Board of Directors Meeting

February 22, 2021 09:00 AM

Agenda Topic	Presenter
Agenda	
I. Pledge of Allegiance/Moment of Silence	Palmer Clarkson
II. Approval of Minutes	Vice Chair Wendy Hamilton
Board of Directors Meeting Minutes - January 25, 2021	
III. Public Comments	
IV. New Business	
AC2021-02-01 Services During Construction Wharf Rehabilitation Phase II at BIMT - HDR Engineering, Inc.	James Bennett
BD2021-02-01 FDOT Public Transportation Grant Agreement for Talleyrand Marine Terminal Cargo Improvements	James Bennett
BD2021-02-02 FY2020 Audited Financial Statements	Beth McCague
BD2021-02-03 U.S. Dept. of Transportation Grant Agreement Under FY2019 BUILD Transportation Grant Program	Beth McCague
V. CEO Update	Eric Green
VI. Reports	
R2021-02-01 Engineering and Construction Update	James Bennett
R2021-02-02 Financial Highlights by Beth McCague	Info Only
R2021-02-03 Financials/Vital Statistics	Mike McClung
R2021-02-04 Commercial Highlights	Robert Peek
VII. Miscellaneous	
A. Awards Committee Meeting Minutes - Feb. 16, 2021	

B. Emergency Purchases - None

C. Unbudgeted Transactions - None

VIII. Adjourn — Vice Chair Wendy Hamilton

The next Board of Directors meeting is scheduled for Monday, March 22, 2021 @9:00AM.

Minutes for Board of Directors Meeting

01/25/2021 | 09:01 AM - 10:23 AM - Eastern Time (US and Canada)

2831 Talleyrand Avenue

Board Members Attending:

Mr. Jamie Shelton, Chairman
Ms. Wendy Hamilton, Vice Chair
Mr. Palmer Clarkson, Treasurer
Mr. Daniel Bean, Secretary
Mr. Ed Fleming, Member
Dr. John Allen Newman, Member

Other Attendees:

Mr. Eric Green, Chief Executive Officer
Mr. Fred Wong, Chief Operating Officer
Ms. Beth McCague, Chief Financial Officer
Ms. Linda Williams, Chief, Adm. & Corporate Performance
Mr. Robert Peek, Director & GM, Business Development
Mr. James Bennett, Sr. Director, Engineering & Construction
Mr. Mike McClung, Director of Finance
Mr. Nick Primrose, Chief, Regulatory Compliance
Mr. David Migut, Office of General Counsel – via GoTo Meeting
Ms. Rebecca Dicks, Board Liaison

Agenda

A meeting of the Jacksonville Port Authority Board of Directors was held on Monday, January 25, 2021 at the Port Central Office Building, 2831 Talleyrand Avenue, Jacksonville, Florida.

Pledge of Allegiance/Moment of Silence

Board Member Wendy Hamilton led the audience in the Pledge of Allegiance and a moment of silence.

Approval of Minutes

Chairman Shelton called for approval of the December 7, 2020 Board of Directors Meeting Minutes. After a motion by Mr. Bean and a second by Mr. Clarkson, the Board unanimously approved the minutes as submitted.

Public Comments

Chairman Shelton called for comments from the public. There being none, he moved on to New Business.

Presentations

Ms. Linda Williams recognized David Bruzos, Systems Administrator, IT, for reaching his 10-year milestone and thanked him for his service.

Chairman Shelton gave an update on the success of the 2020 JAXPORT Charity Drive. He stated that JAXPORT employees raised more than $18,600 for the United Way of Northeast Florida and Community Health Charities. He recognized JAXPORT Charity Drive Chair Retta Rogers, Manager of Procurement Services, and Co-Chair John Taylor, Interim Director of Human Resources, and thanked them for their hard work. Chairman Shelton also thanked all JAXPORT employees for their remarkable generosity in light of the current pandemic.

New Business

AC2021-01-19-01 Bartram Island DMMA Cell "C" Concept Development, Design & Permitting

Mr. James Bennett presented this submission seeking Board approval of awarding a contract to Taylor Engineering, Inc. for Bartram Island DMMA Cell “C” Concept Development, Design Permitting in the amount of $939,619.00.

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

AC2021-01-19-02 Repair & Installation of Video Surveillance Systems

Mr. Fred Wong presented this submission seeking Board approval of the issuance of a master service agreement to United Security Alliance for maintenance, repair, and installation of video surveillance systems in the estimated amount of $1,048,000.

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

CEO Update

Mr. Green gave an update on the vessel simulation conducted by the USACE in Vicksburg, Mississippi that he, along with Fred Wong and James Bennett, attended during the week of December 7, 2020. He stated the training gave them an opportunity to look at different vessel sizes that will be able to take advantage of JAXPORT's 47-foot harbor deepening project once it is completed. Mr. Green stated that the simulation was conducted under some of the harshest conditions with some of the biggest vessels. He believes the port obtained some good data, and he's looking forward to receiving the final results of this study soon. Upon receipt of the final study, he will share the results with the Board and give them an update at the next meeting.

Mr. Green stated that within the last month, he and other C-Suite executives have been very involved with the Sales & Marketing team on virtual calls with carriers. They have talked to several carriers, and he thinks in next 90 days the port will see some changes possibly in new services and increased volume.

Mr. Green reminded Board members that JEA posted a request for qualifications (RFQ) for the SJRPP about a month and a half ago and that the port would be responding to it. JAXPORT prepared its response. The deadline for submissions to the RFQ would have been on Wednesday on January 27, however, JEA canceled its RFQ last week. Mr. Green said that he made a call to JEA's new CEO Jay Stowe. He said they had a good conversation and that he and Mr. Stowe have agreed to reopen talks about the SJRPP. Mr. Green stated that Mr. Stowe wanted to reconsider the future of the property and slow down the process a bit to see if JEA and JAXPORT could work together on the property's future since Mr. Stowe had only assumed his new role at JEA a couple of months ago.

In preparation of this RFQ, Mr. Green informed the Board that staff had spent a lot of time and energy working with Jacobs Engineering leading up to the submission date of January 27. Even though the RFQ was canceled, Mr. Green asked Jacobs to attend today's meeting to outline the response the port planned to submit to JEA showing the port's ability to redevelop the SJRPP. He then introduced Jacobs team - Patrick King, Global Port Director, Hollie Schmidt, Global Master Planning, and Max Mozo, SE Port Lead.

Mr. King stated that Jacobs is a global leader in planning, engineering and construction and is the No. 1 Ports and Maritime Consultant. Jacobs is a vested contractor and trusted advisor to JAXPORT and has been serving JAXPORT for over two decades and has successfully completed dozens of projects. Mr. King stated that Jacobs assisted the port with the development of a response to the SJRPP RFQ.

Mr. Max Mozo presented an overview of the RFQ Response. He stated that on
November 3, 2020, JEA released an RFQ and sought qualifications for a master developer of the SJRPP property which is approximately 2,000 acres adjacent to BIMT. He stated that JAXPORT and JEA have a long history of working together in real estate transactions and technical partnerships. In

replying to this RFQ, JAXPORT was ready to use their expertise to create opportunities and jobs. The port asked Jacobs to assist with the development of a statement of qualifications. To organize this, Jacobs held workshops and weekly calls with JAXPORT leadership to develop a response. They focused on targeting the RFQ requirements, along with featuring JAXPORT's significant industrial development experience, JAXPORT's ability to develop and execute a strategic development plan, to highlight JAXPORT's economic impact and job creation, show how the port is executing its Charter, and to describe the port's financial strength and ability to finance development, and to show JAXPORT's dedication to community focus. He stated the RFQ response was broken down into three sections: company description, industrial development experience, and project financing experience. Mr. Mozo stated that JAXPORT's qualifications in each of these areas were extensive and clearly demonstrated a unique ability to successfully develop the SJRPP.

Ms. Hollie Schmidt then spoke as to the vision of the SJRPP. She stated the SJRPP Vision Statement was to develop the SJRPP property with a mixed-use program that grows JAXPORT revenues and cargo volumes, creates jobs and business opportunities for the community, while increasing public access to the area's natural resources. After much research and discussion, it was determined that the bottom line of the SJRPP vision was that JAXPORT is the only entity that can maximize the economic development potential of SJRPP, create high-wage jobs, and best leverage existing relationships with JAXUSA, private sector partners and the region to deliver a robust return that elevates Northeast Florida's position in the global economy.

In closing, Ms. Schmidt stated that she believes this is an exciting opportunity and Jacobs looks forward to potentially being engaged at a future phase.

Mr. Green stated that even if the response to the RFQ would have gone forward, or even if it does at a later date, if the port and JEA can sit down and try to come up with something that would be suitable for both parties, this potential opportunity would continue to keep the property under the ownership of the taxpayers.

Chairman Shelton thanked Jacobs for their informative presentation. He stated that the port only has an interest in the SJRPP because of its proximity to the water. If not, he stated that we wouldn't even be here and talking about it today.

City Council Liaison Ron Salem stated that he was happy that JEA rescinded the RFQ. He believes that a local entity like the port should have the opportunity to have discussions with JEA prior to them putting out a bid for an RFQ.

Reports

R2021-01-01 Engineering and Construction Update

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

R2021-01-02 Financial Highlights by Beth McCague

Ms. Beth McCague provided Financial Highlights to the Board in their books for the month of December 2020.

R2021-01-03 Financials/Vital Statistics

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

R2021-01-04 Commercial Highlights

Mr. Robert Peek provided commercial highlights to the Board for the month of January 2021.

Miscellaneous

There were no emergency purchases or unbudgeted transactions.

Adjourn

There being no further business of the Board, the meeting adjourned at 10:23 a.m.

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

AC-2021-02-01		02/16/2021
Reference No.	**File**	**Date**

SUBJECT: Services During Construction Wharf Rehabilitation Phase II at BIMT
JPA Project No.: B2019.08 JPA Contract No.: AE-1436D CO#2
HDR Engineering, Inc.

COST: $801,800.00 ☒ **BUDGETED** ☐ **NON-BUDGETED**

BACKGROUND:

JAXPORT currently has underway the reconstruction of Berth 33/34 at Blount Island by Manson Construction, Inc. In order to ensure all aspects of the project are constructed in accordance with the plans and specifications, Services During Construction (SDC) are being provided by HDR, Inc. This effort includes daily reports/photos, inspections of materials delivered, ensure correct size and placement of components such as sheet pile walls, rebar, drainage structures, electrical equipment, bollards, fenders, etc. Additionally, services to perform a compliance review of manufacturer's shop drawings and make changes to plans as required are included in the SDC. The original construction was to be completed on February 11, 2021. However, the contractor is significantly behind. As such, additional SDC are required to ensure continued quality is provided and the project complies with all the original design requirements.

JAXPORT issued a contract to HDR Engineering, Inc. on August 28, 2018, in the amount of $1,813,478.78 for engineering services during construction for the current project for the wharf rehabilitation. Under this project JAXPORT has issued one (1) change order in the amount of $26,200 to do additional work due unforeseen conditions.

Currently, an additional change order (Change Order No. 2 in the amount of $801,800.00) is needed to continue to provide the necessary SDC until the project construction is completed, which is expected by the end of the current calendar year. The project was originally projected and budgeted for a duration of 27 months, construction of the wharf is now anticipated to require 40 months with a schedule completion of December 2022.

The breakdown of cost for the remaining schedule is as follows:

FY 2021 (Feb – Apr)	$204,400.00
FY 2021 (May – Oct)	$360,850.00
FY 2022	$236,550.00
Total	$801,800.00

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 21, and will be funded with 75% FDOT funds and 25% JPA funds.

FINANCIAL:

Available Budget:	$1,360,142
Proposed Expense:	$ 801,800
Remaining Balance:	$ 558,342

RECOMMENDATION:

Management requests that the Awards Committee recommend that the Board of Directors approve the issuance of a Change Order No. 2 to HDR Engineering, Inc., for services during construction wharf rehabilitation phase II at BIMT in the amount of $801,800.00. The total amount of the contract including Change Orders No. 1 and 2 will be $2,641,478.78.

~~AC-2021-02-01~~

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: HDR Engineering Inc. proposal dated 01/28/2021

ORIGINATED BY:

James Bennett, PE
Digital Signer:James Bennett, PE
DN:C=US,
E=James.Bennett@JAXPORT.com,
OU=Engineering and Construction,
O=JAXPORT, CN="James Bennett,
PE"
Date:2021.02.11

James Bennett, Sr. Director, Engineering & Construction

SUBMITTED FOR APPROVAL

Jacqueline R. Glass
Digital Signer:Jacqueline R. Glass
DN:C=US, E=jacqueline.glass@jaxport.com,
O=JAXPORT, OU=Procurement, CN=Jacqueline R.
Glass
Date:2021.02.11
15:17:47 -05:00

Jacqueline Glass, Director, Procurement Services

AWARDS COMMITTEE ACTION

☒ **APPROVED** ☐ **REJECTED** ☐ **DEFERRED**

CONDITIONS OF APPROVAL (IF ANY):

Retta Rogers
Digital Signer:Retta Rogers
DN:C=US, E=retta.rogers@jaxport.com,
O=Jacksonville Port Authority, OU=Procurement,
CN=Retta Rogers
Date:2021.02.16

Retta Rogers, Secretary to Awards Committee

Frederick Wong
Digital Signer:Frederick Wong
DN:C=US,
E=Frederick.Wong@jaxport.com,
O=JAXPORT, OU=Operations,
CN=Frederick Wong
Date:2021.02.17

Frederick P. Wong Jr., Chairman to Awards Committee

CHIEF EXECUTIVE OFFICER ACTION

☒ **APPROVED** ☐ **REJECTED** ☐ **DEFERRED**

CONDITIONS OF APPROVAL (IF ANY):

Frederick Wong
Digital Signer:Frederick Wong
DN:C=US,
E=Frederick.Wong@jaxport.com,
O=JAXPORT, OU=Operations,
CN=Frederick Wong
Date:2021.02.17

Frederick P. Wong Jr. on behalf of **Eric B. Green, Chief Executive Officer**

CONDITIONS OF APPROVAL (IF ANY):

Feb. 22, 2021
Date

Rebecca Dicks, Corporate Secretary

BOARD DECISION

☒ **APPROVED** ☐ **REJECTED** ☐ **DEFERRED**

CONDITIONS OF APPROVAL (IF ANY):

Vice Chair Wendy Hamilton on behalf of Chairman

Feb. 22, 2021
Date

Board Chairman

Feb. 22, 2021
Date

Board Secretary

C.P.O.# 3994-02

P.O. Box 3005
Jacksonville, Florida 32206-0005
(904) 357-3062

CAPITAL PURCHASE ORDER

VENDOR: HDR Engineering Inc. #11980

ADDRESS: 200 W. Forsyth Street, Suite 800
Jacksonville, FL 32202
Carol Worsham, Managing Principal

TELEPHONE/FAX: (904) 598-8900/598-8968

CONTRACT NO: A/E175A AE-1436D-02

REQUESTING DEPT: Engineering

JAXPORT TELEPHONE: (904)357-3064

JAXPORT CONTACT: Marv Grieve

G/L ACCT. #: 003.2050.AE-1436D.B2019.08

DESCRIPTION

Change Order No. 2 to CPO No. 3994

Provide additional Engineering Services During Construction for Phase 2 Reconstruction which includes Berth 33 and Berth 34 at Blount Island Marine Terminal. (See HDR Engineering, Inc.'s proposal dated 01/28/2021 attached). Terms and Conditions are in accordance with contract AE-175A.

TIME & MATERIAL, DIRECT EXPENSES, SUBCONSULTANT FEE & MARK-UP - FY 2021 (Feb-Apr):
Task 1. Engineering Services FY 2021 ……………………..…….. $ 204,400.00
TOTAL T&M Direct Cost, Mark-Up & Subconsultant (Feb.-Apr)…….. **$ 204,400.00**

TIME & MATERIAL, DIRECT EXPENSES, SUBCONSULTANT FEE & MARK-UP- FY 2021 (May-Oct.):
Task 2. Engineering Services FY 2021 ……………………..…….. $ 360,850.00
TOTAL T&M Direct Cost, Mark-Up & Subconsultant (May-Oct)…….. **$ 360,850.00**

TIME & MATERIAL, DIRECT EXPENSES, SUBCONSULTANT FEE & MARK-UP- FY 2022:
Task 3. Engineering Services FY 2022 ……………………..…….. $ 236,550.00
TOTAL T&M Direct Cost, Mark-Up & Subconsultant (Feb.-Apr)…….. **$ 236,550.00**

TOTAL T&M LABOR, DIRECT EXPENSES, SUB-CONSULTANTS FEE & MARK-UP FY 2021 - 2022 $801,800.00

***Current Contract Value includes Change Order No. 1 - 2 is $2,641,478.78**

COO APPROVAL: Frederick Wong
Digital Signer:Frederick Wong
DN:C=US, E=Frederick.Wong@jaxport.com, O=JAXPORT, OU=Operations, CN=Frederick Wong
Date:2021.02.17 15:30:19 -05:00

AUTHORIZED COST: $ 801,800.00

REQUESTED BY: Marvin L Grieve
Digital Signer:Marvin L Grieve
DN:E=marvin.grieve@jaxport.com, O=JAXPORT, CN=Marvin L Grieve
Date:2021.02.11 11:19:51 -05:00

ENGINEERING APPROVAL: James Bennett, PE
Digital Signer:James Bennett, PE
DN:C=US, E=James.Bennett@JAXPORT.com, OU=Engineering and Construction, O=JAXPORT, CN="James Bennett, PE"
Date:2021.02.11 11:51:11 -05:00

PROCUREMENT APPROVAL: Jacqueline R. Glass
Digital Signer:Jacqueline R. Glass
DN:C=US, E=jacqueline.glass@jaxport.com, O=JAXPORT, OU=Procurement, CN=Jacqueline R. Glass
Date:2021.02.11 15:19:29 -05:00

CHIEF EXECUTIVE OFFICER:
Frederick P. Wong Jr. on behalf of Eric B.Green
Frederick Wong
Digital Signer:Frederick Wong
DN:C=US, E=Frederick.Wong@jaxport.com, O=JAXPORT, OU=Operations, CN=Frederick Wong
Date:2021.02.17 15:30:55 -05:00

FINANCE-original **VENDOR-copy** **ISSUING DIVISION-copy** **ENGINEERING-copy**

CONCURRENCE________
Fed/State

HDR

January 28, 2021

Mr. Robert Kretzschmar
Project Manager
Jacksonville Port Authority
2831 Talleyrand Avenue
Jacksonville, FL 32206

SUBJECT: Change Order request related to Blount Island Marine Terminal (BIMT) Wharf Reconstruction Phase 2 REV2

Dear Mr. Kretzschmar:

This change order request covers the services required to complete the subject project at BIMT. Originally projected and budgeted for a duration of 27 months, construction of the wharf is now anticipated to require 40 months with a scheduled completion date of January 31, 2022.

