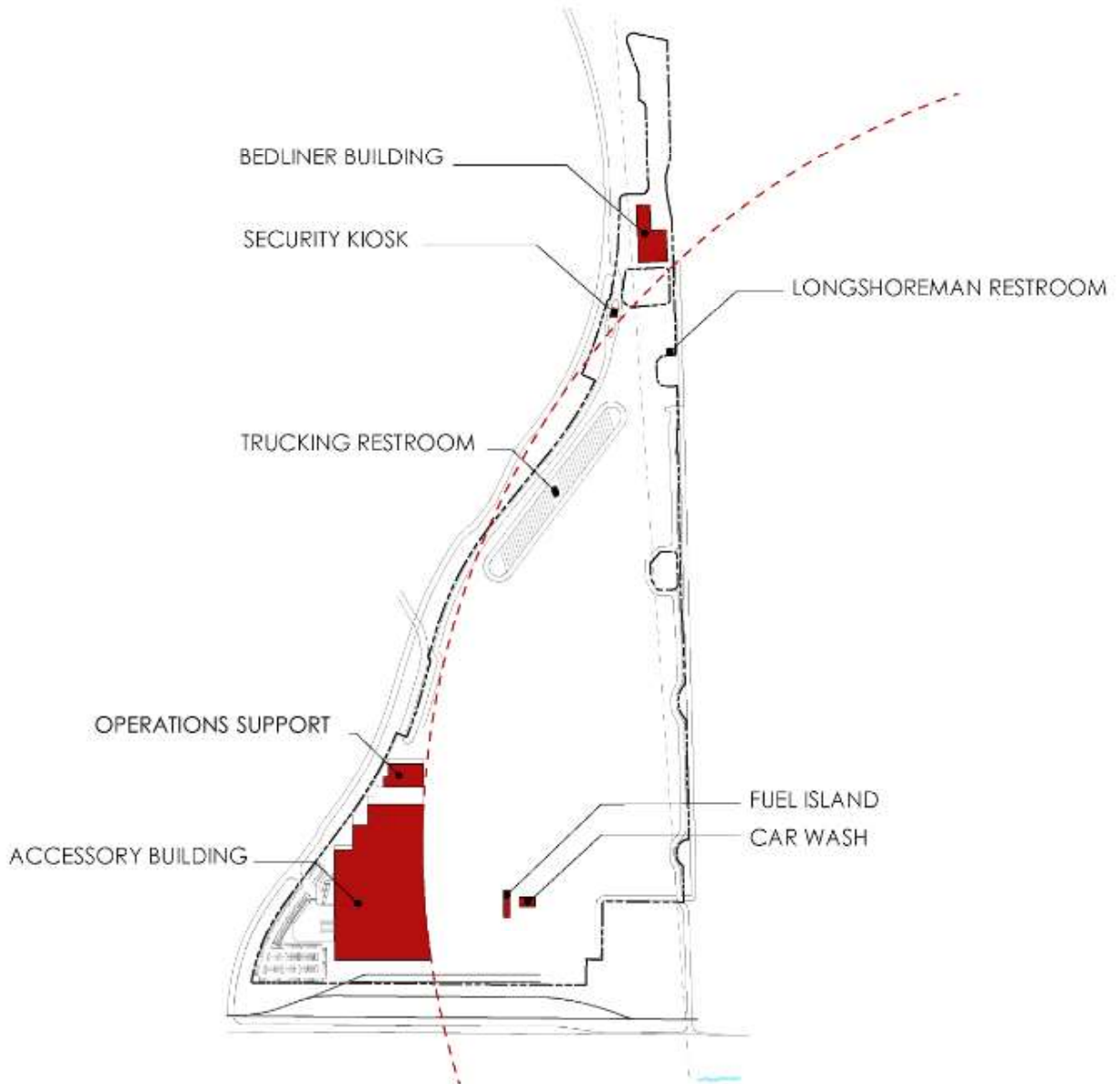




Exhibit B
Preconstruction Schedule

1 Month Schedule Period			Month	1	2	3	4	5	6	7	8	9	10	11		
PHASE 1			Start	Duration Months	Finish	2/1/23	3/1/23	4/1/23	5/1/23	6/1/23	7/1/23	8/1/23	9/1/23	10/1/23	11/1/23	12/1/23
Design Phase			2/1/23	4.4	2/1/23	◆										
Preconstruction			3/1/23	7.0	9/30/23											
Civil Design - ETM			2/1/23	3.0	5/1/23											
Preconstruction Estimating - Civil			5/1/23	1.0	6/1/23											
60% Design Development - Kasper			2/15/23	0.5	3/1/23											
Preconstruction Estimating - 80% DD			3/1/23	1.0	4/1/23											
90% Design Development - Kasper			3/1/23	2.5	5/16/23											
Preconstruction Estimating - 90% DD / Permit			5/16/23	1.0	6/16/23											
100% Construction Document Development - Kasper			5/16/23	2.5	7/31/23											
Preconstruction Estimating - 100 % CD			7/31/23	1.0	8/31/23											
GMP			8/31/23	1.0	9/30/23											
Permit			5/16/23	1.0	6/15/23											

Exhibit C

JE Dunn Construction Company
2023 Charge out Rates

*For every project management hour charged to a job, Accounts Payable, Purchasing & Billing's personnel time is allocated based on the following rates.

	RATE/Hr
All projects	5.15

East Personnel
BASE RATES

CLASSIFICATION	Per Hour
Group Manager / Project Director	136
Senior Project Manager	140
Project Manager	118
Precon Director	104
Senior Precon Manager	147
Precon Estimator	107
Senior Project Engineer	82
Project Engineer	66
General Superintendent	202
Senior Superintendent	155
Superintendent	124
Field Engineer	71
Administrative Assistant	59
Labor Foreman	65
Carpenter	45
Laborer	35

IPS Personnel
BASE RATES

CLASSIFICATION	Per Hour
Scheduling	111
BIM	100
Engineering Services (MEP)	109
Commissioning Services	161
Safety	103
Quality Assurance	111
Lean Specialist	102

* Rates above are good for 2023 calendar year and are subject to a 4% Escalation factor each year, starting March 2024
 ** Superintendent Rates above don't include truck and fuel
 *** Personnel Rates above don't include travel, travel to be billed as direct cost (budget/allowance given above)



Work Area	Description	UM	QTY	Ttl Hours	Cost /LH	MA /Unit	EQ /Unit	LA AMT	MA AMT	EQ AMT	Total
	Preconstruction - Design Assistance/Constructability										
1123	Project Executive - Scott Bodden	WK	30	468	186.00			90,014	0	0	90,014
1123	Senior Project Manager - Jeff Gazaway	WK	30	1083	149.00			166,840	0	0	166,840
1123	Senior Superintendent - Charles Thomas	WK	22	477	155.00			76,839	0	0	76,839
1123	Project Engineer - Alec Arand	WK	22	477	69.00			34,206	0	0	34,206
	Preconstruction - Esimating Design Packages										
1123	Senior Precon Manager - Josh Gorum	WK	26	650	147.00			99,372	0	0	99,372
1123	Precon Director - David Newland	WK	26	390	194.00			78,686	0	0	78,686
1123	Estimating Manger - TBD	WK	26	650	107.00			72,332	0	0	72,332
	Preconstruction - Early Procurment Services										
1123	Project Manager - Nick Clements	WK	13	520	118.00			63,053	0	0	63,053
1123	Project Engineer - Alec Arand	WK	13	260	69.00			18,658	0	0	18,658
								<u>700,000</u>	<u>0</u>	<u>0</u>	<u>\$700,000</u>