A staff-hour and fee estimate is included along with an estimate of the time and fee required to complete the close-out of the project in Attachment A. The scope of work remains unchanged from the scope defined in the original task order. This change order request also includes additional budget for subconsultants ECS (geotechnical engineering), HEG (electrical engineering), and STAAK Group (on-site construction observation).

PROJECT BUDGET

A breakdown of the budget re-allocation is included below.

SERVICE DESCRIPTION		COST
FY 2021 (Feb-Apr)		
I. HDR Labor		
a. FY 2021		$ 125,000.00
II. HDR Direct Costs		$ 650.00
III. Subconsultants		
a. ECS Florida, Ltd		$ 15,000.00
b. HEG, Inc		$ 25,000.00
c. STAAK Group, LLC		$ 35,000.00
IV. Subconsultant Markup		$ 3,750.00
	Subtotal	*$ 204,400.00*

hdrinc.com 76 S Laura StreetSuite 1600Jacksonville, FL 32202-3433
(904) 598-8900

HDR

FY 2021 (May-Oct)

I. HDR Labor			
a. FY 2021 (May – Oct)		$	276,832.00
II. HDR Direct Costs		$	18.00
III. Subconsultants			
a. STAAK Group, LLC (May – Oct)		$	80,000.00
IV. Subconsultant Markup		$	4,000.00
	Subtotal	*$*	*360,850.00*

FY 2022

I. HDR Labor			
a. FY 2022		$	199,760.00
II. HDR Direct Costs		$	40.00
III. Subconsultants			
a. STAAK Group, LLC		$	35,000.00
IV. Subconsultant Markup		$	1,750.00
	Subtotal	*$*	*236,550.00*
V. TOTAL ADDITIONAL BUDGET REQUEST:		**$**	**801,800.00**

CLOSING

HDR is committed to providing you with excellent service and to helping bring the project to a successful conclusion. We look forward to continuing to serve you on this task and for future services. If you have any questions regarding this proposal, please feel free to contact me to discuss.

Sincerely,
HDR Engineering, Inc.

Frank Proctor, PE
Project Manager

Attachments: A. HDR Staff-hour and Fee Estimate

eCC: Craig McGillawee, HDR
George McGregor, HDR

ATTACHMENT A

Change Order Request for Engineering Services
AE-1436C Berth 33-34 Wharf Reconstruction
Services During Construction
REV2
28-Jan-21

MANHOUR AND FEE ESTIMATE

I. HDR Labor

TASK	Contract MH Rates	Principal / Officer $215.00	Project Manager $197.00	Sr. Engineer $165.00	Project Engineer $130.00	Design Engineer $105.00	Designer / Technician $100.00	Clerical / Secretary $65.00	SUBTOTAL
FY 2021									
1. Project Management									
Project Management and Administration		12	240					20	$51,160
	Subtotal								*$51,160*
2. Engineering Support Services									
Attend Weekly Construction Meeting			48	180	160	40			$64,156
Site Visits			48	240	480	120			$124,056
Review Shop Drawings / Material Submittals			40	120	200	80		40	$64,680
Respond to RFI's			40	120	200	40	40	40	$64,480
Review Change Orders			40	60	100	24			$33,300
	Subtotal								*$350,672*
FY 2022									
3. Project Management									
Project Management and Administration		4	80					8	$17,140
	Subtotal								*$17,140*
4. Engineering Support Services									
Attend Weekly Construction Meeting			12	60	48	12			$19,764
Site Visits			12	60	160	40			$37,264
Review Shop Drawings / Material Submittals			12	40	60	16		16	$19,484
Respond to RFI's			16	40	60	16	16	16	$21,872
Review Change Orders			12	24	40	16			$13,204
Pre-Final Walkthrough and Punchlist			24	40	40	40			$20,728
Substantial Completion Walkthrough and Review of Punch List Items			16	40	40	40			$19,152
Record Drawings			16	40	40	40	120		$31,152
	Subtotal								*$182,620*
	SUBTOTAL	16	656	1064	1628	524	176	140	**$601,592.00**

II. HDR Direct Costs	**$ 708.00**
III. Subconsultants	
ECS Florida, Ltd (Geotech)	**$ 15,000.00**
Hall Engineering Group (Electrical)	**$ 25,000.00**
STAAK Group, LLC (On-site observation)	**$ 150,000.00**
IV. Subconsultant Markup	
5%	**$ 9,500.00**
V. TOTAL	**$801,800.00**

BD2021-02-01

SUBMISSION
FOR
BOARD APPROVAL

SUBJECT: FLORIDA DEPARTMENT OF TRANSPORTATION PUBLIC TRANSPORTATION GRANT AGREEMENT 446820-1-94-01 TALLEYRAND MARINE TERMINAL CARGO IMPROVEMENTS INITIATIVE

COST: $1,156,250.00 **BUDGETED:** Yes

SOURCE OF FUNDS: Capital Budget

BACKGROUND:

Over the past three years JAXPORT has executed construction contracts to replace sheet piles, repair underdecking and pilings at the Talleyrand Marine Terminal berths. These multi-year projects have been executed methodically. To date, new sheet piles have been installed, underdecking at berths 4, 5 and 6 have been repaired, and pile repairs are underway at Berth 4. The 2021 Capital Budget included a project to repair the final underdecks at berths 7 and 8 at Talleyrand. We expect to issue an Invitation to Bid for this project in February and the project is estimated to take 18 months to complete. The upcoming underdeck repair project cost is estimated at $2,800,000. Should any funding from the FDOT grant remain after the underdeck work is completed, it will be used for additional berth work at Talleyrand Marine Terminal that may include additional pile repairs, bollard rehabilitation, etc.

STATUS:

The Florida Department of Transportation (FDOT) has issued a Public Transportation Agreement to support this project in the amount of $1,156,250 for the current year as represented by the Public Transportation Grant Agreement (PTGA). This funding is provided at 75% FDOT and 25% JAXPORT towards total project(s) cost of $1,541,667.

An additional $850,000 of funding from the State has been programmed in the FDOT Work Program and will be available after July 1, 2021.

RECOMMENDATION:

It is recommended the Board of Directors approve the Grant Agreement and adopt the resolution attached hereto for the PTGA.

BD2021-02-01

SUBMISSION
FOR
BOARD APPROVAL

ATTACHMENTS:

- Exhibit "A": Resolution
- Exhibit "B": FDOT PTGA

RECOMMENDED FOR APPROVAL:	James Bennett, PE
	Digital Signer:James Bennett, PE DN:C=US, E=James.Bennett@JAXPORT.com, OU=Engineering and Construction, O=JAXPORT, CN="James Bennett, PE" Date:2021.02.16
James Bennett Sr. Director, Engineering & Construction	Signature and Date
SUBMITTED FOR APPROVAL:	Frederick Wong
	Digital Signer:Frederick Wong DN:C=US, E=Frederick.Wong@jaxport.com, O=JAXPORT, OU=Operations, CN=Frederick Wong Date:2021.02.16 13:47:22 -05:00
Eric Green Chief Executive Officer Fred Wong (on behalf of Eric Green) Chief Operating Officer	Signature and Date
BOARD APPROVAL:	
Feb. 22, 2021 Meeting Date	Rebecca Dicks/Recording Secretary
ATTEST:	
Daniel Bean, Secretary	Wendy Hamilton, Vice Chair, on behalf of Jamie Shelton, 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 2021 FOR THE TALLEYRAND MARINE TERMINAL CARGO IMPROVEMENTS INITIATIVE.

WHEREAS: the Jacksonville Port Authority (JAXPORT) has been presented a Public Transportation Grant Agreement (PTGA) with the Florida Department of Transportation (FDOT) FM 446820-1-94-01for JAXPORT's Talleyrand Marine Terminal Cargo Improvements Initiative; and

WHEREAS: FDOT and JAXPORT have agreed that FDOT will provide funds of $1,156,250 under Reimbursement Payment Provisions according to the terms and conditions of the PTGA.

NOW THEREFORE, BE IT RESOLVED BY THE JACKSONVILLE PORT AUTHORITY;

Section 1: JAXPORT confirms its desire to enter into the Public Transportation Grant Agreement with FDOT;

Section 2: The Chief Executive Officer, or his authorized representative, is herein 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, Certifications 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 ADOPTED THIS 22nd day of February, 2021.

(Official Seal)

JACKSONVILLE PORT AUTHORITY

____
Wendy Hamilton, Vice Chair
On behalf of Jamie Shelton, Chairman

ATTEST:

____
Daniel K. Bean, Secretary

STATE OF FLORIDA DEPARTMENT OF TRANSPORTATION

PUBLIC TRANSPORTATION GRANT AGREEMENT

Form 725-000-01
STRATEGIC DEVELOPMENT
OGC 02/20

Financial Project Number(s): (item-segment-phase-sequence)		Fund(s):	PORT	FLAIR Category:	088794
446820-1-94-01		Work Activity Code/Function:	215	Object Code:	751000
		Federal Number/Federal Award Identification Number (FAIN) – Transit only:		Org. Code:	55022020229
				Vendor Number:	F593730270001
Contract Number:		Federal Award Date:			
CFDA Number:	N/A	Agency DUNS Number:	06-190-0957		
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 Talleyrand Marine Terminal Cargo Improvements 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**
X **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:

X Exhibit A: Project Description and Responsibilities
X Exhibit B: Schedule of Financial Assistance
_ *Exhibit B1: Deferred Reimbursement Financial Provisions
_ *Exhibit B2: Advance Payment Financial Provisions
X *Exhibit C: Terms and Conditions of Construction
X Exhibit D: Agency Resolution
X Exhibit E: Program Specific Terms and Conditions
X Exhibit F: Contract Payment Requirements
X *Exhibit G: Audit Requirements for Awards of State Financial Assistance

__ *Exhibit H: Audit Requirements for Awards of Federal Financial Assistance
__ *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, 2025. 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.

STATE OF FLORIDA DEPARTMENT OF TRANSPORTATION
PUBLIC TRANSPORTATION GRANT AGREEMENT

Form 725-000-01
STRATEGIC DEVELOPMENT
OGC 02/20

9. Project Cost:

a. The estimated total cost of the Project is $1,541,667. 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 $1,156,250 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:

X 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.

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.

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 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 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:

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 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 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 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.

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.

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. 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, 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 and hold harmless 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 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 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 subletting 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.

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 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

By: ____________________________

Name: ____________________________

Title: ____________________________

STATE OF FLORIDA, DEPARTMENT OF TRANSPORTATION

By: ____________________________

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

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 funding for the design and construction and associated components of JAXPORT's berth reconstruction/rehabilitation project(s). This project reconstructs/rehabilitates elements of the berths at the Talleyrand Marine Terminal that have reached the end of their design life. This includes underdeck concrete and piles for Berths 4, 5, 6, 7, and 8 as well as fenders and bollards at the terminal wharf.

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

C. Project Scope (allowable costs: describe project components, improvement type/service type, approximate timeline, project schedule, project size): This Project includes the environmental work, design work, and construction work required to complete the Berth development activities described in the Project Description, including: cathodic protection; concrete; construction inspection; construction of pile repairs; construction services; contractor stand-by; crack repairs; demobilization; demolition; design of pile repairs; design specifications for pile cleaning; fasteners and connectors; fender and bollard rehabilitation/replacement; form work; geotechnical services; grout filling; inspection of cleaned piles; mobilization; repair of cap soffits; rebar repair; repair of cap faces; repairs of panel soffits; shore and slope protection; structural components; temporary structures; underwater cleaning of piles; and, water quality protection structures.

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.

PROJECT LOCATION

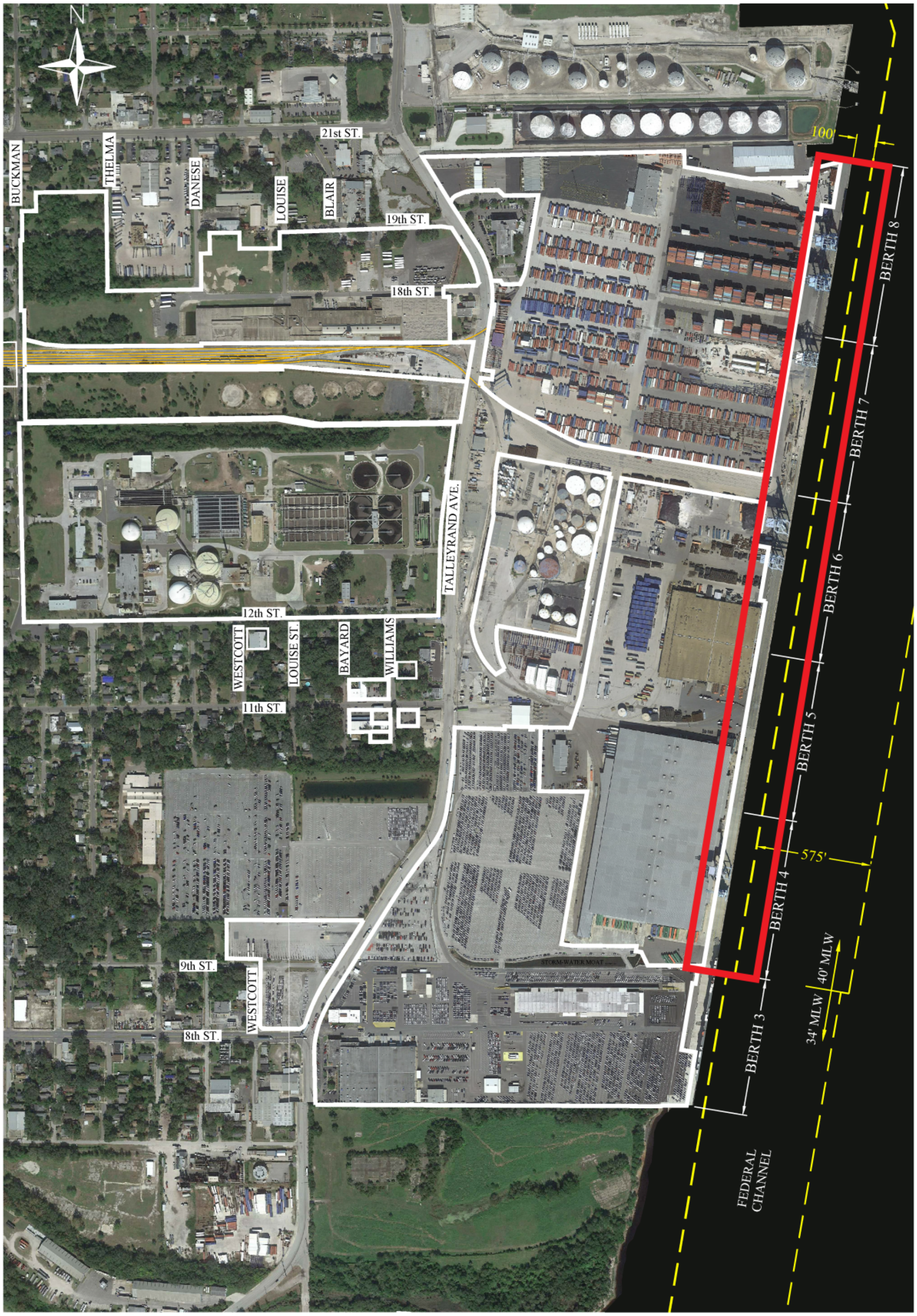

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EXHIBIT B

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
446820-1-94-01	PORT	088794	2021	751000	55.005	Seaport Grant Program	$1,156,250
446820-1-94-01	LF	088794	2021			Local Matching Funds	$385,417
	Total Financial Assistance						$1,541,667

B. Estimate of Project Costs by Grant Phase:

Phases*	State	Local	Federal	Totals	State %	Local %	Federal %
Land Acquisition	$0	$0	$0	$0	0.00	0.00	0.00
Planning	$0	$0	$0	$0	0.00	0.00	0.00
Environmental/Design/Construction	$1,156,250	$385,417	$0	$1,541,667	75.00	25.00	0.00
Capital Equipment	$0	$0	$0	$0	0.00	0.00	0.00
Match to Direct Federal Funding	$0	$0	$0	$0	0.00	0.00	0.00
Mobility Management (Transit Only)	$0	$0	$0	$0	0.00	0.00	0.00
Totals	$1,156,250	$385,417	$0	$1,541,667			

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

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.