- * Rates above are good for 2023 Calendar year and are subject to a 4% Escalation factor each year, Starting March 2024
- * Superintendent Rates above don't include truck and fuel
- * Personnel Rates above don't include travel, travel to be billed as direct cost (budget/Allowance give above)

Date 2/15/2023 3:55 PM

Staff

1 Month Schedule Period		4.33 Weeks			Month		1	2	3	4	5	6	7	8	9	10	11
					PHASE 1												
		Start	Duration	Finish	2/1/23	3/1/23	4/1/23	5/1/23	6/1/23	7/1/23	8/1/23	9/1/23	10/1/23	11/1/23	12/1/23		
Design Phase			4.4	2/1/23	◆												
Preconstruction		3/1/23	7.0	9/30/23													
Civil Design - ETM		2/1/23	3.0	5/1/23													
Preconstruction Estimating - Civil		5/1/23	1.0	6/1/23													
60% Design Development - Kasper		2/15/23	0.5	3/1/23													
Preconstruction Estimating - 60% DD		3/1/23	1.0	4/1/23													
90% Design Development - Kasper		3/1/23	2.5	5/16/23													
Preconstruction Estimating - 90% DD / Permit		5/16/23	1.0	6/16/23													
100% Construction Document Development - Kasper		5/16/23	2.5	7/31/23													
Preconstruction Estimating - 100 % CD		7/31/23	1.0	8/31/23													
GMP		8/31/23	1.0	9/30/23													
Permit		5/16/23	1.0	6/15/23													
Cost Allocation	Description/Assigned Role	Wks	AvgHrs	LTT	Travel	Trips	AvgDays/Trip										
Preconstruction Services - Design Assistance / Constructability							<<Travel Prem?										
Precon	Project Executive - Scott Bodden	30	15.43	No	No		40%	40%	40%	40%	40%	35%	35%				
Precon	Sr. Project Manager - Jeff Gazaway	30	35.71	No			100%	100%	100%	100%	75%	75%	75%				
Precon	Senior Superintendent - Charles Thomas	22	22.00	No					100%	100%	25%	25%	25%				
Precon	Project Engineer - Alec Arand	22	22.00	No					100%	100%	25%	25%	25%				
Preconstruction - Estimating Design Packages																	
Precon	Senior Precon Manager - Josh Gorum	26	25.00	No			25%	100%	25%	100%	25%	100%					
Precon	Precon Director - David Newland	26	15.00	No			25%	50%	25%	50%	25%	50%					
Precon	Estimating Manager - TBD	26	25.00	No			25%	100%	25%	100%	25%	100%					
Preconstruction - Early Procurement Services																	
Precon	Project Manager - TBD	13	40.00	No							100%	100%	100%				
Precon	Project Engineer - Alec Arand	13	20.00	No							50%	50%	50%				
		◆			27		1	1	1	1	1	1	1	1	1	1	1

**RECEIPT OF QUALIFICATIONS - AE-1830
 TERMINAL DEVELOPMENT FOR SET
 CONSTRUCTION MANAGER AT RISK (CMAR)
 Thursday, February 2, 2023 @ 2:00 PM**

REQUIRED DOCUMENTATION												
REQUIRED DOCUMENTS	ADDENDUM NO. 01	ADDENDUM NO. 02	ADDENDUM NO. 03	ATTESTATIONS AND SOQ SIGNATURE "A"	COI FORM "B"	PEC FORM "C"	CRL FORM "D"	E-VERIFY "E"	AIA QUALIFICATION STATEMENT	PROOF OF INSURANCE	REGISTRATION W/ DEPT OF FL	FINANCIAL STATEMENT
PROPOSERS												
JE Dunn Construction	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
Dana B. Kenyon Company	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
Austin Commercial L.P.	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
Evans General Contractor	Y	Y	Y	N	N	N	N	N	Y	Y	Y	Y

NOTE: **Evans General Contractor** did not submit Attachments: "A", "B", "C", "D", "E", as required;
Austin Commercial Attachment "C" (PEC) submitted, but Form not completed. Austin included contract review comments and Agreement clarification in their proposal.

Recording Secretary: *Sandra Platt*
 Sandra Platt (Feb 3, 2023 09:49 EST)

Witness: *Retta Rogers*
 Retta Rogers (Feb 3, 2023 10:55 EST)

Witness: *Brian Williams*
 Brian Williams (Feb 3, 2023 11:09 EST)

APPARENTLY CONFORMING

Director, Procurement Services: *Lisa Gee*
 Lisa Gee (Feb 3, 2023 11:10 EST)

**SUBMISSION FOR AWARDS COMMITTEE
AND CHIEF EXECUTIVE OFFICER APPROVAL
JACKSONVILLE PORT AUTHORITY**

AC-2023-02-02
Reference No.

File

02/16/2023
Date

SUBJECT: DPMT Shoreline Protection
JPA Project No.: D2022.01
Rush Marine, LLC

JPA Contract No.: C-1806

COST: \$2,194,465.00

BUDGETED

NON-BUDGETED

BACKGROUND:

This project consists of shoreline protection for Dames Point Marine Terminal. The scope of work includes but is not limited to furnishing all labor, materials, equipment, labor and supervision necessary to provide the removal of existing on-site debris such as concrete pilings, slabs, and beams; the excavation, dewatering, and placement of fill material; and the installation of geotextile, bedding stone, and armor stone to provide shoreline stabilization and protection along the Dames Point Marine Terminal Shoreline.

On December 15, 2022, Procurement Services solicited bids from qualified and licensed contractors, to provide the aforementioned services. On January 30, 2023, Procurement Services received five (5) conforming bids from Rush Marine, LLC, ACON Construction, Co., Inc., Poseidon Dredge & Marine, Inc., SJ Hamill Construction, and CGC, Inc. After review of the conforming bids, it is the recommendation of the Engineering Department to award a contract to Rush Marine, LLC, who offered the lowest, responsive and responsible bid.

EXPENSE CATEGORY:

- Renewal of existing services
- Replacement (end of life) or upgrade of equipment
- Related to new opportunity
- Related to or part of cap-ex strategy

This is a budgeted capital item for FY23 and will be funded with 50% FDOT Funds and 50% JPA funds until the available grant balance of approximately \$600K has been depleted. At that time the remaining expense will be 100% JPA funded.

FINANCIAL:

Available Budget (FY23):	\$2,339,039
Proposed Expense:	<u>\$2,194,465</u>
Remaining Balance:	<u>\$ 144,574</u>

RECOMMENDATION:

Management recommends that the Board of Directors approve the issuance of a contract to Rush Marine, LLC for DPMT shoreline protection in the amount of \$2,194,465.00.

AC-2023-02-02

Once necessary approvals are obtained by the Awards Committee Chairman, the Chief Executive Officer is authorized to sign purchase orders, agreements or contracts for the Award.

Attachments: Rush Marine, LLC bid form dated 01/30/2023
Unofficial Bid Results

ORIGINATED BY:

Kelsey Cox
Kelsey Cox (Feb 17, 2023 10:08 EST)

Kelsey Cox, Sr. Director, Engineering & Construction

SUBMITTED FOR APPROVAL

Lisa Gee
Lisa Gee (Feb 17, 2023 11:26 EST)

Lisa Gee, Director, Procurement Services

AWARDS COMMITTEE ACTION

APPROVED

APPROVED / REJECTED / DEFERRED

CONDITIONS OF APPROVAL (IF ANY):

Retta Rogers
Retta Rogers (Feb 21, 2023 07:35 EST)

Retta Rogers, Secretary to Awards Committee

Nicholas Primrose
Nicholas Primrose (Feb 21, 2023 09:03 EST)

Nick Primrose, Chairman to Awards Committee

CHIEF EXECUTIVE OFFICER ACTION

APPROVED

APPROVED / REJECTED / DEFERRED

CONDITIONS OF APPROVAL (IF ANY):

Eric B. Green
Eric B. Green (Feb 21, 2023 09:12 EST)

Eric B. Green, Chief Executive Officer

CONDITIONS OF APPROVAL (IF ANY):

Date

Rebecca Dicks, Corporate Secretary

BOARD DECISION

APPROVED

REJECTED

DEFERRED

CONDITIONS OF APPROVAL (IF ANY):

Date

Board Chairman

Date

Board Secretary

"REVISED" BID FORM
JAXPORT PROJECT NO.: D2022.01
JAXPORT CONTRACT NO.: C-1806
DPMT SHORELINE PROTECTION
DAMES POINT MARINE TERMINAL

BIDDER'S NAME: RUSH Marine, LLC

The undersigned hereby proposes to furnish all materials, equipment, labor, and supervision for the above identified project, in accordance with the specifications and drawings for Contract No. **C-1806**, at the following price:

Scope of Work: Furnish all labor, materials, equipment and supervision to provide the removal of existing on-site debris such as concrete pilings, slabs, and beams; the excavation, dewatering, and placement of fill material; and the installation of geotextile, bedding stone, and armor stone. The resulting stone structure will serve to provide shoreline stabilization and protection along the Dames Point Marine Terminal Shoreline.

LUMP SUM WORK		
Item Number	Description	Total Item Amount
1	Mobilization and Demobilization	\$ 43,004.00
2	General Requirements (Includes Project Management; General Administrative Costs; Construction, Payment, and Surveys; Construction Materials Testing, etc.)	\$ 420,990.00
3	Environmental Protection, Erosion Control, Dust Control	\$ 19,286.00
4	Demolition (Includes, Demolishing, Removing, and Disposing of Existing Debris, Concrete Pilings, Slabs, Rip-rap, etc.)	\$ 83,123.00
5	Earthwork (Includes Clearing, Grubbing, and Excavation, Stockpiling, Placement, and Grading of Cu/Fill material; etc.)	\$ 72,937.00
6	Grassing	\$ 81,435.00
7	Temporary Security Fencing (includes, Installation and Subsequent Removal of Temporary Security Fencing along Project Access Route and Contractor Staging Area)	\$ 141,393.00
A. SUM OF ALL LUMP SUM WORK EXCLUDING UNIT PRICED WORK		\$ 862,168.00

ITEMIZED UNIT PRICED WORK (NOT INCLUDED IN LUMP SUM WORK); TO BE PAID BASED ON ACTUAL QUANTITY AUTHORIZED AND INSTALLED					
Item	Description	Estimated Quantity	Unit	Unit Price	Total Item Amount
1	Furnish & Install Armor Stone	5,400	TONS	\$ 167.75	\$ 905,850.00
2	Furnish & Install Bedding Stone (Including Geotextile)	2,100	TONS	\$ 157.35	\$ 330,435.00
3	Import Fill Material (if required)	200	CY	\$ 47.30	\$ 9,460.00
4	Off-site Disposal of Cut Material (if required)	200	CY	\$ 37.05	\$ 7,410.00
5	Permanent Security Fencing (includes, Removal of Existing Security Fencing and Installation of Permanent Security Fencing)	700	LF	\$ 113.06	\$ 79,142.00
B. ITEMIZED UNIT PRICED TOTAL					\$ 1,332,297.00

ATTACHMENT NO. 04

"REVISED" BID FORM
JAXPORT PROJECT NO.: D2022.01
JAXPORT CONTRACT NO.: C-1806
DPMT SHORELINE PROTECTION
DAMES POINT MARINE TERMINAL

BID SUMMARY	
C. Total Lump Sum Work (Line A)	\$ 862,168.00
D. Total Itemized Work (Line B)	\$ 1,332,297.00
E. TOTAL BID AMOUNT (LINES C + D)	\$ 2,194,465.00
Notes	
<p>(1) Line Item "E." will serve as the Basis of Award</p> <p>(2) Bid prices for the various work items are intended to establish a total price for completing the project in its entirety. The Contractor shall include in the Bid, any item for which a separate pay item has not been established in the Bid Form (under any related pay item), to reflect the total price for completing the project in its entirety.</p> <p>(3) Bidder shall verify all quantities prior to bidding.</p>	

(Submission of more than one bid form for the same work by an individual, firm, partnership or corporation under the same or different names and/or any alterations, exceptions or comments contained within the bid form shall be grounds for rejection of the bid)


Basis of Award: The Authority reserves the right to award to this contract to the lowest conforming bidder, based on the Total Bid Amount, contingent with availability of funds.


The Authority reserves the right to award this contract to the lowest, responsive, responsible bidder, and whose bid is fully conforming to the requirements of the bid documents. Nevertheless, JAXPORT reserves the right to waive informalities in any bid, to reject any or all bids, and to accept the bid which in its judgment will be in the best interest of JAXPORT. JAXPORT will be the sole judge of which Bid will be in its best interest and its decision will be final.

JAXPORT reserves the right to award this contract to the bidder offering the lowest price consistent with meeting all specifications, terms, conditions, delivery requirements set forth on this bid. No award will be made until all necessary inquiries have been made into the responsibility of the lowest conforming bidder and JAXPORT is satisfied that the lowest bidder met all the requirements, is qualified and has the necessary organization, capital and resources required to perform the work under the terms and conditions of the contract. JAXPORT reserves the right to accept or reject any or all Bids, in whole or in part.


The required bid guaranty is attached hereto (see "Supplemental Instructions to Bidders") of the contract documents.

Acknowledgment of the following addenda is hereby made (see "Supplemental Instructions to Bidders"):

Addendum No. 1, Dated: 1/09/2023 Initials: 

Addendum No. 2, Dated: 1/23/2023 Initials: 

**"REVISED" BID FORM
 JAXPORT PROJECT NO.: D2022.01
 JAXPORT CONTRACT NO.: C-1806
 DPMT SHORELINE PROTECTION
 DAMES POINT MARINE TERMINAL**

Addendum No. 2, Dated: 1/23/2023 Initials: 

Addendum No. 3, Dated: _____ Initials: _____

Addendum No. 4, Dated: _____ Initials: _____

See also "Bid Contents and Format" section of the "Supplemental Instructions to Bidders".