Justin Ryan
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, Justin Ryan (email: Justin.Ryan@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.

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 Justin Ryan.

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 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, 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

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.

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.

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*** --

STATE OF FLORIDA DEPARTMENT OF TRANSPORTATION
PUBLIC TRANSPORTATION
GRANT AGREEMENT EXHIBITS

Form 725-000-02
STRATEGIC
DEVELOPMENT
OGC 02/20

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:** $1,156,250

*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

BD2021-02-02

SUBMISSION FOR BOARD APPROVAL

SUBJECT: FY2020 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, 2020, 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

BD2021-02-02

SUBMISSION FOR BOARD APPROVAL

.

RECOMMENDED FOR APPROVAL:
Beth McCague
Chief Financial Officer

Beth McCague

Digital Signer:Beth McCague
DN:C=US,
E=Beth.McCague@jaxport.com,
O=JAXPORT, OU=Finance, CN=Beth McCague
Date:2021.02.17
12:53:43 -05:00

Signature and Date

SUBMITTED FOR APPROVAL:

Eric Green, CEO

Frederick P. Wong Jr., COO
On behalf of Eric Green

Frederick Wong

Digital Signer:Frederick Wong
DN:C=US,
E=Frederick.Wong@jaxport.com, O=JAXPORT,
OU=Operations, CN=Frederick Wong
Date:2021.02.17
13:29:28 -05:00

Signature and Date

BOARD APPROVAL:

2/22/2021
Meeting Date

Rebecca Dicks/Recording Secretary

ATTEST:

Daniel K. Bean, Secretary

Wendy Hamilton, Vice Chair
On behalf of Jamie Shelton, Chairman

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

Annual Financial Report
For the Year Ended September 30, 2020

Table of Contents

February 15, 2021

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, 2020. 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 corporate and politic, 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 two-thirds of revenues are generated by containers and autos. The remaining lines of business include breakbulk, dry bulk, liquid cargo and cruise.

A seven-member Board of Directors presently governs the Authority. The Board of Directors establishes Authority policy and appoints an Executive Director. The Board of Directors annually elects a Chairman, Vice-Chairman, Secretary and Treasurer. Directors serve a four-year term. The Board appoints an Executive Director who serves at the pleasure of the Board of Directors.

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

2020 Financial Highlights

In a year challenged by COVID-19 impacts, JAXPORT was still able to keep most financial targets intact. Although Asian cargo and auto volumes were adversely impacted, certain other diversified lines of business were able to outpace 2019 results, namely Puerto Rico and other Caribbean cargo. Also, additive to 2020 results were one-time other revenue opportunities, including vessel layup fees resulting from COVID-19 impacts. As a result, total revenues declined a modest 6% compared to a year ago. In response to revenue challenges, cost containment measures were put in place in mid-fiscal year 2020 which resulted in significant savings across most expense line items, excluding berth maintenance dredging.

In 2020, JAXPORT recorded 1,227,281 twenty-foot equivalent units (TEUs), down 5% from a record 1,338,429 TEUs in 2019. Auto volumes in 2020 were 555,876 units, down 20% from record volumes of 696,427 units in 2019. Auto shipments were slowed significantly in mid-calendar year 2020 as manufacturing facilities and production activities were shut-down or curtailed, directly impacting import volumes. Cruise operations were discontinued from early March through year end; cruise business impacts alone declined $3.7 million as fiscal 2020 revenues of $1.9 million compared to $5.6 million a year ago.

Asian container trade represented 350,212 TEUs in 2020, compared to 441,184 TEUs in 2019, and comprise 27% of JAXPORT's total container cargo business. JAXPORT's Puerto Rico trade grew 6% in FY2020 to 802,101 TEUs, compared to 754,491 TEUs in 2019.

Other JAXPORT trade lanes include the Caribbean, South Africa, the Bahamas, and Africa markets, and accounted for 134,619 TEUs compared to 142,653 TEUs a year ago, collectively declining 6%. These markets comprise 10% of total JAXPORT container revenues.

In fiscal year 2020, amidst the COVID-19 pandemic, rating agencies Moody's Investors Service and Fitch Ratings both affirmed credit ratings of A2 and A, respectively, Outlook Stable for both.

Harbor Deepening Project

Fiscal year 2020 was a landmark year for the Harbor Deepening Project, JAXPORT's most significant strategic effort. The model for funding the first 11 miles of the authorized 13-mile project originally estimated the project to cost $484 million with completion expected in 2025. This 11-mile project covers the distance from the Atlantic Ocean to the Blount Island Marine Terminal. Construction of the project was awarded in three separate contracts and began February 2018. The first two construction contracts representing eight miles of the deepening were complete as of year-end 2020. The revised completion date is now estimated to be 2022. The total estimated cost for the 11-mile deepening is now $410 million.

The final construction contract, awarded in September 2020 was funded with financial support from Federal, State and local sponsors. In addition to funding from the Federal government, the State of Florida committed an additional $37.7 million to the project and the City of Jacksonville contributions and commitments totaled $39.2 million. Upon completion JAXPORT's harbor will accommodate the world's largest ships, enhancing the port's competitive position for global trade.

As exhibited in the attached financial statements, JAXPORT continues to strive for disciplined fiscal stewardship focused on maintaining strong cash balances, and controlling expenses, while continuing to pay down existing debt.

Independent Audit

A firm of independent certified public accountants is retained 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 10.550, 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 (GASB).

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

RSM

RSM US LLP

Independent Auditor's Report

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

We have audited the accompanying financial statements of the Jacksonville Port Authority, Florida (the Authority), a component unit of the City of Jacksonville, Florida, as of and for the years ended September 30, 2020 and 2019, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility
Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Authority, as of September 30, 2020 and 2019, and the changes in its financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Authority's basic financial statements. The revenue recognition – GAAP to budgetary basis reconciliation and the schedule of expenditures of state financial assistance, as required by Chapter 10.550, *Rules of the Auditor General, State of Florida*, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The revenue recognition – GAAP to budgetary basis reconciliation and the schedule of expenditures of state financial assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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, the revenue recognition – GAAP to budgetary basis reconciliation and the schedule of expenditures of state financial assistance are 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 February 15, 2021 on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

RSM US LLP

Jacksonville, Florida
February 15, 2021

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 during its most recent fiscal year which ended September 30, 2020 and for fiscal year 2019. 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 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 represents 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 of assessing the entity'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 operations 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 primary 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 2020

Total operating revenues for 2020 were $63,507, an overall 6% decline from 2019 in a year that was adversely impacted by the onset of COVID-19 (March 2020). Total 2020 tonnage volumes declined 9% to 9,915,155 tons compared to 10,887,242 in 2019, and down 5% comparatively from 10,474,283 tons in 2018. Repercussions of COVID-19 were most notable in terms of supply chain disruptions impacting import autos and Asian cargo. Puerto Rico and Caribbean trade lanes were impacted only temporarily and rebounded to exceed 2019 twenty-foot equivalent units (TEU) volumes by 6%, while Asia based cargo TEU declined 21% in 2020. Total TEUs for 2020 were 1,227,161 compared to 1,338,429 in 2019, down 5% overall. Auto volumes in 2020 were 555,876 units, down 20% from a record 696,427 units achieved in 2019. Auto revenues were down 11%, as fixed land leases help buffer the decline in auto wharfage revenue. Cruise business was out of service from early March through year end 2020, and declined 66% to $1,897. Other revenues however totaled $6,041 up $2,387, up 65% from 2019. Included in other revenues in 2020 were non-active cruise and other vessel layup fees of $2,042. Bulk cargo revenues increased $835, or 11% compared to 2019. In review, fiscal year 2020 exhibited the Authority's diversification of revenues, as some lines of business were able to sustain or exceed expectations partly offsetting the shortfall in others, in a challenging year.

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION (in thousands of dollars)	2020	2019	2018
Operating revenue	$ 63,507	$ 67,533	$ 66,947
Operating expenses			
Salaries and benefits	18,610	19,517	17,455
Services and supplies	3,952	4,412	4,685
Security services	5,039	4,701	4,494
Business travel and training	272	417	384
Promotion, advertising, dues and memberships	579	799	841
Utility services	850	1,047	1,061
Repairs and maintenance	1,829	1,810	2,383
Berth maintenance dredging	5,394	4,677	7,722
Miscellaneous	163	193	268
Total operating expenses	36,688	37,573	39,293
Operating income before depreciation	26,819	29,960	27,654
Depreciation	29,659	30,363	30,572
Operating loss	(2,840)	(403)	(2,918)
Non-operating revenue (expense)			
Interest expense	(8,487)	(9,191)	(9,049)
Interest income	230	777	336
Shared revenue from primary government	1,847	2,282	2,751
Contributions to tenants	(901)	(2,138)	(2,509)
Capital contributions to tenants	(1,092)	-	-
Capital contributions to other government agencies	(1,025)	(300)	(12,077)
Gain (loss) on sale/disposition of assets	13	(1,545)	3
Other non-operating	17	(220)	(107)
Total non-operating revenue (expense)	(9,398)	(10,335)	(20,652)
Loss before capital contributions	(12,238)	(10,738)	(23,570)
Capital contributions	50,847	49,621	19,912
Changes in net position	38,609	38,883	(3,658)
NET POSITION			
Beginning of year	431,628	392,745	396,403
End of year	$ 470,237	$ 431,628	$ 392,745

Jacksonville Port Authority

Management's Discussion and Analysis (unaudited)

Total operating expenses before depreciation for 2020 were $36,688, a decrease of $885 from prior year expenses before depreciation of $37,573. In response to COVID-19's expected impacts to 2020 revenues, the Authority instituted cost containment measures in March 2020 to include holding open positions, deferral or reduction of non-essential services and supplies, reduced marketing expenses and suspension of travel. The Authority, however, was able to maintain the employment of all existing personnel and incurred no furloughs of staff. As a result of these measures, most controllable expense categories reflect significant savings year over year. Salaries and benefits declined $907 and services and supplies expenses were reduced by $460 compared to prior year. Security expenses were $5,039, up $338, a line item that reflects mandatory staffing levels. Business travel and business promotion combined declined $365. Utility costs were down $197. Berth maintenance dredging expenses of $5,394 were up $717 in 2020 compared to 2019, a trailing impact of Hurricane Dorian.

Net non-operating expenses for 2020 totaled $9,398. Significant non-operating expenses include interest expense of $8,487, contributions to tenants of $1,092 and contributions to other government agencies totaling $1,025. Significant income and inflows included interest income of $230 and shared revenue from primary government of $1,847.

Capital Contributions totaled $50,847. State and federal grant contributions in 2020 were $49,621, compared to $38,883 in 2019. Also, in 2020, was a capital contribution from the City of Jacksonville (the City), which provided $35,000 to assist with the funding of the final phase of the 47 feet harbor deepening project. An additional capital contribution of $4,161 was received from the City in fiscal year 2021, the final part of a two-year capital grant commitment.

At the close of fiscal year 2020, the Authority had a net position of $470,237, an increase of $38,609 compared to $431,628 in 2019.

Revenue, Expenses and Changes in Net Position – 2019 vs 2018

Total operating revenues for 2019 were $67,533, sustaining solid revenue trends compared to prior years 2018 and 2017. Total 2019 tonnage volumes of 10,887,242 tons outpaced prior year record volumes of 10,474,283 tons. Fiscal year 2018 revenues were augmented by Puerto Rico Hurricane relief effort cargo, resulting in a 35% increase in Puerto Rico related TEUs in 2018. Additionally, 2018 was improved by $1,435 in minimum guarantee revenue. Container revenues, which comprise about 50% of the Authority's revenue base, were $33,017 and for reasons noted above were up marginally in 2019. The Authority continues to diversify its trade lanes, with 33% of container volumes attributable to Asian business, 441,184 TEUs, up 3% over prior year. Total TEUs in 2019 were 1,338,429 compared to 1,270,480 in 2018. Auto volumes in 2019 achieved a record 696,427 units, a 5% increase over 2018, totaling $17,818 in revenue, up 4% over 2018. Other revenue line items include Cruise $5,600, with 76 cruises, and a near record 194,655 passengers. Various bulk cargo revenues totaled $7,443, with other revenues totaling $3,655.

Total operating expenses before depreciation for 2019 were $37,573 a decrease of $1,720 from prior year expenses before depreciation of $39,293. The decrease year over year, is largely attributable to prior year weather and hurricane related berth maintenance dredging costs, as 2019 totaled $4,677, compared to $7,722 in 2018, a decrease of $3,045. Salaries and benefits increased $2,062 and include pension accruals of $2,115 recorded in accordance with governmental accounting standards (GASB 68), compared to $1,069 in 2018. Services and supplies expenses were $4,412, declining $291 from prior year and reflect savings in fuel and other contract services. Security expenses were $4,701, up $207, reflecting a new security contract this year with an increased rate structure. Repair and maintenance costs were $1,810, down $573 from prior as year, as prior year activity included overall terminal maintenance upgrades for lighting and landscaping. All other expense line items reflected minor differences from prior year.

Jacksonville Port Authority

Management's Discussion and Analysis (unaudited)

Net non-operating expenses for 2019 totaled $10,335. Significant non-operating expenses include debt related interest cost of $9,191 and contributions to tenants of $2,138 (certain capital grant commitments were used as indirect offsets to these outlays). Net loss on disposition of assets were $1,545. Contributions to other agencies totaled $300, for a harbor improvement project for The Army Corp of Engineers. Fiscal year 2018 included a $12,077 transfer of properties (land) to the City.

Shared revenue from primary government in 2019 was $2,282 compared to $2,751 in 2018. Interest Income totaled $777.

State and federal grant contribution in 2019 were $49,621, compared to $19,912 in 2018. Significant capital contributions in 2019 were for $35,300 for harbor deepening and $12,968 for wharf reconstruction projects.

At the close of fiscal year 2019, the Authority had a net position of $431,628, an increase of $38,883 compared to prior year net position of $392,745.

Net Position

2020 vs. 2019

At September 30, 2020, the Authority's net position was $470,237 compared to $431,628 at year end 2019. Operating income before depreciation was $26,819, compared to $29,960 in 2019. Depreciation expense was $29,659 in 2020, compared to $30,363 in prior year. The Authority's operations are also supported by state and federal grants, as well as an interlocal agreement with its primary government (City of Jacksonville). Interlocal revenues for 2020 were $1,847. Additionally, in 2020, the city provided a $35,000 capital grant in support of the 47' harbor deepening project. State and federal grants in aid of construction of were $15,847.

(In thousands of dollars)	2020	2019	2018
NET POSITION			
Current assets	$ 42,662	$ 32,816	$ 35,339
Noncurrent assets (excluding capital assets)	31,614	33,430	33,035
Capital assets	849,045	779,924	735,686
Deferred outflows of resources	11,284	6,181	7,388
Total assets and deferred outflows	934,605	852,351	811,448
Current liabilities	24,675	24,635	30,341
Bonds and notes outstanding (net of current portion)	222,152	225,903	230,449
Other noncurrent liabilities and deferred inflows	217,541	170,185	156,148
Total liabilities and deferred inflows	464,368	420,723	416,938
Net position			
Net investment in capital assets	440,981	404,185	363,622
Restricted for debt service	17,468	16,243	18,279
Restricted – other	2,991	3,416	2,967
Unrestricted	8,797	7,784	7,877
Total net position	$ 470,237	$ 431,628	$ 392,745

Jacksonville Port Authority

Management's Discussion and Analysis (unaudited)

Total assets and deferred outflows at year end 2020 were $934,605, reflecting net Capital Asset additions of $69,121, including $77,344 for harbor deepening and $21,436 for other port related improvements and equipment (net of depreciation). Funding for the Harbor Deepening project in fiscal year 2020 included contributions from primary government (the City) of $35,000 and an FDOT grant funding commitment of $37,700, supported by a bridge loan in the same amount from the City. Borrowings from the City will be repaid from construction progress FDOT grant draws, with an anticipated two-year construction phase.

Total liabilities and deferred inflows were $464,368 at year end 2020, compared to $420,723 in 2019. Reductions in bonds and notes payable totaled $741, from scheduled debt service payments, amortization of bond premiums and as impacted by a significant debt refunding in 2020 (see note K). Other noncurrent liabilities and deferred inflows in 2020 totaled $217,541, an increase of $47,356 from 2019, and included borrowings from the City of $37,700 referenced above and interim borrowings of $6,919 on the line of credit.

Total net position at year end 2020 was $470,237, reflecting net investment in capital assets of $440,981, amounts restricted for debt service of $17,468 and unrestricted balances of $8,797.

Net Position

2019 vs. 2018

At September 30, 2019, the Authority's net position was $431,628 compared to $392,745 a year ago. Operating income before depreciation was $29,960, compared to $27,654 in 2018. Depreciation expense was $30,363, in line with prior year. The Authority's operations are also supported by funding from both the primary government (City of Jacksonville) of $2,282 and state and federal grants in aid of construction of $49,621, in fiscal year 2019.

Total assets and deferred outflows at year end 2019 were $852,351, reflecting net Capital Asset additions of $44,238, including $52,004 for harbor deepening and $26,050 for other port related improvements (net of depreciation). Funding for the Harbor Deepening project in 2019 included state grants of $35.3 million and tenant advance receipts of $16 million.