RUSH Marine, LLC
 Name of Contractor

AUTHENTICATION (see "Supplemental Instructions to Bidders")

RUSH Marine, LLC
 Firm

<u>6285 Riverfront Center Blvd.</u>	<u>Titusville</u>	<u>FL</u>	<u>32780</u>
Business Address	City	State	Zip Code

Mailing Address, if different from above

	<u>01/30/2023</u>
Authorized Signature	Date Executed

<u>Anthony Landry</u>	<u>President</u>
Typed Name	Title

tlandry@rushinc.com
 E-Mail Address

<u>(321) 267-8100</u>	<u>(321) 267-9944</u>
Telephone Number	Facsimile Number

<u>82-4091915</u>	<u>CGC1526374</u>
Company Federal Tax I.D. No.	Company's Business License No.

BIDDER REQUIREMENTS		RUSH Marine LLC	ACON Construction Co., Inc	Poseidon Dredge & Marine, Inc	SJ Hamill Construction	CGC, Inc.							
JPA CONTRACT: C-1806 DPMT SHORELINE PROTECTION													
Bid Open Date: JANUARY 30, 2023 AT 2:00 PM													
BID BOND		Y	Y	Y	Y	Y							
GOI		Y	Y	Y	Y	Y							
PEC		Y	Y	Y	Y	Y							
BIDDER MINIMUM REQUIREMENTS		Y	Y	Y	Y	Y							
CCRS		Y	Y	Y	Y	Y							
E-VERIFY		Y	Y	Y	Y	Y							
E-BUILDER		Y	Y	Y	Y	Y							
ADDENDUM NO. 01		Y	Y	Y	Y	Y							
ADDENDUM NO. 02		Y	Y	Y	Y	Y							
A. BASE BID LUMP SUM WORK													
Item No.	Description	Total Cost	Total Cost	Total Cost	Total Cost	Total Cost							
1	Mobilization and Demobilization	\$ 43,004.00	\$ 145,600.00	\$ 141,910.00	\$ 375,000.00	\$ 75,750.00							
2	General Requirements	\$ 420,990.00	\$ 178,880.00	\$ 106,380.00	\$ 620,000.00	\$ 787,974.00							
3	Environmental Protection, Erosion Control, Dust Cont	\$ 19,286.00	\$ 51,740.00	\$ 124,004.00	\$ 70,000.00	\$ 118,765.00							
4	Demolition	\$ 83,123.00	\$ 198,640.00	\$ 529,801.00	\$ 430,000.00	\$ 572,730.00							
5	Earthwork	\$ 72,937.00	\$ 46,020.00	\$ 22,056.00	\$ 180,000.00	\$ 1,916,316.00							
6	Grassing	\$ 81,435.00	\$ 8,580.00	\$ 29,250.00	\$ 25,000.00	\$ 47,102.00							
7	Temporary Security Fencing	\$ 141,393.00	\$ 137,475.00	\$ 117,300.00	\$ 115,000.00	\$ 110,190.00							
A. BASE BID LUMP SUM WORK Cost Total:		\$ 862,168.00	\$ 766,935.00	\$ 1,070,701.00	\$ 1,815,000.00	\$ 3,628,827.00							
B. ITEMIZED UNIT PRICE WORK													
Item No.	Description	Qty	UoM	Unit Cost	Total Cost	Unit Cost	Total Cost	Unit Cost	Total Cost	Unit Cost	Total Cost	Unit Cost	Total Cost
1	Furnish & Install Armor Stone	5400	TONS	\$ 167.75	\$ 905,850.00	\$ 230.10	\$ 1,242,540.00	\$ 200.25	\$ 1,081,350.00	\$ 137.00	\$ 739,800.00	\$ 110.00	\$ 594,000.00
2	Furnish & Install Bedding Stone	2100	TONS	\$ 157.35	\$ 330,435.00	\$ 196.30	\$ 412,230.00	\$ 235.52	\$ 494,592.00	\$ 180.00	\$ 378,000.00	\$ 90.00	\$ 189,000.00
3	Import Fill Material	200	CY	\$ 47.30	\$ 9,460.00	\$ 57.20	\$ 11,440.00	\$ 178.18	\$ 35,636.00	\$ 34.00	\$ 6,800.00	\$ 50.00	\$ 10,000.00
4	Off-site Disposal of Cut Material	200	CY	\$ 37.05	\$ 7,410.00	\$ 85.80	\$ 17,160.00	\$ 69.51	\$ 13,902.00	\$ 16.00	\$ 3,200.00	\$ 50.00	\$ 10,000.00
5	Permanent Security Fencing	700	LF	\$ 113.06	\$ 79,142.00	\$ 91.65	\$ 64,155.00	\$ 62.15	\$ 43,505.00	\$ 80.00	\$ 56,000.00	\$ 62.70	\$ 43,890.00
B. ITEMIZED UNIT PRICE WORK Cost Total:				\$ 1,332,297.00	\$ 1,747,525.00	\$ 1,668,985.00	\$ 1,183,800.00	\$ 846,890.00					
BID SUMMARY													
C. Total Lump Sum Work (Line A):		\$ 862,168.00	\$ 766,935.00	\$ 1,070,701.00	\$ 1,815,000.00	\$ 3,628,827.00							
D. Total Itemized Work (Line B):		\$ 1,332,297.00	\$ 1,747,525.00	\$ 1,668,985.00	\$ 1,183,800.00	\$ 846,890.00							
E. TOTAL BID AMOUNT (LINES C + D):		\$ 2,194,465.00	\$ 2,514,460.00	\$ 2,739,686.00	\$ 2,998,800.00	\$ 4,475,717.00							

Recorded By: Sandra Platt
Sandra Platt (Jan 31, 2023 09:40 EST)

Witness: Retta Rogers
Retta Rogers (Jan 31, 2023 09:43 EST)

Witness: Jerrie Gunder
Jerrie Gunder (Jan 31, 2023 11:36 EST)

Director, Procurement Services: Lisa Gee
Lisa Gee (Feb 02, 2023 11:42 EST)

APPARENTLY CONFORMING

Board of Directors Meeting - R2023-02-01 Engineering and Construction Update

KEY CAPITAL PROJECTS

No.	Contract Number	Project Description	Vendor	Scope	Original Contract Amt. (\$)	Approved Change Orders To	Total Contract as Amended	Payments to Date	Work Invoiced to Date	Tax Savings Purchase Orders Paid to Date	Work Remaining To Invoice	Proposed Change Orders (BCCOs)	Remarks
1	AE-1436D	Rehabilitate Wharfs 33 & 34	HDR Eng., Inc.	Engineering Services During Construction BIMT Wharf Reconstruction Phase II	\$1,813,479	\$1,314,400 Last CO #04 01/06/2023	\$3,127,879	\$2,981,279	\$2,981,279	\$0	\$146,600	\$0	HDR awarded contract for Services During Construction. HDR is reviewing change order requests submitted by Manson Construction.
	C-1436C		Manson Construction	BIMT Wharf Rehabilitation Phase II	\$51,021,172	\$603,915 Last CO #11 09/19/2022	\$51,625,087	\$49,587,226	\$28,741,403	\$20,845,823	\$2,037,861	\$0	Manson Construction Co was awarded the construction contract to build Phase 2A and 2B on BIMT wharf. Construction NTP was issued on December 3, 2018. Contract completion date is February 6, 2021. Manson has completed construction of the berth. Substantial completion was June 16, 2022. Manson is working on preparing final change orders for review and final claim.
2	MC-1611A	Pile Cap & Beam Rehab TMT	Underwater Mechanx, Inc	Facilities Wide Underwater Pile Cleaning	\$877,182	\$0	\$877,182	\$0			\$877,182	\$0	JAXPORT is waiting to confirm JACOBS' contract for inspection and design of Berth 6 piles before releasing UMX to clean Berth 6 piles.
	AE-1780		JACOBS Engineering Group	Engineering Inspection & Design Services Pile Jacket Repairs Berth 5	\$143,950	\$0	\$143,950	\$143,933	\$143,933		\$17	\$0	JACOBS was directed to design the pile jacket repairs on Berth 5 on May 25, 2021. JACOBS has submitted design documents for Berth 5 for review.
3	AE-1588B	Rehabilitate Underdeck Concrete Phase 4	C&ES Construction & Engineering	Engineering & Inspection Services for Rehabilitate Underdeck Concrete Phase 4	\$52,440	\$0	\$52,440	\$20,959	\$20,959		\$31,481	\$0	C&ES has been awarded the contract to inspect the underdeck repairs for Phase 4 at TMT.
	C-1588A		Southern Road & Bridge LLC	Rehabilitate Underdeck Concrete Phase 4	\$2,143,244	\$61,776 Last CO #01 11/02/21	\$2,205,020	\$1,791,127	\$1,656,338	\$134,789	\$413,893	\$0	Southern Road & Bridge LLC was awarded the contract to make concrete spill repairs on the underside of the deck at TMT Berths 5-8. This is final phase of underdeck repairs for TMT. Southern Road & Bridge has demobilized for the winter. They will return in March to finish the project.
4	AE-1742	Bartram Island Cell C Expansion Design/Permitting	Taylor Engineering, Inc.	Bartram Island DMMA Cell C Concept Development Design & Permitting	\$854,134	\$891,339 Last CO #06 02/14/22	\$1,745,473	\$1,210,543	\$1,210,543		\$534,930	\$0	Taylor Engineering is providing Services During Construction and making site visits to confirm compliance with contract documents.
	C-1795		Branche Diversified Inc.	DMMA Cell C Restoration & Capacity	\$7,775,000	\$0	\$7,775,000	\$3,222,403	\$3,222,403		\$4,552,597	\$0	Branche Diversified was awarded the contract to expand Cell C at Bartram Island. The Notice to Proceed was issued on February 24, 2022. Branche Diversified has completed construction of holding cells 1, 2 & 3 and filled them with unsuitable material. Branche Diversified is segregating good material in Cell C to raise the dike walls.
5	AE-1772	Container Terminal Upgrades - SSA	AECOM Technical Services	Program Management & Inspection Svcs for C-1772 SSA Container Yard Improvements	\$3,215,597	\$250,070 Last CO #01 05/10/22	\$3,465,667	\$1,044,350	\$1,044,350		\$2,421,317	\$0	Program management services are being performed to manage the contractors work and progress.
	C-1772		Superior Construction Company Southeast, LLC	SSA JCT Container Yard Improvements	\$48,876,120	\$1,196,978 Last CO #06 02/15/23	\$50,073,098	\$ 17,561,065.00	\$16,033,294	\$2,527,791	\$32,512,013	\$0	Contractor has mobilized to jobsite. Limerock material is being stockpiled on BIMT. NTP for Construction was issued on 1/10/22. Contractor is working on Phase 3. Phase 3 East completion date is 4/14/23 and Phase 3 West completion date is 6/2/23.
6	AE-1631	Seaonus Warehouse Roof Rehab	Jacobs Engineering	Engineering Services for Roof-Over Replacement Design	\$141,728	\$98,150 Last CO #02 02/14/22	\$239,878	\$224,876	\$224,876		\$15,002	\$0	JACOBS was awarded the design contract to design the roof replacement at Warehouse 1 at TMT. They have been providing Services During Construction.
	C-1631A		Register Roofing & Sheetmetal	TMT Warehouse #1 Re-roof	\$3,859,000	\$3,227 Last CO #04 02/21/23	\$3,855,773	\$3,714,958	\$2,417,619	\$1,297,339	\$140,815	\$0	Register Roofing and Sheet Metal was awarded the contract to replace the roofing on Warehouse 1 at TMT. NTP was issued on April 18, 2022. Register Roofing has completed the roofing portion of the contract. Register Roofing is replacing the 8 roof exhaust fans. Fans are scheduled to be installed by March 3, 2023.
7	C-1830	Terminal Development SET Phase 1 Building Demolition	Realco Recycling	SET Phase 1 Building Demolition	\$547,999	\$166,473	\$714,472	\$197,600	\$197,600		\$516,872	\$0	Realco Wrecking was awarded the contract to demo 3 buildings at BIMT previously leased to WWL. An Administrative NTP was issued on August 8, 2022. Realco has completed the demolition of all 3 buildings. Realco received a change order to remove the

Board of Directors Meeting - R2023-02-01 Engineering and Construction Update

No.	Contract Number	Project Description	Vendor	Scope	Original Contract Amt. (\$)	Approved Change Orders To	Total Contract as Amended	Payments to Date	Work Invoiced to Date	Tax Savings Purchase Orders Paid to Date	Work Remaining To Invoice	Proposed Change Orders (PCOs)	Remarks
						Last CO #01 01/23/23							slab and grade beams for western building.
8	AE-1824B	Berth 16 & 17 Cathodic Protection Design & Construction	Jacobs Engineering Group, Inc.	Engineering Services During Construction Berths 16 & 17 Cathodic Protection	\$78,080		\$78,080	\$7,858	\$7,858		\$70,222	\$0	Jacobs Engineering completed the design of cathodic protection for Berth 16 & 17. They have a contract to provide Services During Construction.
	C-1824		Coastal Gunite Construction	Cathodic Protection Systems Berths 16 & 17	\$687,499		\$687,499	\$133,567		\$133,567	\$553,932		Coastal Gunite received a construction NTP on 1/10/23 to install 472 anodes on the sheet pile wall at Berth 16 & 17. Initial 40 anodes were inspected by Jacobs on 2/21. 10% of anodes have been installed.
Grand Totals					\$121,321,045		\$126,666,498	\$81,841,764	\$56,902,455	\$24,805,742	\$44,824,734	\$0	

Financial Highlights

January 2023

January was another solid month, nearly a repeat of December's performance. Total Revenue was \$5.218 million, 7% ahead of budget and 4% ahead of prior year. Container Revenues were within 1% of budget at \$2.338 million. Likewise, Auto units at 45,505 were within 1% of budget while Auto Revenue exceeded plan by 18% at \$1.363 million. This overage is the result of increased dockage fees as auto liners stayed longer at dock than usual for loading and unloading cargo. Breakbulk Revenue was also short of budget by just 1%. Dry Bulk Revenue outperformed budget by 34%, the result of heavy tonnage discharged by a ship servicing Martin Marietta.