Total liabilities and deferred inflows were $420,723 at year end 2019, compared to $416,938 in 2018. Reductions in bonds and notes payable totaled $12,973, primarily from scheduled debt service payments, positively impacting both current liabilities and bonds and notes outstanding. Other noncurrent liabilities increased in 2019, mainly as $16 million in advance tenant lease receipts were added to unearned revenue balances (see Note F). Line of credit balances outstanding were $12,427 in 2019, compared to $11,794 a year ago.

Total net position at year end 2019 was $431,628; most significant was net investment in capital assets of $404,185, amounts restricted for debt service of $16,243 and unrestricted balances of $7,784.

Cash Flows

2020 vs. 2019

Cash flows from operating activities in 2020 were $30,218 compared to $43,628 in 2019, a decrease of $13,410. Receipts from customers were $65,039, down $17,003 from prior year. Prior fiscal year 2019 included a prepaid lease receipt of $16,000 compared to $6,000 in fiscal year 2020 – see Note F for additional information. The remaining decrease in receipts is attributable to reduced operating revenues in 2020. Payments to suppliers in 2020 were $18,073. Payments to/for employees were $16,748.

Cash flows from noncapital financing activities were $1,847 compared to $2,282 in 2019.

Jacksonville Port Authority

Management's Discussion and Analysis (unaudited)

Net cash used in capital and related financing activities in 2020 totaled $37,217. Acquisition and construction of capital assets outlays were $103,787, partly funded by contributions-in-aid of construction of $3,259. Harbor deepening spending totaled $77,344 and was funded by a $35,000 contribution from primary government (the City), also a bridge loan for $37,700 from the City (for timing of FDOT Grant Funds committed) and the line of credit borrowings in anticipation of another City capital grants due in fiscal year 2021. Other line of credit activity was for funds expended on a berth rehab project, whereby FDOT grant reimbursements are being deferred over ten quarterly instalments starting in late 2020. Interest and principal payments on capital debt in 2020 were $4,154. Contributions to tenants were $1,667. Proceeds from issuance of debt of $92,275 relate to the issuance of the 2020A and 2020B Bank Notes, which were used for the advance refunding of 95% of the 2012 Bonds $84,695 two years in advance of their normal call date. Net borrowings of $7,580 where combined with other available cash funds collectively totaling $10,873, specifically designated for the 2012 Bonds refunding transaction – see Note K for additional information.

Cash flows from investing activities totaled $230 in 2020 from interest income. Fiscal year 2019 included $765 in interest income and an investment security sale of $5,261 (liquidation of investments of funds restricted for debt service).

Cash and cash equivalents at the end of 2020 were $44,199 compared to $49,121 in 2019. The cash balance of $44,199 at September 30, 2020 is comprised of $16,788 in unrestricted cash, $3,457 in construction funds, $20,963 in restricted debt service and reserve funds and $2,991 for renewal and replacement funds.

2019 vs. 2018

Cash flows from operating activities in 2019 were $43,628, compared to $28,525 in 2018, an increase of $15,103. Receipts from customers were up $17,124 and included a $16,000 lump-sum tenant prepaid lease receipt, see Note F for additional information. Payments to suppliers in 2019 were $21,217, an increase of $1,696, associated with heavy 2018 berth maintenance dredging invoices paid in early 2019. Payments to employees were $17,197, an increase of $298 over 2018.

Cash flows from noncapital financing activities were $2,282 compared to $2,751 in 2018.

Net cash used in capital and related financing activities in 2019 totaled ($53,957). Acquisition and construction of capital assets of were $74,907, partly funded by contributions-in-aid of constructions of $42,336. Principal and interest payments on capital debt in 2019 were ($21,340). Proceeds from sale of assets were $2,295. Contribution to tenants were ($2,462). No new debt was issued in 2019.

Cash flows from investing activities totaled $6,026 of which $5,261 relate to the maturities of investments converted to cash in 2019 (funds restricted for debt service). Interest on investments were $765.
Cash and cash equivalents at the end of 2019 were $49,121, compared to $51,142 in 2018. The cash balance of $49,121 at September 30, 2019, is comprised of $16,705 in unrestricted cash, $8,821 in construction funds, $20,179 in restricted debt service and reserve funds and $3,416 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, 2020, the Authority had commitments for future construction work of approximately $18,525. Additional information can be found in the accompanying notes to the financial statements (see Note C).

Jacksonville Port Authority

Management's Discussion and Analysis (unaudited)

2020 vs. 2019

At September 30, 2020, the Authority's capital assets, net of depreciation, grew to $849,045, compared to prior year net capital assets of $779,924. Capital project additions for 2020 were $98,827; including harbor deepening project costs of $77,344, wharf rehabilitation projects totaling $18,294 and all other spending including tenant improvements of $3,142. Capital spending was partly funded by local, state and federal grants totaling $50,847 in 2020. Depreciation expense for 2020 was $29,659, compared to $30,363 in 2019.

2019 vs. 2018

At September 30, 2019, the Authority's capital assets, net of depreciation, grew to $779,924, compared to prior year net capital assets of $735,686. Capital project additions for 2019 were $78,054; including harbor deepening project costs of $52,004, wharf rehabilitation projects totaling $18,643 and all other spending including tenant improvements of $7,407. Capital spending was partly funded by state and federal grants totaling $49,621 in 2019. Depreciation expense for 2019 was $30,363, compared to $30,572 in 2018.

Long-Term Debt

2020 vs. 2019

At September 30, 2020, the Authority had outstanding bonds and notes payable of $229,315, a decrease of $741 from $230,056 at end of fiscal year 2019 (both net of unamortized bond premiums). In 2020, the Authority executed an advance refunding of $84,695 (95% of 2012 Bonds outstandings) with the issuance of the 2020 Bonds (Bank Note) in the amount of $92,275, resulting in total NPV savings of approximately $17 million through 2038 – see Note K for more information. The line of credit balance outstanding at September 30, 2020 was $19,346, compared to $12,427 at prior year end. The Authority also added borrowings of $37,700 in 2020 for a bridge loan from primary government (the City). Both the line of credit and the $37,700 bridge loan serve as funding sources for large capital project in progress (wharf rehabilitation and harbor deepening), whereby associated repayment amounts pending from FDOT grant reimbursement agreements, will provide total repayment for both to be paid in full by 2023.

2019 vs. 2018

At September 30, 2019, the Authority had outstanding bonds and notes payable of $230,056, a decrease of $12,973 from $243,029 at end of fiscal year 2018 (both net of unamortized bond discounts and premiums). The line of credit balance outstanding at September 30, 2019 was $12,427, compared to $11,794 at prior year end. The line of credit is primarily used for capital projects paid back by; deferred grant reimbursement agreements, or long-term port financing. No new debt was issued in 2019.

The Authority exceeded its required minimum debt service coverage ratio for the 2020 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, 2020 and 2019.

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, 2020 and 2019
(In thousands of dollars)

	2020	2019
Assets		
Current assets		
Cash and cash equivalents	$ 16,788	$ 16,705
Restricted cash and cash equivalents	7,867	5,451
Accounts receivable, net	6,056	6,681
Notes and other receivables	1,041	40
Grants receivable	9,243	2,326
Inventories and other assets	1,667	1,613
Total current assets	42,662	32,816
Noncurrent assets		
Restricted assets		
Cash and cash equivalents	16,087	18,144
Restricted for capital projects		
Cash and cash equivalents	3,457	8,821
Notes receivable	97	120
Grants receivable	11,973	6,345
Capital assets, net	849,045	779,924
Total noncurrent assets	880,659	813,354
Total assets	923,321	846,170
Deferred outflow of resources	11,284	6,181
Total assets and deferred outflow of resources	$ 934,605	$ 852,351

(continued)

Jacksonville Port Authority

Statements of Net Position
September 30, 2020 and 2019
(In thousands of dollars)

	2020	2019
Liabilities		
Current liabilities		
Accounts payable	$ 1,755	$ 2,790
Accrued expenses	895	897
Accrued interest payable	3,365	3,801
Construction contracts payable	3,293	4,595
Retainage payable	803	998
Unearned revenue	7,401	7,401
Bonds and notes payable	7,163	4,153
Total current liabilities	24,675	24,635
Noncurrent liabilities		
Unearned revenue	129,022	128,114
Accrued expenses	3,406	3,533
Other obligations	8,537	8,537
Net pension liability	18,069	15,877
Bridge loan from primary government	37,700	-
Line of credit note	19,346	12,427
Bonds and notes payable	222,152	225,903
Total noncurrent liabilities	438,232	394,391
Total liabilities	462,907	419,026
Deferred inflow of resources for pensions	1,461	1,697
Net Position		
Net investment in capital assets	440,981	404,185
Restricted for		
Debt service	17,468	16,243
Repair and replacement	2,991	3,416
Unrestricted	8,797	7,784
Total net position	$ 470,237	$ 431,628

See Notes to the Financial Statements.

Jacksonville Port Authority

Statements of Revenue, Expenses and Changes in Net Position
For the Years Ended September 30, 2020 and 2019
(In thousands of dollars)

	2020	2019
Operating revenue	$ 63,507	$ 67,533
Operating expenses		
Salaries and benefits	18,610	19,517
Services and supplies	3,952	4,412
Security services	5,039	4,701
Business travel and training	272	417
Promotions, advertising, dues and memberships	579	799
Utility services	850	1,047
Repairs and maintenance	1,829	1,810
Berth maintenance dredging	5,394	4,677
Miscellaneous	163	193
Total operating expenses	36,688	37,573
Operating income before depreciation	26,819	29,960
Depreciation expense	29,659	30,363
Operating (loss)	(2,840)	(403)
Non-operating revenues (expenses)		
Interest expense	(8,487)	(9,191)
Investment income	230	777
Shared revenue from primary government	1,847	2,282
Contributions to tenants	(901)	(2,138)
Capital contributions to other government agencies	(1,025)	(300)
Capital contributions to tenants	(1,092)	-
Gain (loss) on sale/disposition of assets	13	(1,545)
Other non-operating gains (expenses)	17	(220)
Total non-operating expenses	(9,398)	(10,335)
Loss before capital contributions	(12,238)	(10,738)
Capital contributions	50,847	49,621
Change in net position	38,609	38,883
Net position		
Beginning of year	431,628	392,745
End of year	$ 470,237	$ 431,628

See Notes to the Financial Statements.

Jacksonville Port Authority

Statements of Cash Flows
For The Years Ended September 30, 2020 and 2019
(In thousands of dollars)

	2020	2019
Cash flows from operating activities		
Receipts from customers	$ 65,039	$ 82,042
Payments for services and supplies	(18,073)	(21,217)
Payments to/for employees	(16,748)	(17,197)
Net cash provided by operating activities	30,218	43,628
Cash flows from noncapital financing activities		
Receipts from primary government	1,847	2,282
Net cash provided by noncapital financing activities	1,847	2,282
Cash flows from capital and related financing activities		
Proceeds from capital debt	92,275	-
Principal paid on debt refunding	(84,695)	-
Payments for refunding of revenue bonds	(10,873)	-
Note issue costs	(199)	-
Bridge loan from primary government	37,700	-
Contribution from primary government	35,000	-
Line of credit advances	18,116	5,964
Line of credit payments	(11,197)	(5,331)
Contributions to tenants	(1,667)	(2,462)
Contributions-in-aid of construction (grants)	3,259	42,336
Acquisition and construction of capital assets	(103,787)	(74,907)
Principal paid on capital debt	(4,154)	(12,575)
Interest paid on capital debt	(7,046)	(8,764)
Proceeds from sale of assets	32	2,295
Other	19	(513)
Net cash used in capital and related financing activities	(37,217)	(53,957)
Cash flows provided from investing activities		
Interest on investments	230	765
Proceeds from sale and maturities on investments	-	5,261
Net cash provided by investing activities	230	6,026
Net (decrease) in cash and cash equivalents	(4,922)	(2,021)
Cash and cash equivalents		
Beginning of year	49,121	51,142
End of year	$ 44,199	$ 49,121

(continued)

Jacksonville Port Authority

Statements of Cash Flows
For the Years Ended September 30, 2020 and 2019
(In thousands of dollars)

	2020	2019
Reconciliation of operating loss to net cash provided by operating activities		
Operating loss	$ (2,840)	$ (403)
Adjustment to reconcile operating loss to net cash provided by operating activities:		
Depreciation expense	29,659	30,363
Increase (decrease) in accounts receivable and other current assets	(430)	2,502
Increase (decrease)in deferred outflow of resources – pension	(76)	1,021
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	1,041	(3,128)
Unearned revenue	908	12,179
Pension	2,192	1,162
Decrease in deferred inflows of resources – pension	(236)	(68)
Total adjustments	33,058	44,031
Net cash provided by operating activities	$ 30,218	$ 43,628
Noncash investing, capital and financing activities		
Construction costs paid on account	$ 4,096	$ 5,593
Increase (decrease) in fair value of investments	-	196
Grants receivable	21,216	8,671
Loss on refunding of debt	5,796	-
Capital assets contributed to other governments	(1,025)	(300)

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 revenues, expenses 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 operating 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 pronouncement not yet adopted

GASB Statement No. 87, *Leases* was issued in June 2017, and will be effective for the Authority in fiscal year 2022. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities that previously were classified as inflows of resources or outflows of resources based upon payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. The Statement also includes an exception for short-term leases and exceptions for contracts that transfer ownership, leases of assets that are investments and certain regulated leases. The implementation of GASB 87 will have a significant impact on the financial statements of the Authority.

GASB Statement No. 91, *Conduit Debt Obligations* was issued in May 2019, and will be effective for the Authority in fiscal year 2022. 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 to the Authority's financial statements.

GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No.* 32 was issued in June 2020. Although certain provisions of this statement are effective immediately, the provisions likely to impact the Authority will be effective in fiscal year 2022. The primary objectives of this Statement are to: (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. Management does not expect this to have a significant impact on the financial statements of the Authority.

Jacksonville Port Authority

Notes to Financial Statements

Note A – Summary of Significant Accounting Policies (Continued)

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.

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. 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.*** Fair value is defined by GASB Statement No. 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, 2020, and 2019, the Authority did not hold any investments.

9. 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 renewal and replacement funds restricted for capital improvements and other funds as specifically designated by contributors or by grant agreement.

Jacksonville Port Authority

Notes to Financial Statements

Note A – Summary of Significant Accounting Policies (Continued)

10. Capital assets

Capital assets are carried at cost less accumulated depreciation. Donated capital assets are recorded at acquisition value. 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 the straight-line basis over the estimated useful lives of the assets. The estimated useful lives of property and equipment are as follows:

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

When capital assets are disposed of, the related cost and accumulated depreciation are removed with gains or losses on disposition reflected in current operations, in non-operating activity.

Costs incurred for Harbor 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. Berth maintenance dredging is expensed as incurred.

11. 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.

12. Deferred outflows/inflows of resources

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

In addition to liabilities, the statement of financial position includes a separate section for deferred inflows of resources. This separate financial statement section, deferred inflows of resources, represents an acquisition of net position 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.

13. 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.

Jacksonville Port Authority

Notes to Financial Statements

Note A – Summary of Significant Accounting Policies (Continued)

14. 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 all employees.

15. Conduit debt

Conduit debt obligations are certain limited-obligation revenue bonds issued by governmental agencies for the express purpose of providing capital financing for a specific third-party that is not a part of the issuer's financial reporting entity. The governmental agency has no obligation for such debt on whose behalf they are issued and the debt is not included in the accompanying financial statements. As of September 30, 2020, total conduit debt was $64,855,000. The original amount was $100,000,000 issued as Special Purpose Facilities Revenue Bonds, Series 2007 (Mitsui O.S.K. Lines, Ltd. Project).

16. Long-term obligations

In the financial statements, long-term obligations are reported as liabilities in the statement 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.

17. 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.

18. Other post-employment benefits

The Authority obtains actuarial valuation reports for its postemployment benefit plan (other than pensions) and records the OPEB liability as required under GASB Statement No. 75.

19. 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.

20. Shared revenue from primary government

Shared revenue from primary government represents the Authority's share of the communications service tax received by the City of Jacksonville (City) and millage payments from the Jacksonville Electric Authority (JEA) pursuant to City Ordinance Code and the November 1, 1996 Interlocal Agreement between the City and the Authority. The first use of these revenues is to service bonds previously issued by the City to fund port expansion projects. The Interlocal Agreement allows the Authority to use future excess funds for general business purposes, including debt service obligations of the Authority. The Authority's share of shared revenue from primary government was $1,847,000 and $2,282,000 in 2020 and 2019, respectively.

21. 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, 2020 and 2019, the carrying amount of the Authority's cash deposit accounts was $19,909,000 and $20,256,000, 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.

Cash equivalents consist of amounts placed 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 Pool.

Jacksonville Port Authority

Notes to Financial Statements

Note B – Deposits and Investments (Continued)

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:

2020		Investment Maturities (in Years)	
(in thousands of dollars)	Fair	Less	
Investment Type	Value	Than 1	1-5
Investments Subject to Interest Rate Risk			
Money market funds	$ 24,290	$ 24,170	$ -
Total investments	$ 24,290	$ 24,170	$ -

2019		Investment Maturities (in Years)	
(in thousands of dollars)	Fair	Less	
Investment Type	Value	Than 1	1-5
Investments Subject to Interest Rate Risk			
Money market funds	$ 28,666	$ 28,666	$ -
Total investments	$ 28,666	$ 28,666	$ -

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 statement 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.

Jacksonville Port Authority

Notes to Financial Statements

Note B – Deposits and Investments (Continued)

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

2020

Security Type	Credit Rating	% of Portfolio
Money market funds	AAAm	100.00%
Total		100.00%

2019

Security Type	Credit Rating	% of Portfolio
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 counterparty, 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 218.415(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 any bank depository 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

Note B – Deposits and Investments (Continued)

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.

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, 2020 or at September 30, 2019.

Jacksonville Port Authority

Notes to Financial Statements

Note C – Capital Assets

Capital asset activity for the years ended September 30, 2020 and 2019, was as follows:

2020 *(in thousands of dollars)*	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated				
Land and improvements	$ 145,470	$ -	$ (707)	$ 144,763
Harbor deepening and related costs	201,143	77,344	-	278,487
Construction in progress	22,545	24,893	(9,988)	37,450
Total capital assets not being depreciated	369,158	102,237	(10,695)	460,700
Depreciable capital assets				
Buildings	96,685	-	(201)	96,484
Improvements	595,661	6,038	(8,945)	592,754
Equipment	155,818	1,540	(9,475)	147,883
Total depreciable capital assets at historical cost	848,164	7,578	(18,621)	837,121
Less accumulated depreciation for:				
Buildings	59,186	3,166	(152)	62,200
Improvements	295,080	21,215	(8,812)	307,483
Equipment	83,132	5,278	(9,317)	79,093
Total accumulated depreciation	437,398	29,659	(18,281)	448,776
Depreciable capital assets, net	410,766	(22,081)	(340)	388,345
Capital assets, net	$ 779,924	$ 80,156	$ (11,035)	$ 849,045

Jacksonville Port Authority

Notes to Financial Statements

Note C – Capital Assets (Continued)

2019 *(in thousands of dollars)*	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated				
Land and improvements	$ 148,350	$ -	$ (2,880)	$ 145,470
Harbor Deepening and related costs	149,139	52,004	-	201,143
Construction in progress	20,464	24,378	(22,297)	22,545
Total capital assets not being depreciated	317,953	76,382	(25,177)	369,158
Depreciable capital assets				
Buildings	96,685	-	-	96,685
Improvements	577,924	22,255	(4,518)	595,661
Equipment	154,162	1,714	(58)	155,818
Total depreciable capital assets at historical cost	828,771	23,969	(4,576)	848,164
Less accumulated depreciation for:				
Buildings	55,995	3,191	-	59,186
Improvements	277,376	21,650	(3,946)	295,080
Equipment	77,667	5,522	(57)	83,132
Total accumulated depreciation	411,038	30,363	(4,003)	437,398
Depreciable capital assets, net	417,733	(6,394)	(573)	410,766
Capital assets, net	$ 735,686	$ 69,988	$ (25,750)	$ 779,924

<u>Land Improvements – Harbor Deepening and Dredge Spoil Sites</u>

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 $278 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 $16 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 – Lessor

The Authority is the lessor on agreements with various tenants for their use of port facilities. Capital assets held for lease have a cost of $833,491,000 and accumulated depreciation of $360,995,000 as of September 30, 2020. Revenues recognized for facility leases for the fiscal years ended September 30, 2020 and 2019, were $18,588,000 and $18,849,000, respectively.

Minimum future rental receipts and contractual minimum annual guarantees for each of the next five years and thereafter, excluding contingent or volume variable amounts on non-cancelable operating facility leases at September 30, 2020, are as follows:

(in thousands of dollars)	Total
2021	$ 30,062
2022	27,980
2023	23,145
2024	20,175
2025	20,462
2026-2030	94,760
2031-2035	92,027
2036-2040	61,774
2041-2045	36,522
	$ 406,907

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

In 2005, the Authority entered into an Operating and Lease Agreement with Mitsui O.S.K. Lines (MOL), LTD., Japanese Corporation (Lessee), whereby the Authority (Lessor) agreed to construct a 158-acre container terminal for exclusive use by the lessee. The 30-year lease term begins at the date of project completion, which occurred January 2009. The lessee is responsible for all operational costs of the facility over the lease term. Per terms of the 30-year agreement, all constructed facilities are owned by and reported as capital assets of the Authority. MOL subsequently assigned the lease to TraPac, Inc., a wholly-owned subsidiary of MOL. MOL remains ultimately responsible for the obligations to the Authority.

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 Mitsui O.S.K. Lines, Ltd. Project. The debt proceeds were remitted to the Authority for project construction and reported as unearned revenue. The Authority has no obligation to pay the Series 2007 bonds, which is payable by MOL and supported by an irrevocable direct-pay Letter of Credit by Sumitomo Mitsui Banking Corporation. See Note A.15 for additional information on conduit debt.

Additionally, the Authority issued $95 million of its own debt, whereby MOL provides scheduled monthly rent payments to the Authority to meet these debt service requirements. These scheduled rent payments and related debt service obligations will be fully extinguished in fiscal year 2023.

Jacksonville Port Authority

Notes to Financial Statements

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

Revenue Recognition

Lease revenue for this transaction is recognized on a straight-line basis over the lease term, in accordance with lease accounting guidance. The lease term began in August 2005, concurrent with the start of construction of the terminal and expires in the year 2039. Ongoing cargo throughput fees and other tariff related charges are assessed pursuant to the tenant agreement. Unearned revenue at September 30, 2020 and 2019, totaled approximately $116 million and $120 million, respectively.

Note F – Operating Lease with SSA Atlantic, LLC

In March 2019, the Authority executed a 25-year lease agreement with SSA Atlantic, LLC (SSA), effective August 1, 2019. The lease includes approximately 77 acres initially, with plans for future development totaling 100+ acres within 3-5 years. The contract, based upon tonnage-based throughput rates, anticipates a deep water (47' berth) and significant revenue volumes with the build out of the total terminal footprint. In addition to the contract tonnage rate, SSA is providing a total of $28 million in lump sum prepayments over the first three years of the contract, $16 million in 2019, $6 million in fiscal year 2020, and $6 million in 2021. The contract also provides SSA exclusive use of three cranes (owned by the Authority) over the 25–year lease term. The lump sum payments of $28 million are being recognized on a straight-line basis over the lease term, in accordance with lease accounting guidance. Unearned revenue at September 30, 2020 and 2019, was $20.7 million and $15.8 million, respectively. Deferred revenue recognized in 2020 totaled $1,120,000.

In addition to the ongoing tonnage throughput fees, the Authority also assesses fees for harbor and port security fees based upon vessel activity.

In addition to the revenue features of the contract detailed above, the Authority also charges SSA for crane maintenance activities, which continue to be maintained by using Authority personnel and supplies over the first five years of the agreement. These amounts are recorded as contra-salaries and benefits and contra-repairs and maintenance expense on the books of the Authority.

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.

Jacksonville Port Authority

Notes to Financial Statements

Note G – Pension Plan (Continued)

Governmental Accounting Standards Board Statement 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 1998 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 any 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 $3,260,117 and $3,440,209 for the fiscal years ended September 30, 2020 and 2019, respectively. Included in pension expense is the amortization of deferred inflows and outflows as well as the changes in the net pension liability.

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 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.

Jacksonville Port Authority

Notes to Financial Statements

Note G – Pension Plan (Continued)

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 121.091, 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 instructional 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
Regular Class members initially enrolled before July 1, 2011	
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
Regular Class members initially enrolled on or after July 1, 2011	
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
Senior Management Service Class	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 2020 and 2019, were as follows:

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

	Percent of Gross Salary		
		2020	2019
Class	Employee	Employer	Employer
FRS, Regular	3.00	10.00	8.47
FRS, Senior Management Service	3.00	27.29	25.41
DROP – Applicable to Members from all above classes	0.00	16.98	14.60

The Authority's contributions, for FRS and HIS totaled $1,420,852 and employee contributions totaled $337,141 for the fiscal year ended September 30, 2020. The Authority's contributions, for FRS and HIS totaled $1,370,938 and employee contributions totaled $333,203 for the fiscal year ended September 30, 2019.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: At September 30, 2020, the Authority reported a liability of $13,754,260 for its proportionate share of the FRS Plan's net pension liability, compared to $11,740,361 at September 30, 2019. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020. The Authority's proportionate share of the net pension liability was based on the Authority's 2019-20 fiscal year contributions relative to the 2019-20 fiscal year contributions of all participating members. At June 30, 2020, the Authority's proportionate share was 0.0317%, which was a decrease of 0.0024% from its proportionate share measured as of June 30, 2019, of 0.0341%.

Jacksonville Port Authority

Notes to Financial Statements

Note G – Pension Plan (Continued)

For the fiscal year ended September 30, 2020, the Authority recognized the Plan pension expense of $2,926,108. Fiscal year 2019 showed pension expense of $3,119,507, which, in addition, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources, for 2020 and 2019, as shown:

2020 Description	Deferred Outflow of Resources	Deferred Inflow of Resources
Differences between expected and actual experience	$ 526,404	$ -
Change of assumptions	2,489,959	-
Net difference between projected and actual earnings on FRS pension plan investments	818,942	-
Changes in proportion and differences between Authority FRS contributions and proportional share of contributions	140,401	891,486
Authority FRS contributions subsequent to the measurement date	272,446	-
Total	$ 4,248,152	$ 891,486

2019 Description	Deferred Outflow of Resources	Deferred Inflow of Resources
Differences between expected and actual experience	$ 696,354	$ 7,286
Change of assumptions	3,015,430	-
Net difference between projected and actual earnings on FRS pension plan investments	-	649,538
Changes in proportion and differences between Authority FRS contributions and proportional share of contributions	288,951	492,302
Authority FRS contributions subsequent to the measurement date	240,604	-
Total	$ 4,241,339	$ 1,149,126

Jacksonville Port Authority

Notes to Financial Statements

Note G – Pension Plan (Continued)

The deferred outflows of resources related to pensions, totaling $272,446, 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 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

2020	Amount
2021	$ 1,374.7
2022	946.7
2023	275.5
2024	184.5
2025	166.5
Thereafter	136.1

Actuarial Assumptions: The total pension liabilities in the July 1, 2020 and 2021, actuarial valuations were determined using the following actuarial assumptions, applied to all periods included in the measurement:

	2020	2019
Inflation	2.40%	2.60%
Salary Increase	3.25%	3.25%
Investment Rate of Return	6.80%	6.90%

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

Jacksonville Port Authority

Notes to Financial Statements

Note G – Pension Plan (Continued)

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, 2020 Actuarial Assumptions:

Asset Class	Target Allocation	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1.0%	2.2%	2.2%	1.2%
Fixed Income	19.0%	3.0%	2.9%	3.5%
Global Equity	54.2%	8.0%	6.7%	17.1%
Real Estate (property)	10.3%	6.4%	5.8%	11.7%
Private Equity	11.1%	10.8%	8.1%	25.7%
Strategic Investments	4.4%	5.5%	5.3%	6.9%
Total	100.0%			
Assumed inflation – Mean			2.4%	1.7%

July 1, 2019 Actuarial Assumptions:

Asset Class	Target Allocation	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1%	3.3%	3.3%	1.2%
Fixed Income	18%	4.1%	4.1%	3.5%
Global Equity	54%	8.0%	6.8%	16.5%
Real Estate (property)	10%	6.7%	6.1%	11.7%
Private Equity	11%	11.2%	8.4%	25.8%
Strategic Investments	6%	5.9%	5.7%	6.7%
Total	100%			
Assumed inflation – Mean			2.6%	1.7%

Jacksonville Port Authority

Notes to Financial Statements

Note G – Pension Plan (Continued)

Discount Rate: The discount rate used to measure the total pension liability was 6.8%. 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 Position 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 6.8%, 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 (5.8%) or 1 percentage-point higher (7.8%) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
Authority's proportionate share of the net pension liability			
As of July 1, 2020	$ 21,963,242	$ 13,754,260	$ 6,898,083
As of July 1, 2019	$ 20,295,174	$ 11,740,361	$ 4,595,644

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 Comprehensive Annual 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.

Benefits Provided: For the fiscal year ended June 30, 2020, 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, 2020, 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.

Jacksonville Port Authority

Notes to Financial Statements

Note G – Pension Plan (Continued)

The Authority's contributions to the HIS Plan totaled $203,097 for the fiscal year ended June 30, 2020, and $203,293 for the fiscal year ended June 30, 2019.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: At June 30, 2020, the Authority reported a net pension liability of $4,315,437 for its proportionate share of the HIS Plan's net pension liability, compared to $4,137,205 at September 30, 2019. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020. The Authority's proportionate share of the net pension liability was based on the Authority's 2019-20 fiscal year contributions relative to the total 2018-19 fiscal year contributions of all participating members. At June 30, 2020, the Authority's proportionate share was 0.0353%, a 0.0017% decrease in its proportionate share measured as of June 30, 2019, of 0.0370%.

For the fiscal year ended June 30, 2020, the Authority recognized the HIS Plan pension expense of $334,009 and $320,702 for fiscal year 2019. In addition, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

2020 Description	Deferred Outflow of Resources	Deferred Inflow of Resources
Differences between expected and actual experience	$ 176,528	$ 3,329
Change of assumptions	464,032	250,926
Net difference between projected and actual earnings on HIS pension plan investments	3,445	-
Changes in proportion and differences between Authority HIS contributions and proportional share of contributions	96,263	315,023
Authority HIS contributions subsequent to the measurement date	44,934	-
Total	$ 785,202	$ 569,278

2019 Description	Deferred Outflow of Resources	Deferred Inflow of Resources
Differences between expected and actual experience	$ 50,251	$ 5,066
Change of assumptions	479,049	338,141
Net difference between projected and actual earnings on HIS pension plan investments	2,670	-
Changes in proportion and differences between Authority HIS contributions and proportional share of contributions	138,375	204,121
Authority HIS contributions subsequent to the measurement date	45,677	-
Total	$ 716,022	$ 547,328

Jacksonville Port Authority

Notes to Financial Statements

Note G – Pension Plan (Continued)

The deferred outflows of resources related to pensions, totaling $44,934, 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 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

2020	Amount
2021	$ 86.0
2022	47.0
2023	(17.8)
2024	(14.4)
2025	24.9
Thereafter	45.3

Actuarial Assumptions: The total pension liabilities in the July 1, 2020 and 2018 actuarial valuations were determined using the following actuarial assumptions, applied to all periods included in the measurement:

	2020	2019
Inflation	2.40%	2.60%
Salary Increase	3.25%	3.25%
Investment Rate of Return	2.21%	3.50%

Mortality rates were based on the Generational RP-2000 with Projection Scale BB.

Discount Rate: The discount rate used to measure the total pension liability was 2.21%. 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 2.21%, 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 (1.21%) or 1 percentage-point higher (3.21%) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
Authority's proportionate share of the net pension liability			
As of July 1, 2020	$ 4,988,453	$ 4,315,437	$ 3,764,576
As of July 1, 2019	$ 4,722,832	$ 4,137,205	$ 3,649,444

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 Comprehensive Annual 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 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 originally earned under the FRS Pension Plan is transferred to the Investment Plan, the member must have the years 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, 2020, 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 $445,329 for the fiscal year ended September 30, 2020, and $417,813 for the fiscal year ended September 30, 2019.

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 IRS Code 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 IRS Code 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 statement of position. The Authority's 401(a) matching contributions were $172,000 and $172,000 for the years ended September 30, 2020 and 2019, respectively.

Note I – Other Post-Employment Benefits (OPEB)

<u>Plan Description</u>

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 plan that provides medical benefits to employees and eligible retirees and their dependents. The post-retirement benefit 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 123 active participants in the group medical plan and no participating retirees.

<u>OPEB Liability</u>

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.

Jacksonville Port Authority

Notes to Financial Statements

Note I – Other Post-Employment Benefits (OPEB) (Continued)

Actuarial Assumptions

Measurement Date: September 30, 2019

Discount Rate: 3.64% per annum (Beginning of year) 2.66% per annum (End of year). *Source: Bond Buyer 20-Bond GO index*

Salary Increase Rate: 3.5% per annum

Medical Consumer Price Index Trend: Chained-CPI of 2.0% per annum

Valuation Date: The census was provided by the Authority as of September 30, 2019.

Spouse Age: Spouse dates of birth were not provided. Male spouses are assumed to be three years older than female spouses.

Medicare Eligibility: All current and future retirees are assumed to be eligible for Medicare at age 65.

Actuarial Cost Method: Entry Age Normal based on level percentage of projected salary.

Amortization Method: *Experience* gains and losses are amortized over a closed period of 14.6 years starting on October 1, 2018, equal to the average remaining service of active and inactive plan members.

Plan Participation Percentage: It is assumed that 20% of all employees and their dependents who are eligible for early retiree benefits will participate in the retiree medical plan. Additionally, it is assumed that 50% of those retirees continue coverage upon Medicare eligibility. All retirees are assumed to elect the $500 deductible plan.

Mortality Rates: PUB 2010 generational table scaled using MP-19 and applied on a gender-specific basis

Health Care Cost Trend Rate: The health care cost trend assumptions are used to project the cost of health care in future years. The following annual trends are based on the current HCA Consulting trend study and are applied on a select and ultimate basis. Select trends are reduced 0.5% each year until reaching the ultimate trend rate.

Expense Type	Select	Ultimate
Pre-Medicare Medical and Rx Benefits	6.5%	4.5%
Medicare Benefits	5.5%	4.5%
Administrative Fees	4.5%	4.5%

Per Capita Health Claim Cost: Per capita health claim costs as of October 1, 2016 are developed from age adjusting and blending the fully insured premium rates. The age 60 and 70 annual expected claim costs are presented in the table below:

Per Capita Cost	Age 60	Age 70
Future Retirees	$14,600	$5,700

Jacksonville Port Authority

Notes to Financial Statements

Note I – Other Post-Employment Benefits (OPEB) (Continued)

Non-Claim Expenses: Non-claim costs are assumed to be 15% of the premium rates. Two-thirds of fixed expenses are attributed to administrative costs and the remaining one-third are attributed to pooling costs.