Cruise Revenue fell short of plan by \$63 thousand. Carnival's Elation began dry dock refurbishment in late January, missing two turns and one embarkation. Cruise passenger count is consistently high on outgoing sailings.

EXPENSES

Even though most line item Expenses are well controlled, Berth Maintenance Dredging was \$1.538 million, or \$1.121 million over budget. This overage is the result of an unusually high Talleyrand dredge event (85,000 cubic yards) in January. A lesser impact on the unfavorable budget variance was extra security coverage for a special project at Blount Island through the month of January which caused an overage of \$46 thousand in this category. As a result of these unfavorable variances, Total Operating Expenses at \$4.541 million were \$1.001 million over budget.

In Non-Operating income accounts, both investment income and shared revenue from the City exceeded budget.

Income Before Depreciation was \$335 thousand, short of budget by \$443 thousand due to the maintenance dredging overage, and short of prior year by \$731 thousand.

YEAR TO DATE

Through four months, Total Operating Revenues are \$20.325 million, \$945 thousand ahead of plan and \$1.974 million ahead of prior year. Expenses, other than Berth Maintenance Dredging are well controlled.

Non-Operating Revenue is boosted by increased interest rates earned on deposit accounts, reflected in Investment Income of \$597 thousand, \$497 thousand over budget. Debt service is also reflecting savings as we have used excess cash balances to paydown our line of credit, reducing interest expense.

Income Before Depreciation is \$3.986 million, \$980 thousand above plan and \$693 thousand above prior year.

BALANCE SHEET

The Balance Sheet remains stable. We continue to enjoy strong Cash balances, ending the month with \$18.4 million. Restricted Cash balances increased as payments due on bonds build until semi-annual payments are paid in May.

Accounts Receivable has returned to normal levels as in January our primary Shipping Agent brought its accounts current and we collected certain pass through amounts due.

CONCERNS:

We have concerns about our ability to manage overall expenses within the annual appropriations approved by the City given the higher than expected Berth Maintenance Dredging. Also, the higher than estimated bid amounts on construction projects in the capital plan may cause us to shift some projects scheduled for 2023 into next year's plan.

VITAL STATISTICS

JANUARY FY2023 - Cargo Performance

CARGO INDICATORS

	VARIANCE					YEAR-TO- DATE			VARIANCE	
	Actual	Budget	Prior	Budget	Prior	Actual	Budget	Prior	Budget	Prior
Vessel Calls	125	130	129	-4%	-3%	520	520	490	0%	6%
Total Tons	844,813	868,954	803,241	-3%	5%	3,537,167	3,475,816	3,066,676	2%	15%
Total Revenue	\$5,218,289	\$4,888,988	\$5,000,196	7%	4%	\$20,325,369	\$19,379,832	\$18,351,063	5%	11%

OPERATING REVENUE / STATISTICS

	VARIANCE					YEAR-TO- DATE			VARIANCE	
	Actual	Budget	Prior	Budget	Prior	Actual	Budget	Prior	Budget	Prior
Container Revenue	\$2,337,614	\$2,350,000	\$2,544,477	-1%	-8%	\$9,300,162	\$9,250,000	\$9,586,566	1%	-3%
Container TEU's	100,182	117,463	101,292	-15%	-1%	445,349	469,853	424,765	-5%	5%
ICTF Rail Lifts	1,880	1,500	2,448	25%	-23%	7,137	6,000	10,348	19%	-31%
Auto Revenue	\$1,362,915	\$1,155,656	\$1,270,516	18%	7%	\$4,925,026	\$4,622,624	\$4,852,669	7%	1%
Auto Units	45,505	45,833	50,692	-1%	-10%	178,131	183,333	178,471	-3%	0%
Military Revenue	\$189,798	\$58,333	\$48,434	225%	292%	\$321,353	\$233,332	\$133,111	38%	141%
Breakbulk Revenue	\$452,754	\$455,043	\$467,916	-1%	-3%	\$1,651,002	\$1,820,172	\$1,622,510	-9%	2%
Breakbulk Tons	78,568	90,343	82,126	-13%	-4%	350,211	361,372	287,019	-3%	22%
Liquid Bulk Revenue	\$122,077	\$139,631	\$117,048	-13%	4%	\$485,373	\$558,524	\$535,499	-13%	-9%
Liquid Bulk Tons	33,364	36,735	33,628	-9%	-1%	138,170	146,942	145,694	-6%	-5%
Dry Bulk Revenue	\$224,632	\$167,755	\$200,779	34%	12%	\$873,437	\$671,020	\$643,604	30%	36%
Dry Bulk Tons	105,007	47,677	73,433	120%	43%	450,582	190,710	154,113	136%	192%
Cruise Revenue	\$228,371	\$291,470	\$0	-22%	0%	\$1,464,121	\$1,139,760	\$7,683	28%	> 500%
Cruise Passengers	7,050	10,676	-	-34%	0%	55,711	42,704	54	30%	> 500%
Total Cargo Revenue	\$4,918,160	\$4,617,888	\$4,649,170	7%	6%	\$19,020,474	\$18,295,432	\$17,381,642	4%	9%
Other Revenue	\$300,129	\$271,100	\$351,026	11%	-14%	\$1,304,895	\$1,084,400	\$969,421	20%	35%

Jacksonville Port Authority
Comparative Income Statement (Unaudited)
For the 4 months ending 1/31/2023