Plan Election Percentage: It is assumed that all retirees will elect the PPO plan at retirement.

Age Based Morbidity: The assumed per capita health claim costs are adjusted to reflect expected increases related to age and gender. These increases are based on a 2013 Society of Actuaries study.

Termination: The rate of withdrawal for reasons other than death and retirement has been developed from the Florida Retirement System Actuarial Valuation as of July 1, 2018.

Retirement Age: Annual retirement probabilities have been determined based on the Florida Retirement System Actuarial Valuation as of July 1, 2018.

Changes in Total OPEB Liability

The following data presents the changes in the total OPEB Liability for fiscal years ending September 30, 2020 and 2019:

	2020	2019
Balance, beginning of year	$ 294,914	$ 317,699
Service cost	15,000	16,000
Interest cost	12,000	12,098
Differences between expected and actual experience	-	67,260
Changes in assumptions or other inputs	-	(115,492)
Benefit payments	(6,000)	(2,651)
Net change	21,000	(22,785)
Balance, end of year	$ 315,914	$ 294,914

In accordance with GASB 75*, Accounting and Financial Reporting for Postemployment Benefits*, the Authority is required to perform an actuarial study every two years to determine its OPEB Liability.
As a result, the Authority has recorded an estimate of activity and changes in the OPEB Liability balance for fiscal year 2020.

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.

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:

	Total OPEB Liability		
	1% Decrease	Current Rate	1% Increase
As of September 30, 2020	$258,000	$316,000	$381,000
As of September 30, 2019	$243,000	$295,000	$359,000

Jacksonville Port Authority

Notes to Financial Statements

Note I – Other Post-Employment Benefits (OPEB) (Continued)

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:

	Total OPEB Liability		
	1% Decrease	Current Rate	1% Increase
As of September 30, 2020	$355,000	$316,000	$284,000
As of September 30, 2019	$330,000	$295,000	$265,000

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 $181,000 and $153,000 for the years ended September 30, 2020 and 2019, respectively.

The Authority is also a participant in the City's property insurance program which is provided through commercial insurance policies. Premium expense amounted to $532,000 and $498,000 for the years ended September 30, 2020 and 2019, 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, 2020 and 2019, was as follows:

	2020				
(In thousands of dollars)	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	87,410	-	(84,695)	2,715	865
Revenue Notes – Tax Exempt	90,617	88,870	(4,094)	175,393	6,198
Revenue Note – Taxable	60	3,405	(60)	3,405	100
Unamortized original issue premium amounts	9,569	-	(4,167)	5,402	-
Total bonds and notes payable	230,056	92,275	(93,016)	229,315	7,163
Liability for pollution remediation	1,018	-	(142)	876	-
Compensated absences and other	1,502	389	(352)	1,539	367
Line of credit	12,427	18,116	(11,197)	19,346	-
Bridge loan from primary governme	-	37,700		37,700	-
Reserve for grants assessment	1,013	-	(43)	970	-
Other obligation	8,537	-	-	8,537	-
	$ 254,553	$ 148,480	$ (104,750)	$ 298,283	$ 7,530

	2019				
(In thousands of dollars)	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	87,410	-	-	87,410	-
Revenue Notes – Tax Exempt	98,165	-	(7,548)	90,617	4,093
Revenue Note – Taxable	784	-	(724)	60	60
State Infrastructure Bank Loan	4,303	-	(4,303)	-	-
Unamortized original issue premium amounts	9,967	-	(398)	9,569	-
Total bonds and notes payable	243,029	-	(12,973)	230,056	4,153
Liability for pollution remediation	1,136	-	(118)	1,018	-
Derivative instrument liability	15	-	(15)	-	-
Compensated absences and other	1,841	364	(703)	1,502	342
Line of credit	11,794	5,964	(5,331)	12,427	-
Reserve for grants assessment	1,377	-	(364)	1,013	-
Other obligation	8,537	-	-	8,537	-
	$ 267,729	$ 6,328	$ (19,504)	$ 254,553	$ 4,495

Jacksonville Port Authority

Notes to Financial Statements

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

Long-term liabilities at September 30, 2020 and 2019, consisted of the following:

(in thousands of dollars)	2020	2019
Tax Exempt Revenue Note, Series 2017, due in varying amounts through 2028. Interest rates are fixed at 2.25%.	$ 21,035	$ 23,120
Revenue and Refunding Bonds, Series 2012, including serial bonds due in varying amounts through 2023. Interest rates range from 4.00% to 5.0%.	2,715	87,410
Tax Exempt Revenue Note, Series 2009, due in varying amounts through 2019. Interest rates are fixed at 3.765%.	-	505
Taxable Revenue Note, Series 2009, due in varying amounts through 2019. Interest rates are fixed at 5.68%.	-	60
Tax Exempt Revenue Note, Series 2010, due in varying amounts through 2030. Interest rates are fixed at 2.69%.	17,976	18,476
Tax Exempt Bank Note Crane 2014, Subordinate Obligation due in varying amounts through 2034. Interest rates are fixed at 3.04%.	18,530	19,534
Revenue Bonds, Series 2018B, due in varying amounts thru 2048. Interest rates are fixed at 5%.	42,400	42,400
Tax Exempt Revenue Note, Series 2018A, due in varying amounts through 2033. Interest rate are fixed at 2.872%.	28,982	28,982
Taxable Revenue Note, Series 2020A, due in varying amounts through 2024. Interest rate are fixed at 2.66%	3,405	-
Taxable Revenue Note, Series 2020B, due in varying amounts through 2038. Interest rate (taxable) are 2.66% thru 2022, converting to a tax-exempt rate on 2.11% in August 2022.	88,870	-
Tax Exempt Bridge Loan from primary government, due in varying amounts through 2023. Interest rates vary based upon the city's commercial paper rate.	37,700	-
$50 million Line of Credit Note, Subordinate Obligation, interest due semi-annually in varying rates, 1.95% to 2.40% in 2019 and 2020. Principal due December 2022.	19,346	12,427
	280,959	232,914
Less current portion	7,163	4,153
	$ 273,796	$ 228,761

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 was subsequently renewed, due and payable November 2022. 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. The outstanding balance on the Line of Credit at September 30, 2020 was 19,346,000.

In December 2009, the Authority executed loan agreements with Compass Bank for the purpose of refunding the Series 2006 bonds. The Series 2009 Tax-Exempt Revenue Note, for $52,090,000 and Series 2009, Taxable Revenue Note for $6,420,000. The balance at September 30, 2020, on the Tax- Exempt Revenue Note was $0. The balance at September 30, 2020, on the Taxable Note was $0.

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 2031. The outstanding balance as of September 30, 2020, was $17,976,000.

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 2038. 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. The outstanding balance as of September 30, 2020, was $2,715,000.

In September 2014, the Authority executed a loan agreement (SunTrust Bank Note) 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, 2020, was $18,530,000.

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 2.25%, with a final maturity of 2028. The outstanding balance as of September 30, 2020 was $21,035,000.

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, 2020, was $28,982,000.

In August 8, 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, 2020, was $42,400,000.

In March 2020, the Authority executed loan agreements with Truist Bank for the purpose of advance refunding $84,695 (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 and the Taxable Revenue Note, Series 2020B for $88,870,000. The Series 2020A Note has a maturity date of 2024 and the Series 2020B note converts in 2022 to a Tax-Exempt Note, with a fixed rate of 2.11% through 2038. The refunding reduces the Authority's aggregate debt service by $22,956,000 through fiscal year 2038, resulting in net present value savings of $16,986,000.

Jacksonville Port Authority

Notes to Financial Statements

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

In August 2020, the Authority executed the 2020 Bridge Loan with the City of Jacksonville in the amount of $37,700,000. The purpose of the loan is to provide bridge financing for an FDOT Grant, in like amount, for the Harbor Deepening Contract C payment remitted in full to the USACE at September 2020. The FDOT grant calls for reimbursements, based upon project expenditures. FDOT funds collected by the Authority are concurrently remitted against the outstanding on the loan to the city. Total repayment is expected to occur within two years. The interest rate is based upon the City's commercial paper borrowing rate, estimated at 0.2% – 2 %.

Bond covenants

The Authority's debt resolutions place restrictions on the issuance of additional bonds, designates 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 certain levels 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 for the outstanding bonds and notes payable for the next five years and thereafter to maturity as of September 30, 2020, was as follows:

Years ending	*(in thousands of dollars)*	Interest	Principal
2021		$ 7,176	$ 7,163
2022		6,753	7,672
2023		6,154	8,036
2024		5,795	8,668
2025		5,565	8,920
2026 – 2030		23,174	49,305
2031 – 2035		17,550	58,186
2036 – 2040		10,550	46,840
2041 – 2045		5,899	14,555
2046 – 2050		1,866	14,568
		$ 90,482	$ 223,913

Line of Credit and Bridge Loan from Primary Government

At September 30, 2020 the Authority had two additional loans outstanding, of which both result from the need for interim financing for specific construction projects in process (Harbor Deepening and Berth Rehabilitation), whereby state grant reimbursements and other committed funds from the City and tenants will be forthcoming as full repayments for these obligations by 2023. The line of credit balance at September 30, 2020, was $19,346. The Bridge Loan from primary government outstanding balance at September 30, 2020, was $37,700.

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 $5,402 and $9,569 in 2020 and 2019, respectively. Unamortized deferred loss on refundings was $455 and $1,224 in 2020 and 2019, 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.

(in thousands of dollars)		2020		2019
Deferred loss on debt refundings	$	455	$	1,224
Deferred loss on defeasance		5,796		-
Deferred outflow pension (see Note G)		5,033		4,957
Total deferred outflow of resources	$	11,284	$	6,181
Deferred inflow of resources – pension (see note G)	$	1,461		1,697

Other Noncurrent Liabilities

Unearned revenue balances were $136,423,000 and $135,515,000 for years ended September 30, 2020 and 2019, respectively. The current portion was $7,401,000 and represents one year of rent amortization on MOL and SSA rents 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 $876,000 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 $295,000 and $295,000 at September 30, 2020 and 2019, respectively. See Note I for additional information.

The Authority has reserved a balance of $970,000 related to a de-obligation of FEMA Grant Funds for prior year's hurricane-related dredge funding. See Note M 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, 2020, repayment terms had not been determined.

Jacksonville Port Authority

Notes to Financial Statements

Note M – Commitments and Contingencies

Construction Related

At September 30, 2020, the Authority had commitments for future construction work of approximately $18,525,000, primarily for the rehabilitation of terminal berths. These projects are 75% grant funded.

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 $876,000 remains at September 30, 2020, for ongoing operations and monitoring costs.

Collective Bargaining Agreement

The Authority's workforce is made up of approximately 152 employees. Union employees represent about 40% of the total. The current union contract is a three-year contract expiring on September 30, 2022.

Grant Program Compliance Requirements

The Authority participates in federal and state assisted grant programs that are subject to review and audit by the grantor agencies. Entitlement to these resources is generally conditional upon compliance with the terms and conditions of the grant agreements and applicable federal and state regulations. Any disallowance resulting from a regulatory audit may become a liability to the Authority. In 2013, the Authority recorded a reserve in the amount of $1,377,000 (net balance of $970,000 at September 30, 2020) for a specific de-obligated grant (FEMA) funding, related to a prior years' hurricane related dredging event. This determination made by FEMA was based upon time requirement guidelines available to complete the debris removal work. The Authority's position is that expenditures were proper and will continue to pursue options regarding this determination.

Note N – Significant Customers

For the fiscal year ended September 30, 2020, the Authority had four customers with significant operating revenues (10% or more of total revenues): Crowley Liner Services (14%), Trapac (13%), Tote Maritime (10%) and SSA Atlantic (10%).

Jacksonville Port Authority

Notes to Financial Statements

Note O – Capital Contributions

Federal Contributions

The Authority received monies from federal funding awards designated for constructing various capital assets and capital improvements. Contributions of $697,082 and $720,451 were recorded for the years ended September 30, 2020 and 2019, respectively.

State Contributions

Amounts from state funding awards totaled $15,150,060 and $48,900,976 for the years ended September 30, 2020 and 2019, respectively.

Local Contributions

Amounts from local funding from the City, designated for the Harbor Deepening project, totaled $35,000,000 and $0 for the years ended September 30, 2020 and 2019, respectively.

JACKSONVILLE PORT AUTHORITY
REQUIRED SUPPLEMENTAL INFORMATION (UNAUDITED)

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

	2020	2019	2018
Total OPEB liability – beginning	$ 294,914	$ 317,699	$ 319,347
Service cost	15,000	16,000	14,896
Interest cost	12,000	12,098	11,984
Differences between expected and actual experience	-	67,260	-
Changes in assumptions or other inputs	-	(115,492)	(18,451)
Benefit payments	(6,000)	(2,651)	(10,077)
Net change	21,000	(22,785)	(1,648)
Total OPEB liability – ending	$ 315,914	$ 294,914	$ 317,699
Covered employee payroll	$9,887,483	$9,578,318	$9,164,400
Total OPEB Liability as a percentage of covered payroll	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.

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)

	2020	2019	2018	2017	2016	2015
Authority's proportion of the FRS net pension liability	0.0317%	0.0341%	0.0358%	0.0374%	0.0353%	0.0352%
Authority's proportionate share of the FRS net pension liability	$13,754,260	$11,740,361	$10,797,420	$11,070,761	$8,917,567	$4,546,261
Authority's covered-employee payroll	$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	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	78.85%	82.61%	84.26%	83.89%	84.88%	92.00%

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, 2016, 2017, 2018, 2019, and 2020 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)

	2020	2019	2018	2017	2016
Authority's proportion of the HIS net pension liability	0.0353%	0.0370%	0.0370%	0.0398%	0.0383%
Authority's proportionate share of the HIS net pension liability	$4,315,437	$4,137,205	$3,917,903	$4,250,943	$4,461,658
Authority's covered-employee payroll	$12,234,777	$12,246,587	$12,533,283	$12,195,198	$11,910,007
Authority's proportionate share of the HIS net pension liability as a percentage of its covered-employee payroll	35.27%	33.78%	31.26%	34.86%	37.46%
HIS Plan fiduciary net position as a percentage of the total pension liability	3.00%	2.63%	2.15%	1.64%	0.97%

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, 2016, 2017, 2018, 2019, and 2020 are available.

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

	2020	2019	2018	2017	2016
Contractually required FRS contribution	$ 1,217,755	$ 1,167,644	$ 1,202,882	$ 1,046,313	$ 947,884
FRS contributions in relation to the contractually required FRS	1,217,755	1,167,644	1,202,882	1,046,313	947,884
FRS contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Authority's covered-employee payroll	$ 12,234,777	$ 12,246,587	$ 12,553,283	$ 12,195,198	$ 11,910,007
FRS contributions as a percentage of cover-employee payroll	10.0%	9.5%	9.6%	8.6%	8.0%

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, 2016, 2017, 2018, 2019, and 2020 are available.

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

	2020	2019	2018	2017	2016
Contractually required HIS contribution	$ 203,097	$ 203,293	$ 208,052	$ 202,440	$ 197,706
HIS contributions in relation to the contractually required HIS	203,097	203,293	208,052	202,440	197,706
HIS contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Authority's covered-employee payroll	$ 12,234,777	$ 12,246,587	$ 12,533,283	$ 12,195,198	$ 11,910,007
HIS contributions as a percentage of cover-employee payroll	1.7%	1.7%	1.7%	1.7%	1.7%

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, 2016, 2017, 2018, 2019, and 2020 are available.

SUPPLEMENTAL INFORMATION

Jacksonville Port Authority

Revenue Recognition
GAAP to Budgetary Basis Reconciliation
For the Fiscal Year Ended September 30, 2020

GAAP Revenue – per Financial Statements	$	63,507
Reconciling Adjustment – GAAP to Budgetary Revenues – See Note (1)		(3,686)
Budgetary Basis Revenues	$	59,821

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.

Jacksonville Port Authority, Florida

Schedule of Expenditures of State Financial Assistance
Fiscal Year Ended September 30, 2020

Agency/Program	CFDA/ CSFA Number	Grant Number	Expenditures
STATE PROJECTS			
State of Florida Department of Transportation			
Seaport Grants	55.005	AR372	$ 86,742
Seaport Grants	55.005	GOG95	518,747
Seaport Grants	55.005	G0O84	880,089
Seaport Grants	55.005	G0496	13,678,046
Seaport Grants	55.005	G1604	54,970
Total Seaport Grants			15,218,594
Total Expenditures of State Financial Assistance			$ 15,218,594

See accompanying notes to schedule of expenditures of state financial assistance.

Jacksonville Port Authority, Florida

Notes to Schedule of Expenditures of State Financial Assistance
For the Year Ended September 30, 2020

Note 1. Basis of Presentation

The accompanying schedule of expenditures state financial assistance (the Schedule) includes the state grant activity of the Jacksonville Port Authority, Florida and is presented using the accrual basis of accounting for grants which are accounted for in proprietary funds. The information in this schedule is presented in accordance with the requirements of Chapter 10.550, Rules of the Auditor General.

Note 2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in *Cost Principles for State, Local and Indian Tribal Governments 2 CFR Part 225,* wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note 3. Subrecipients

The Authority did not make sub-awards of state financial assistance during the year ended September 30, 2020.

Note 4. Indirect Cost Recovery

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

RSM US LLP

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), as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated February 15, 2021.

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.

RSM US LLP

Jacksonville, Florida
February 15, 2021

RSM US LLP

Report on Compliance For the Major State Project; Report on Internal Control Over Compliance; as Required by Chapter 10.550, Rules of the Florida Auditor General

Independent Auditor's Report

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

Report on Compliance for the Major State Project
We have audited the Jacksonville Port Authority's (the Authority) compliance with the types of compliance requirements described in the *Department of Financial Services' State Projects Compliance Supplement* that could have a direct and material effect on the Authority's major state project for the year ended September 30, 2020. The Authority's major state project is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility
Management is responsible for compliance with the state statutes, regulations, and the terms and conditions of its state financial assistance applicable to its state projects.

Auditor's Responsibility
Our responsibility is to express an opinion on compliance for the Authority's major state project based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Chapter 10.550, *Rules of the Florida Auditor General*. Those standards, and Chapter 10.550 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state project occurred. An audit includes examining, on a test basis, evidence about the Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major state project. However, our audit does not provide a legal determination of the Authority's compliance.

Opinion on the Major State Project
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 its major state project for the year ended September 30, 2020.

Report on Internal Control Over Compliance

Management of the Authority is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Authority's internal control over compliance with the types of requirements that could have a direct and material effect on the major state project to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major state project and to test and report on internal control over compliance in accordance with Chapter 10.550, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Authority's 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 state project on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or 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 state project 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 state project 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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 Chapter 10.550. Accordingly, this report is not suitable for any other purpose.

RSM US LLP

Jacksonville, Florida
February 15, 2021

Jacksonville Port Authority, Florida

Schedule of Findings and Questioned Costs
For the Year Ended September 30, 2020

I - Summary of Independent Auditor's Results

Financial Statements

Type of auditor's report issued:	Unmodified			
Internal control over financial reporting:				
Material weakness(es) identified?		Yes	X	No
Significant deficiency(ies) identified?		Yes	X	None Reported
Noncompliance material to financial statements noted?		Yes	X	No

Jacksonville Port Authority, Florida

Schedule of Findings and Questioned Costs (Continued)
For the Year Ended September 30, 2020

I - Summary of Independent Auditor's Results (Continued)

State Financial Assistance

Internal control over major state projects:

Material weakness(es) identified?	____ Yes	X No
Significant deficiency(ies) identified?	____ Yes	X None Reported

Type of auditor's report issued on compliance for major projects: Unmodified

Any audit findings disclosed that are required to be reported in accordance with state projects pursuant to Rules of the Auditor General? ____ Yes X No

Identification of major projects:

CSFA Number	Name of State Project
55.005	Seaport Grants

Dollar threshold used to distinguish between type A and type B projects: $750,000

Jacksonville Port Authority, Florida

Schedule of Findings and Questioned Costs (Continued)
For the Year Ended September 30, 2020

II – Financial Statement Findings

A. Internal Control Over Financial Reporting

None Reported.

B. Compliance and Other Matters

None Reported.

III – State Financial Assistance Findings and Questioned Costs

A. Internal Control Over Compliance

None Reported.

B. Compliance

None Reported.

Jacksonville Port Authority, Florida

Summary Schedule of Prior Audit Findings
For the Year Ended September 30, 2020

None Reported.

RSM US LLP

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) as of and for the year ended September 30, 2020, and issued our report thereon dated February 15, 2021.

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

Other Reports and Schedule
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 the Major State Project; 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 February 15, 2021, 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 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 A 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)5.c. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures. It is management's responsibility to monitor the Authority's financial condition, and our financial condition assessment was based in part on representations made by management and the review of 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.

RSM US LLP

Jacksonville, Florida
February 15, 2021

RSM

RSM US LLP

Independent Accountant's Report

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

We have examined the Jacksonville Port Authority's (the Authority) compliance with Section 218.415, Florida Statutes, Local Government Investment Policies, during the year ended September 30, 2020. Management of the Authority is responsible for the Authority's compliance with the specified requirements. Our responsibility is to express an opinion on the Authority's compliance based on our examination.

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

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

In our opinion, the Authority complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2020.

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.

RSM US LLP

Jacksonville, Florida
February 15, 2021

Jacksonville Port Authority

Auditor's Communication of 2020 Audit Results
Report to the Audit Committee
February 15, 2021

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February 15, 2021

Audit Committee
Jacksonville Port Authority
Jacksonville, Florida

Attention: Members of the Audit Committee

We are pleased to present this report related to our audit of the financial statements of Jacksonville Port Authority (the Authority), a component unit of the City of Jacksonville, Florida, as of and for the year ended September 30, 2020. This report summarizes certain matters required by professional standards to be communicated to you in your oversight responsibility for the Authority's financial reporting process.

This report is intended solely for the information and use of the Audit Committee and management and is not intended to be, and should not be, used by anyone other than these specified parties. It will be our pleasure to respond to any questions you have about this report. We appreciate the opportunity to continue to be of service to Jacksonville Port Authority.

RSM US LLP

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REQUIRED COMMUNICATIONS

Generally accepted auditing standards (AU-C 260, *The Auditor's Communication With Those Charged With Governance*) require the auditor to promote effective two-way communication between the auditor and those charged with governance. Consistent with this requirement, the following summarizes our responsibilities regarding the financial statement audit as well as observations arising from our audit that are significant and relevant to your responsibility to oversee the financial reporting process.

Our Responsibilities With Regard to the Financial Statement Audit

Our responsibilities under auditing standards generally accepted in the United States of America have been described to you in our arrangement letter dated October 19, 2020. Our audit of the financial statements does not relieve management or those charged with governance of their responsibilities, which are also described in that letter.

Overview of the Planned Scope and Timing of the Financial Statement Audit

We have issued a separate communication dated November 19, 2020, regarding the planned scope and timing of our audit and identified significant risks.

Accounting Policies and Practices

Preferability of Accounting Policies and Practices
Under generally accepted accounting principles, in certain circumstances, management may select among alternative accounting practices. In our view, in such circumstances, management has selected the preferable accounting practice.

Adoption of, or Change in, Accounting Policies
Management has the ultimate responsibility for the appropriateness of the accounting policies used by the Authority. The Authority did not adopt any significant new accounting policies, nor have there been any changes in existing significant accounting policies during the current period.

Significant or Unusual Transactions
We did not identify any significant or unusual transactions or significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Management's Judgments and Accounting Estimates
Summary information about the process used by management in formulating particularly sensitive accounting estimates and about our conclusions regarding the reasonableness of those estimates is in the attached Summary of Significant Accounting Estimates.

Basis of Accounting
The financial statements were prepared on the assumption that the Authority will continue as a going concern.

Audit Adjustments and Uncorrected Misstatements

Audit adjustments and uncorrected misstatements are summarized in the attached summary of Audit Adjustments and Uncorrected Misstatements.

Other Information in Documents Containing Audited Financial Statements

Our responsibility for other information in documents containing the Authority's audited financial statements is to read the information and consider whether its content or manner of its presentation is materially inconsistent with the financial information covered by our auditor's report or whether it contains a material misstatement of fact. We will read the Authority's Annual Report containing the audited financial statements and identify material inconsistencies with the audited financial statements, when available.

Observations About the Audit Process

Disagreements With Management
We encountered no disagreements with management over the application of significant accounting principles, the basis for management's judgments on any significant matters, the scope of the audit or significant disclosures to be included in the financial statements.

Consultations With Other Accountants
We are not aware of any consultations management had with other accountants about accounting or auditing matters.

Significant Issues Discussed With Management
We discussed with management the following significant items which were presented to us by management during the planning phase of our audit:

- Other obligations pertaining to the USACE and the de-obligation of FEMA funding
- The financial statement impact of the refunding bond transaction
- The impact of the lease accounting standard when it becomes effective for the 2022 fiscal year

Significant Difficulties Encountered in Performing the Audit
We did not encounter any significant difficulties in dealing with management during the audit.

Significant Written Communications Between Management and Our Firm

Copies of significant written communications between our firm and the management of the Authority, including the representation letter provided to us by management, are attached as Exhibit A.

SIGNIFICANT ACCOUNTING ESTIMATES

Accounting estimates are an integral part of the preparation of financial statements and are based upon management's current judgment. The process used by management encompasses their knowledge and experience about past and current events, and certain assumptions about future events. You may wish to monitor throughout the year the process used to determine and record these accounting estimates. The following summarizes the significant accounting estimates reflected in the Authority's September 30, 2020 financial statements.

Significant Accounting Estimates	
Depreciation on Capital Asset	
Accounting policy	The Authority capitalizes all capital assets with a cost in excess of $5,000 threshold and an estimated life greater than one year. Depreciation expense is recorded using the straight line method and estimated useful life for each asset.
Management's estimation process	Management reviews the nature of the capital assets and determines the appropriate estimated useful lives and method for depreciating.
Basis for our conclusion on the reasonableness of the estimate	We have reviewed and evaluated the underlying data supporting the estimate of the useful lives and depreciation methods used by management for reasonableness and consistency and have deemed the resulting estimates to be reasonable.
Accounting for Pension Plans and Related Net Pension Liabilities, Including Amounts from the Florida Retirement System	
Accounting policy	Total pension liability, net pension liability and related pension amounts are actuarially determined in accordance with the parameters established by the Governmental Accounting Standards Board.
Management's estimation process	Authority management and/or the pension plan's management, with input from its actuary, developed the actuarial assumptions based on relevant criteria for FRS and HIS. Authority Management reviewed and approved the financial statement estimates derived from the pension plan's actuarial report and supplemental schedules provided by the Florida Auditor General.
Basis for our conclusion on the reasonableness of the estimate	We have audited the underlying data supporting the estimate and reviewed management's methodology, including evaluating the actuarial report which appears properly and consistently applied, and have deemed the resulting estimate to be reasonable.

RECORDED AUDIT ADJUSTMENTS

Management corrected the following material misstatements that were identified as a result of our audit procedures.

	Effect—Debit (Credit)						
Description	Assets	Liabilities	Net Position	Operating Revenue	Operating Expense	Nonoperating Revenue / Expense	Change in Net Position
Corrected							
Net correction of Deferred Loss on Defeasance and Amortization of Deferred Loss related to the 2020 defeasance of debt.	(1,699,752)	-	-	-	-	1,699,752	-
To adjust current restricted noncurrent cash to reflect lesser of 3 bond restriction as of 09/30/2020.	-	-	-	-	-	-	-
Total corrected adjusting journal entries	(1,699,752)	-	-	-	-	1,699,752	-
Income statement effect				**$ -**	**$ -**	**$ 1,699,752**	**$ -**
Balance sheet effect	**$ (1,699,752)**	**$ -**	**$ -**				

The adjustments are shown at the gross amounts recorded without related income tax effects.

UNCORRECTED MISSTATEMENTS

We identified the following uncorrected misstatements that management has concluded are not, individually or in the aggregate, material to the financial statements. We agree with management's conclusion in that regard.

	Effect—Debit (Credit)						
Description	Assets	Liabilities	Net Position	Operating Revenue	Operating Expense	Nonoperating Revenue / Expense	Change in Net Position
Reversed opening equity misstatements:	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Current year misstatements:							
FM related to Expense Testing	-	-	2,500	-	(2,500)	-	(2,500)
PM related to Expense Testing	-	-	185,234	-	(185,234)	-	(185,234)
Subtotals	-	-	187,734	-	(187,734)	-	(187,734)
Income statement effect				**$ -**	**$ (187,734)**	**$ -**	**$ (187,734)**
Balance sheet effect	**$ -**	**$ -**	**$ -**				

EXHIBIT A

Significant Written Communication Between Management and Our Firm

February 15, 2021

RSM US LLP
1301 Riverplace Blvd, Suite 1700
Jacksonville, FL 32207

This representation letter is provided in connection with your audits of the financial statements of Jacksonville Port Authority (the Authority), which comprise the statements of net position as of September 30, 2020 and 2019, the related statements of revenues, Expenses, and changes in net position and cash flows for the year then ended, and the related notes to the financial statements, for the purpose of expressing an opinion on whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

We confirm, to the best of our knowledge and belief, that as of February 15, 2021:

Financial Statements

1. We have fulfilled our responsibilities, as set out in the terms of the audit arrangement letter dated October 19, 2020, for the preparation and fair presentation of the financial statements referred to above in accordance with U.S. GAAP.

2. We acknowledge our responsibility for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

3. We acknowledge our responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud.

4. Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable and reflect our judgment based on our knowledge and experience about past and current events, and our assumptions about conditions we expect to exist and courses of action we expect to take.

5. Related-party transactions, including those with the City of Jacksonville, including advances receivable and payable, sale and purchase transactions, long-term loans, contributions, leasing arrangements, and guarantees, have been recorded in accordance with the economic substance of the transaction and appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.

7. The financial statements properly classify all funds and activities in accordance with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, as amended.

8. All events subsequent to the date of the financial statements, and for which U.S. GAAP requires adjustment or disclosure, have been adjusted or disclosed.

9. The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with U.S. GAAP.

10. We agree with the findings of specialists in evaluating our estimated liability for other post-employment benefit obligations and the pension plans net pension liability and related pension

amounts, and have adequately considered the qualifications of the specialists in determining the amounts and disclosures used in the financial statements and underlying accounting records. We did not give or cause any instructions to be given to specialists with respect to the values or amounts derived in an attempt to bias their work, and we are not otherwise aware of any matters that have had an impact on the independence or objectivity of the specialists.

11. We have obtained the information provided through the Florida Department of Management Services related to the State's cost-sharing multiple-employer pension FRS Plan and HIS Plan. We have reviewed the relevant information of the Plans' actuary and Plans' auditor related to methods and assumptions used in the calculation of net pension liability and related deferred items and the allocation methodology used to determine the Authority's share. We believe that the amounts reported and disclosed in the financial statements are proper.

12. We have complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.

13. We have no direct or indirect legal or moral obligation for any debt of any organization, public or private, that is not disclosed in the financial statements.

14. As of and for the year ended September 30, 2020, we believe the effects of the uncorrected misstatements aggregated by you and summarized below are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. For purposes of this representation, we consider items to be material, regardless of their size, if they involve the misstatement or omission of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

	Effect—Debit (Credit)						
Description	Assets	Liabilities	Net Position	Operating Revenue	Operating Expense	Nonoperating Revenue / Expense	Change in Net Position
Reversed opening equity misstatements:	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Current year misstatements:							
FM related to Expense Testing	-	-	2,500	-	(2,500)	-	(2,500)
PM related to Expense Testing	-	-	185,234	-	(185,234)	-	(185,234)
Subtotals	-	-	187,734	-	(187,734)	-	(187,734)
Income statement effect				$ -	$ (187,734)	$ -	$ (187,734)
Balance sheet effect	$ -	$ -	$ -				

Information Provided

15. We have provided you with:

   a. Access to all information of which we are aware that is relevant to the preparation and fair presentation of the financial statements such as records, documentation and other matters.

   b. Additional information that you have requested from us for the purpose of the audits.

   c. Unrestricted access to persons within the Authority from whom you determined it necessary to obtain audit evidence.

   d. Minutes of the meetings of stockholders, directors and committees of directors, or summaries of actions of recent meetings for which minutes have not yet been prepared.

16. All transactions have been recorded in the accounting records and are reflected in the financial statements.

17. We have disclosed to you the results of our assessment of risk that the financial statements may be materially misstated as a result of fraud.

18. We have no knowledge of allegations of fraud or suspected fraud affecting the Authority's financial statements involving:

    a. Management.

    b. Employees who have significant roles in internal control.

    c. Others where the fraud could have a material effect on the financial statements.

19. We have no knowledge of any allegations of fraud or suspected fraud affecting the Authority's financial statements received in communications from employees, former employees, analysts, regulators, short sellers or others.

20. We have complied with all aspects of laws, regulations and provisions of contracts and agreements that would have a material effect on the financial statements in the event of noncompliance.

21. We have no knowledge of noncompliance or suspected noncompliance with laws and regulations.

22. We are not aware of any pending or threatened litigation and claims whose effects should be considered when preparing financial statements.

23. We have disclosed to you the identity of the Authority's related parties and all the related-party relationships and transactions of which we are aware.

24. We are aware of no significant deficiencies, including material weaknesses, in the design or operation of internal controls that could adversely affect the Other's ability to record, process, summarize and report financial data.

25. There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.

Supplementary Information

26. With respect to supplementary information presented in relation to the financial statements as a whole:

    a. We acknowledge our responsibility for the presentation of such information.

    b. We believe such information, including its form and content, is fairly presented in accordance with U.S. GAAP.

    c. The methods of measurement or presentation have not changed from those used in the prior period.

27. With respect to management's discussion and analysis, the schedule of changes in total OPEB liability, the schedules of the Authority's share of net pension liabilities, and the schedules of Authority contributions presented as required by the Governmental Accounting Standards Board to supplement the basic financial statements:

a. We acknowledge our responsibility for the presentation of such required supplementary information.

b. We believe such required supplementary information is measured and presented in accordance with guidelines prescribed by U.S. GAAP.

c. The methods of measurement or presentation have not changed from those used in the prior period.

Compliance Considerations

In connection with your audit conducted in accordance with *Government Auditing Standards*, we confirm that management:

28. Is responsible for the preparation and fair presentation of the financial statements in accordance with the applicable financial reporting framework.

29. Is responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to the auditee.

30. Has identified and disclosed to the auditor that there are no instances that have occurred, or are likely to have occurred, of fraud and noncompliance with provisions of laws and regulations that have a material effect on the financial statements or other financial data significant to the audit objectives, and any other instances that warrant the attention of those charged with governance.