	Current Month Actual	Current Month Budget	Budget Variance	Prior Year Month Actual	Current YTD Actual	Current YTD Budget	Budget Variance	Prior Year YTD Actual
OPERATING REVENUES								
CONTAINERS	2,337,614	2,350,000	(12,386)	2,544,477	9,300,162	9,250,000	50,162	9,586,566
AUTOS	1,362,915	1,155,656	207,259	1,270,516	4,925,026	4,622,624	302,402	4,852,669
MILITARY	189,798	58,333	131,465	48,434	321,353	233,332	88,021	133,111
BREAK BULK	452,754	455,043	(2,289)	467,916	1,651,002	1,820,172	(169,170)	1,622,510
LIQUID BULK	122,077	139,631	(17,554)	117,048	485,373	558,524	(73,152)	535,499
DRY BULK	224,632	167,755	56,877	200,779	873,437	671,020	202,417	643,604
CRUISE	228,371	291,470	(63,100)	-	1,464,121	1,139,760	324,361	7,683
OTHER OPERATING REVENUE	300,129	271,100	29,029	351,026	1,304,895	1,084,400	220,495	969,421
TOTAL OPERATING REVENUES	5,218,289	4,888,988	329,301	5,000,196	20,325,369	19,379,832	945,537	18,351,063
OPERATING EXPENSES								
SALARIES & BENEFITS	1,736,845	1,816,707	(79,862)	1,529,542	6,878,694	7,198,756	(320,062)	6,145,231
SERVICES & SUPPLIES	535,116	573,704	(38,588)	383,965	1,987,687	2,294,816	(307,129)	1,504,428
SECURITY SERVICES	461,790	415,587	46,203	349,614	1,706,590	1,662,348	44,242	1,458,096
BUSINESS TRAVEL AND TRAINING	27,560	46,691	(19,131)	10,143	120,146	186,764	(66,618)	55,541
PROMO,ADV,DUES & MEMBERSHIPS	60,003	55,345	4,658	106,283	219,227	221,380	(2,153)	231,465
UTILITY SERVICES	75,700	67,116	8,584	53,748	268,583	268,464	119	209,827
REPAIRS & MAINTENANCE	168,847	197,619	(28,772)	186,998	758,373	790,476	(32,103)	652,226
CRANE MAINTENANCE PASS THRU	(70,316)	(63,333)	(6,983)	(34,477)	(287,540)	(253,332)	(34,208)	(145,880)
BERTH MAINTENANCE DREDGING	1,537,932	416,735	1,121,197	881,612	3,539,419	1,666,940	1,872,479	2,812,296
MISCELLANEOUS	7,925	14,709	(6,784)	7,767	42,987	58,836	(15,849)	39,006
TOTAL OPERATING EXPENSES	4,541,402	3,540,880	1,000,522	3,475,197	15,234,166	14,095,448	1,138,718	12,962,236
OPERATING INC BEFORE DS AND DEPR	676,887	1,348,108	(671,221)	1,524,999	5,091,203	5,284,384	(193,181)	5,388,827
NON OPERATING INCOME								
INVESTMENT INCOME	163,689	25,001	138,688	1,295	597,290	100,004	497,286	4,504
SHARED REVENUE FROM CITY	913,524	800,926	112,598	860,233	3,388,609	3,203,704	184,905	3,285,171
TOTAL NON OPERATING ITEMS	1,077,212	825,927	251,285	861,528	3,985,899	3,303,708	682,191	3,289,675
NON OPERATING EXPENSE								
DEBT SERVICE	1,247,740	1,309,432	(61,692)	1,320,461	4,734,420	5,233,728	(499,308)	5,381,567
CRANE RELOCATION	171,000	87,500	83,500	-	356,000	350,000	6,000	-
OTHER NON OP EXPENSE	664	(428)	1,092	785	766	(1,712)	2,478	4,448
TOTAL NON OPERATING EXPENSE	1,419,404	1,396,504	22,900	1,321,246	5,091,186	5,582,016	(490,830)	5,386,015
INCOME BEFORE DEPRECIATION	334,696	777,531	(442,835)	1,065,281	3,985,915	3,006,076	979,839	3,292,487

Jacksonville Port Authority
Balance Sheet (in thousands)
At January 31, 2023

	<u>January 31, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u> (audited)
Current Assets			
Cash & cash equivalents	18,429	18,515	17,349
Restricted cash & cash equivalents	2,456	1,243	7,863
Accounts receivable, net	7,587	10,450	7,251
Notes and other receivables	424	442	120
Grants receivable	8,082	7,561	13,914
Inventories and other assets	2,193	2,300	2,077
Total Current Assets	39,171	40,511	48,574
Noncurrent Assets			
Restricted cash & cash equivalents	15,993	15,904	15,962
Restricted Cash for Cap Projects	23,645	26,024	28,629
Deferred outflow of resources	9,955	10,016	10,077
Capital Assets, net	857,846	855,835	856,329
Total Noncurrent Assets	907,439	907,779	910,997
Total Assets	946,610	948,290	959,571
Current liabilities			
Accounts payable	1,556	1,461	2,257
Construction accounts payable	2,954	1,900	3,139
Accrued expenses	974	846	683
Accrued interest payable	1,477	985	2,180
Retainage payable	3,620	3,620	3,620
Bonds and Notes Payable	8,036	8,036	8,036
Total Current Liabilities	18,617	16,848	19,915
Noncurrent liabilities			
Unearned Revenue	15,292	15,292	15,292
Accrued Expenses	2,285	2,290	2,290
Line of credit	7,500	10,000	10,749
Bonds and notes payable	198,521	198,538	206,067
Other Obligations	8,537	8,537	8,537
Net Pension Liability	16,545	16,545	16,545
Deferred inflows - Pension	1,357	1,357	1,357
Total Non Current Liabilities	250,037	252,559	260,837
Total Liabilities	268,654	269,407	280,752
Net Position	677,956	678,883	678,819

COMMERCIAL REPORT – February 2023

Container Cargoes

From a container standpoint, the most significant news is the recent announcement by the world's two largest ocean carriers – Mediterranean Shipping Co. (MSC) and Maersk – to dissolve their alliance partnership effective January 2025. This alliance, known globally as the “2M,” services ports around the world, including Jacksonville through the SSA terminal at Blount Island with a weekly Asian container service.

The two carriers, along with a third partner, Zim Lines, have been in this alliance partnership globally for the last eight years, sharing ships and container space on its vessel services. Once the alliance dissolution takes effect in 2025, each of these carriers will be free to provide their own stand-alone services to replace alliance offerings – or create alliances with other carrier partners, but most industry analysts assume that both MSC and Maersk will go it alone from here on out, given their company sizes and strategic directions.

Until then, the 2M will continue to jointly provide a regular service here, with possible annual adjustments like one just announced: the 2M will swap one Asian service at JAXPORT for another Asian service, effective May 2023. This change is not part of the 2M Alliance dissolution but rather part of the carriers' annual adjustment to port rotations to best allocate their vessels.

This new service (called the TP16 by Maersk and called the “Emerald” by MSC; same joint service but each carrier gives it a different name), will replace the current TP10/Amberjack service now offered at JAXPORT. This change is not expected to have much, if any, volume impact on JAXPORT, in that both services call three ports in North Asia plus one in South Korea before heading to the U.S. East Coast and back to Asia, but some of the North Asia port calls are different. Returning to Asia, ships with the new service to call at JAXPORT (TP16/Emerald) will sail through the Suez Canal rather than the Panama Canal, as does the current TP10, allowing the new service to stop at Singapore on its way back to Asia – a new 2M port call for us.

Looking ahead, while it is too early to know what vessel service will look like in 2025 when the 2M dissolves, it is highly likely that, at a minimum, MSC will offer its own weekly Asian service at JAXPORT, given their strong JAXPORT presence. It also is possible, if not likely, that Maersk and/or Zim establishes separate (possibly competing) services, here, too; however, this is an assumption and too early to know for certain. The carriers have a lot of uncoupling to do after such a long marriage, as they offer their joint services globally, and it is most likely Q4 2024 or Q1 2025 before any carrier announces all post-2M port changes around the world; however, when the 2M dust settles in 2025, we are optimistic of continued robust coverage by our carrier partners.

We remain in constant contact with these carrier partners, including a recent visit to the global headquarters of MSC, with plans to visit Maersk and Zim's U.S. corporate offices soon.

More immediately, two existing container carriers at JAXPORT have increased their service frequency at JAXPORT. SeaLead's Asian service, which began in early summer 2022 with biweekly ship calls, now provides its service in Jacksonville weekly. Similarly, the shipping line

Ellerman City Liners, which began our first European container service in many years with biweekly ship calls starting in December 2022, also has now increased their frequency to weekly. At the same time, Ellerman added two new European ports to their service into Jacksonville: Bilbao, Spain and Hamburg, Germany. (These weekly ships now call Bilbao, Spain; Antwerp, Belgium; Hamburg, Germany; Tilbury/London, England; New York and then Jacksonville before ending in Wilmington, North Carolina before returning to Europe.)

Lastly, in early February, an Asian shipping line called Transfar brought the first of multiple planned sailings into Jacksonville from ports in North and Southeast Asia, and we are working with this carrier to determine if this could be a sustained, regular service.

The combination of these new services and ship calls is helping JAXPORT to weather a Q4 2022 softening of import demand into the United States, reflected in year-over-year volume declines among most of the nation's top container ports (see chart below).

INTERNATIONAL IMPORT TEUS*					
<i>(Year Over Year Change)</i>					
	JAXPORT	Charleston	Savannah	Everglades	Miami
2022 Q3 Actual	+17.4%	-0.0%	+7.1%	+1.9%	-5.9%
2022 Q4 Actual	+11.7%	-8.1%	-4.6%	-8.1%	-1.7%
2023 Q1 Projection	+9.2%	-17.2%	-11.6%	-7.3%	-7.9%
<i>*Source: Global Port Tracker, Feb. 2023; Hackett Associates & National Retail Federation</i>					

It is common each year for February container import volumes into the United States to taper off from January because many factories in Asia close at this time of year to celebrate the Chinese Lunar New Year, but the dip is typically temporary and a function of supply. This year, the industry is wary of recessionary forces in play that have dampened consumer spending and could elongate a volume demand dip into or through the second quarter of 2023. Despite the potential for a near-term volume hiccup in response to the economy, our total TEUs to date are up five percent YOY, and we project JAXPORT volumes through the year to hold steady, if not achieve the bullish first quarter forecast Hackett Associates projects for us above.

Vehicle cargoes

Not much has changed in the last few months regarding vehicle cargoes. Vehicle volumes are still recovering from supply chain issues, as some automakers and our processors still report production and distribution challenges, with automakers waiting on parts to finish final assembly of vehicles. While those issues have improved from this time last year, production and distribution are not back to pre-pandemic reliability. Still, through the first four months of our fiscal year, we remain on budget for projected total units (and seven percent ahead of budgeted revenue), though the industry has not hit its post-pandemic stride for production and distribution. When it does, combined with our vehicle facility changes at Blount Island, we expect to see more robust vehicle volumes in the long term.

Breakbulk and Other Cargoes

Our breakbulk volumes remain strong, as they have for more than a year. Through the first four months of our fiscal year, total breakbulk tonnage is up 22 percent year-over-year, with breakbulk revenue just ahead of budget.

Near-term, our breakbulk tonnage in February could be negatively impacted by a strike in Finland – the source of much of our paper imports – by the Finnish Transport Workers’ Union. The strike began on February 15, and all vessel operations in Finland’s ports, gate moves, and handling of containers within terminals have been suspended. If the strike lingers, it also will impact our breakbulk volumes for March, potentially into April; however, we expect a fast volume recovery once the strike ends.

Beyond this spring, our breakbulk volumes are projected to remain strong as our two large breakbulk terminal operators (SSA and Enstructure) are working closely with our sales team to remain aggressive in filling their existing warehouse/breakbulk space, particularly with forest products.

Meanwhile, our dry bulk cargoes are up considerably due to recent ship calls, bumping our FYTD bulk revenue to 30 percent over budget. It also is notable that JAXPORT cruise revenue is 28 percent above budget, contributing to the strong YOY growth in cargo revenue through January 2023.

Overall, JAXPORT is faring well across all its major cargo types.

-end-



Post Office Box 3005
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Jacksonville, Florida 32206-0005

AWARDS COMMITTEE ZOOM MEETING MINUTES
February 16, 2023

Awards Committee Attending

Mr. Nick Primrose - Chairman
Ms. Beth McCague
Mr. Robert Peek

Ms. Lisa Gee
Ms. Retta Rogers, Recording Secretary

Other Attendees

Kelsey Cox
Marv Grieve
Jose Vazquez
Brandon Braziel
Tripper Jones
Ellen Carmosino

Sandra Platt
Angel Iosua
Frederick Wessling
Neil Stephens
Chris Good

Nick Primrose called the meeting to order at 2:00 PM

Item No. 1

AC2023-02-01

Terminal Development at SET – CM at Risk
JPA Project No.: B2022.11
JE Dunn Construction Company
\$700,000

JPA Contract No.: AE-1830

A motion was made and seconded. The Awards Committee voted unanimously to award this contract.

Item No. 2

AC2023-02-02

DPMT Shoreline Protection
JPA Project No.: D2022.01
Rush Marine, LLC
\$2,194,465

JPA Contract No.: C-1806

A motion was made and seconded. The Awards Committee voted unanimously to award this contract.

Item No. 3

AC2023-02-03

Engineering SDC for DPMT Shoreline Protection
JPA Project No.: D2022.01
Taylor Engineering, Inc.
\$106,764

JPA Contract No.: AE-1806A

A motion was made and seconded. The Awards Committee voted unanimously to award this contract.

Note: Construction services for the Shore Line Protection project was not anticipated to be over \$1M when design services (AE-1806) were requested in November 2021.

Item No. 4

AC2023-02-04

Remove and Install New Fans at Seaonus Warehouse - TMT
JPA Project No.: T2018.01
Miller Electric Company
\$27,869

JPA Contract No.: MC-1631J CO#1

A motion was made and seconded. The Awards Committee voted unanimously to award this contract.

Item No. 5

AC2023-02-05

American Dynamics Software Maintenance Renewal
JPA Project G/L No.: 193.5840 JPA Contract No.: IT-1774B
Johnson Control Security Solutions, LLC
\$28,000

A motion was made and seconded. The Awards Committee voted unanimously to award this contract.

Item No. 6

AC2023-02-06

Maximo Software Maintenance Renewal
JPA Project G/L No.: 193.5840 JPA Contract No.: IT-1540G
IBM Corporation
\$62,127

A motion was made and seconded. The Awards Committee voted unanimously to award this contract.

Item No. 7

AC2023-02-07

Purchase of New Kubota Equipment for BIMT
JPA Project G/L No.: 003.2044.177 JPA Contract No.: EQ-1889
Coastal Equipment Systems, Inc.
\$130,190

A motion was made and seconded. The Awards Committee voted unanimously to award this contract.

Item No. 8

AC2023-02-08

Purchase of New Hustler Equipment for BIMT
JPA Project G/L No.: 003.2044.177 JPA Contract No.: EQ-1889A
Hustler Turf Equipment, Inc.
\$52,334

A motion was made and seconded. The Awards Committee voted unanimously to renew this contract.

The meeting was adjourned at 2:45 PM

(Item No. 1 & 2 Requires Board Approval)