31. Has identified and disclosed to the auditor that there are no instances that have occurred, or are likely to have occurred, of noncompliance with provisions of contracts and grant agreements that have a material effect on the determination of financial statement amounts.

32. Has identified and disclosed to the auditor that there are no instances that have occurred, or are likely to have occurred, of abuse that could be quantitatively or qualitatively material to the financial statements.

33. Is responsible 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.

34. Acknowledges its responsibility for the design, implementation and maintenance of internal controls to prevent and detect fraud.

35. Has taken timely and appropriate steps to remedy fraud; noncompliance with provisions of laws, regulations, contracts and grant agreements; or abuse that the auditor reports.

36. Has a process to track the status of audit findings and recommendations.

37. Has identified for the auditor previous audits, attestation engagements and other studies related to the audit objectives and whether related recommendations have been implemented.

38. Has provided views on the auditor's reported findings, conclusions and recommendations, as well as management's planned corrective actions, for the report.

39. Acknowledges its responsibilities as it relates to non-audit services performed by the auditor, including a statement that it assumes all management responsibilities; that it oversees the services by designating an individual, preferably within senior management, who possesses suitable skill,

knowledge or experience; that it evaluates the adequacy and results of the services performed; and that it accepts responsibility for the results of the services.

In connection with your audit of state financial assistance conducted in accordance *Chapter 10.550, Rules of the Auditor General*, we confirm:

40. Management is responsible for complying, and has complied, with the requirements of Chapter 10.550, Rules of the Auditor General.

41. Management is responsible for understanding and complying with the requirements of laws, regulations, and the provisions of contracts and grant agreements related to state projects.

42. Management is responsible for establishing and maintaining, and has established and maintained, effective internal control over compliance for state projects that provides reasonable assurance that the auditee is managing state projects in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on our state project.

43. Management has prepared the schedule of expenditures of state financial assistance in accordance with Chapter 10.550, Rules of the Auditor General and has included expenditures made during the period being audited for all awards provided by state agencies in the form of grants, cost reimbursement contracts, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other assistance.

44. Management has identified and disclosed all of its government programs and related activities subject to Chapter 10.550, Rules of the Auditor General.

45. Management has identified and disclosed to the auditor the requirements of state statutes, regulations, and the terms and conditions of state financial assistance that are considered to have a direct and material effect on the major state project.

46. Management has made available all state financial assistance (including amendments, if any) and any other correspondence relevant to state projects and related activities that have taken place with state agencies or pass-through entities.

47. Management has identified and disclosed to the auditor all amounts questioned and all known noncompliance with the direct and material compliance requirements of state awards or stated that there was not such noncompliance.

48. Management believes that the auditee has complied with the direct and material compliance requirements (except for noncompliance it has disclosed to the auditor).

49. Management has made available all documentation related to compliance with the direct and material compliance requirements, including information related to state project financial reports and claims for advances and reimbursements.

50. Management has provided to the auditor its interpretations of any compliance requirements that are subject to varying interpretations.

51. Management has disclosed to the auditor any communications from state awarding agencies and pass-through entities concerning possible noncompliance with the direct and material compliance requirements, including communications received from the end of the period covered by the compliance audit to the date of the auditor's report.

52. Management has disclosed to the auditor the findings received and related corrective actions taken for previous audits, attestation engagements, and internal or external monitoring that directly relate

to the objectives of the compliance audit, including findings received and corrective actions taken from the end of the period covered by the compliance audit to the date of the auditor's report.

53. Management is responsible for taking corrective action on audit findings of the compliance audit.

54. Management has provided the auditor with all information on the status of the follow-up on prior audit findings by federal or state awarding agencies and pass-through entities, including all management decisions.

55. Management has disclosed the nature of any subsequent events that provide additional evidence with respect to conditions that existed at the end of the reporting period that affect noncompliance during the reporting period.

56. Management has disclosed all known noncompliance with direct and material compliance requirements occurring subsequent to the period covered by the auditor's report or stated that there were no such known instances.

57. Management has disclosed whether any changes in internal control over compliance or other factors that might significantly affect internal control, including any corrective action taken by management with regard to significant deficiencies and material weaknesses in internal control over compliance, have occurred subsequent to the period covered by the auditor's report.

58. State project financial reports and claims for advances and reimbursements are supported by the books and records from which the basic financial statements have been prepared.

59. The copies of state project financial reports provided to the auditor are true copies of the reports submitted, or electronically transmitted, to the state agency or pass-through entity, as applicable.

60. Management has charged costs to state awards in accordance with applicable cost principles.

61. Management is responsible for, and has accurately prepared, the summary schedule of prior audit findings to include all findings required to be included by Chapter 10.550, Rules of the Auditor General.

62. The reporting package does not contain protected personally identifiable information.

63. If applicable, management has disclosed all contracts or other agreements with service organizations.

64. If applicable, management has disclosed to the auditor all communications from service organizations relating to noncompliance at those organizations.

65. During the course of your audit, you may have accumulated records containing data that should be reflected in our books and records. All such data have been so reflected. Accordingly, copies of such records in your possession are no longer needed by us.

Jacksonville Port Authority

Eric Green,
Chief Executive Officer

Beth McCague

Beth McCague,
Chief Financial Officer

Michael McClung

Michael McClung
Director, Finance

CORPORATE HEADQUARTERS | 2831 TALLEYRAND AVENUE, JACKSONVILLE, FL 32206
JAXPORT.COM

BD2021-02-03

SUBMISSION
FOR
BOARD APPROVAL

SUBJECT:	**U.S. Department of Transportation Grant Agreement Under the Fiscal Year 2019 BUILD Transportation Grant Program** **MARAD 2019 BUILD Grant No. 693JF72040002**
COST: $70,900,000 $20,00,000 USDOT $50,900,000 SSA Jacksonville	**BUDGETED:** Yes

BACKGROUND:

In July 2019 JAXPORT applied to the Department of Transportation Maritime Division for grant funding to assist with the build out of the SSA International Container Terminal at Blount Island. In November of 2019, JAXPORT was notified of an award in the amount of $20,000,000 towards the $70,900,000 project. Since that time the Award Agreement has been negotiated and approved by the DOT Maritime Division. The grant funds will be administered by JAXPORT and along with funds provided by SSA Atlantic, the terminal will be expanded from 50 acres to ultimately 93 acres. Reconstructed and modernized. improvements include paving to support a stacked container operation, new gates, lighting, fire suppression systems, storm drainage & utilities, striping, and fencing. Construction will occur in eight phases over a 40-month period.

In addition to the landside improvements and separate from this agreement, SSA Jacksonville will add three Post-Panamax cranes to the facility in order to more efficiently transfer cargo to and from Post-Panamax vessels.

This modernization will leverage the investment in the three deep water berths on Blount Island which JAXPORT is scheduled to complete in 2021.

The new berths along with the terminal improvements and equipment will meet 21st century demands through improved efficiency and reliability of freight movement to increase JAXPORT's global economic competitiveness.

The facility will help maintain and promote new port-related jobs, support the growth in employment at the existing terminal and attract new businesses and jobs by increasing the efficiency and capacity at the terminal.

BD2021-02-03

SUBMISSION
FOR
BOARD APPROVAL

The timeline calls for a construction contract to be awarded by July 2021 with completion by November 2024.

STATUS:

The Grant Agreement has been negotiated and approved by MARAD. SSA Jacksonville has, by separate Agreement, agreed to fund the non-Federal share of the project and complete the project as detailed in the Project Application.

Once approved by JAXPORT's Board of Directors, the contract for construction of the 8-phase project and engagement of an engineering firm to monitor construction activities will be developed and processed by JAXPORT's Procurement Office.

RECOMMENDATION:

Management recommends approval of the Grant Agreement, the BUILD Grant Agreement between SSA Jacksonville and JAXPORT, and the Resolution authorizing acceptance of the Grant funding.

ATTACHMENTS:

- Department of Transportation Maritime Administration Grant Agreement
- SSA Jacksonville /JAXPORT Agreement
- Resolution

BD2021-02-03

SUBMISSION FOR BOARD APPROVAL

RECOMMENDED FOR APPROVAL:

Beth McCague
Chief Financial Officer

Beth McCague
Digital Signer:Beth McCague
DN:C=US,
E=Beth.McCague@jaxport.com,
O=JAXPORT, OU=Finance,
CN=Beth McCague
Date:2021.02.17
12:55:00 -05:00

Signature and Date

SUBMITTED FOR APPROVAL:

Eric Green, CEO
Frederick P. Wong Jr., COO
(on behalf of CEO)

Frederick Wong
Digital Signer:Frederick Wong
DN:C=US,
E=Frederick.Wong@jaxport.com, O=JAXPORT,
OU=Operations, CN=Frederick Wong
Date:2021.02.17
13:32:24 -05:00

Signature and Date

BOARD APPROVAL:

Feb. 22, 2021
Meeting Date

Rebecca Dicks/Recording Secretary

ATTEST:

Daniel K. Bean, Secretary

Wendy Hamilton, Vice Chair on behalf of
Jamie Shelton, Chairman

A RESOLUTION OF THE JACKSONVILLE PORT AUTHORITY AUTHORIZING THE EXECUTION OF A GRANT AGREEMENT BETWEEN THE U.S. DEPARTMENT OF TRANSPORTATION MARINE ADMINISTRATION AGREEEMENT AND THE JACKSONVILLE PORT AUTHORITY FOR FEDERAL FUNDING OF THE SSA INTERNATIONAL CONTAINER TERMINAL AT BLOUNT ISLAND

WHEREAS: the Jacksonville Port Authority (JAXPORT) has been presented a U.S. Department of Transportation MARAD Grant Agreement from the U.S. Department of Transportation (MARAD FY2019 BUILD Grant No. 693JF72040002) in the amount of $20,000,000 for the modernization of the SSA International Terminal at JAXPORT's Blount Island Terminal and;

WHEREAS: MARAD and JAXPORT have agreed that MARAD will provide funds of $20,000,000 under Reimbursement Payment Provisions according to the terms and conditions of the Agreement and;

WHEREAS: SSA Jacksonville has agreed to fund up to $50,900,000 in matching funds for the modernization improvements;

NOW THEREFORE, BE IT RESOLVED by JAXPORT:

Section 1: JAXPORT confirms its desire to enter into the Grant Agreement with MARAD and;

Section 2: JAXPORT further confirms its desire to enter into the BUILD Grant Agreement with SSA Jacksonville and;

Section 3: 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 MARAD Grant Agreement, the BULD Grant Agreement between SSA Jacksonville and JACPORT and any Supplemental Grant Agreement(s) for the purpose of scope changes, funding adjustments, contract duration changes, additional financial project numbers as well as execute Assurances, Certifications 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 ADOPTED THIS 22nd DAY OF FEBRUARY 2021.

(Official Seal) **JACKSONVILLE PORT AUTHORITY**

____
Wendy Hamilton, Vice Chair
On behalf of Jamie Shelton, Chairman

ATTEST:

____
Daniel K. Bean, Secretary

KEY CAPITAL PROJECTS

No.	Contract Number	Project Description	Vendor	Scope	Original Contract Amt. ($)	Approved Change Orders To Date	Total Contract as Amended	Payments to Date	Work Remaining To Invoice	Proposed Change Orders (PCO's)	Remarks
1	AE-1436D	Rehabilitate Berths 33 & 34	HDR Eng., Inc.	Engineering Services During Construction BIMT Wharf Reconstruction Phase II	$1,813,479	$26,200 Last CO #01 6/5/19	$1,839,679	$1,708,715	$130,964	$801,000	HDR awarded contract for Services During Construction. HDR is performing on-site daily observation including reports. Their services are critical in answering RFI's to keep the contractor working expeditiously.
	C-1436C		Manson Construction	BIMT Wharf Rehabilitation Phase II	$51,021,172	$183,296 Last CO #05 02/11/2021	$51,204,468	$34,922,158	$16,282,310	$166,241	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 1, 2021. Contractor is behind schedule but making every effort to improve the schedule. December 4 was the date for Substantial completion of Phase 2A. The berth has been released to JAXPORT for operations. Manson is working on driving pile on R-line, sheet pile installation and demolition of the wharf to prepare for driving waterside pile. Change Order #5 included: 1) Hurricane Dorian additional days, 2) Adding excavatable flowable fill at Twin 72s, 3) Added cost to extend dowel tubes in piles that reached refusal above expected grade, 4) A credit to delete the railroad turnout to Plimsol Road.
2	AE-1658	Upland Dredge Material Management Design & Construction	HDR Engineering	Engineering Design & Services During Construction for Toe Dike at Buck Island	$340,055	$58,967 Last CO #04 11/27/20	$399,022	$295,621	$103,401	$0	HDR completed the design documents and will be performing administrative services during construction which includes reviewing submittals, rfi's, change order requests, and monthly inspections.
	C-1737		Brance Diversified Inc.	Upland DMMA Construction Phase 1 - Buck Island	$3,897,200	$0	$3,897,200	$896,204	$3,000,996	$0	Brance Diversified received a Notice to Proceed on November 24, 2020. Contract duration is 450 calendar days. Brance Diversified has completed clearing and grubbinig the site and approximately 60% of the toe dike wall construction. Brance Diversified has started placiing spoil material in the new holding cell. Construction is progressing very well.
	AE-1737A		C&ES	Engineering & Inspection Services for Buck Island DMMA	$116,032	$0	$116,032	$0	$116,032	$0	C & ES is performing on-site inspection services as needed to confirm that testing and construction procedures are in accordance with plans and specificatons.
3	AE-1728	Westrock Property Improvements	Tetra Tech, Inc	Westrock Property Concept & Design	$262,600	$0	$262,600	$0	$262,600	$0	Tetra Tech has been awarded the design contract to evaluate and design a phased approach to improving the Westrock property for tenant operations. They have completed the topographical survey of the project and working on design options.
4	EQ-1739	Paceco Crane Demo	Global Rigging & Transport	Paceco Crane Disposal at BIMT	$713,000	$0	$713,000	$687,400	$25,600	$0	Global Rigging has completed the demolition and removal of the Paceco Crane and Clyde Crane. Substantial Completion was February 4, 2021.
5	C-1681	Rehabilitate Railroad Trestle	Intron Technologies	Railroad Trestle Repairs	$340,699	$418,801 Last CO 12/1/2020	$759,500	$484,800	$274,700	$0	Intron Technologies has completed approximately 60% of underdeck repairs and completed repairs on the expansion joints on the top of the bridge. They are on schedule.
6	C-1671	August Drive Sheet Pile Wall Replacement	Poseidon Dredge & Marine, Inc.	August Drive Sheet Pile Wall Replacement	$2,276,305			$0	$2,276,305	$0	Poseidon Dredge & Marine, Inc has been awarded the contract to replace the sheetpile walls at the August Drive Bridge. The sheet pile has been received and is being coated. Poseidon Dredge & Marine will begin construction the first week in March.

No.	Contract Number	Project Description	Vendor	Scope	Original Contract Amt. ($)	Approved Change Orders To Date	Total Contract as Amended	Payments to Date	Work Remaining To Invoice	Proposed Change Orders (PCO's)	Remarks
	AE-1611A	Pile Cap & Beam Rehab - TMT	HDR Engineering, Inc.	Design Services for Pile Jacket Program				$122,107	$19,462	$0	HDR Engineering provided design services and is providing Services During Construction for the pile jacket repair project at Berth 4 at TMT.
	C-1611		Underwater Mechanix, Inc	TMT Pile Jacket Repair - Berth 4	$630,299		$630,299	$78,524	$551,775	$0	Underwater Mechnix, Inc. was awarded the contract to provide pile jacket repairs at TMT Berth 4. Materials have been submitted and approved and UMX is proceeding with the installation of the jackets.
8	AE-1742	Bartram Island Cell C Expansion Design/Permitting	Taylor Engineering, Inc.	Bartram Island DMMA Cell C Concept Development Design & Permitting	$854,134	$0	$854,134	$0	$854,134	$0	Taylor Engineering has mobilized to the site and is performing geotechnical soil borings.

Financial Highlights

January 2021

January results show improved container activity as international terminal operator SSA reported its highest activity this year. Domestic carrier led by Crowley also had a solid month. Overall Container Revenue was $2.985 million, ahead of plan by $396 thousand and ahead of same period last year. January is the first month this fiscal year that we have surpassed results compared to same month last year. Auto activity is stable. 51,646 units were processed through JAXPORT in January, slightly ahead of same period last year.

While core business is stable, two important unusual items had a significant positive impact on January revenues. The first is the $679 thousand payment from Heogh for berthing its vessel as it recovered from the December fire incident. The second is a 5-year true up on a Minimum Guarantee from a tenant for its Break Bulk operations in the amount of $714 thousand paid in January. This payment considerably boosted Break Bulk revenues to $1.035 million.

EXPENSES

We continue to maintain close control over expenses. Across the board expenses are under plan and less than same month prior year except for berth maintenance dredging. Talleyrand berths were dredged resulting in a $972 thousand expense in January. Noteworthy, Salaries & Benefits remain under budget and below last year. We no longer have frozen positions but continue to carefully evaluate the need to replace any position that becomes vacant. Also, outsourced Security Services have been trimmed through slight reduction in certain gate hours and the elimination of several positions. As business increases, these reductions will be reevaluated.

YEAR-TO-DATE

Year-to-date numbers remain stable. Operating Revenues of $22.389 million are ahead of our conservative budget by $3.291 million and are nearly the same level as last year. Expenses are below budget by $909 thousand and $2 million less than same period last year. The most significant year over year savings are in the categories of Services and Supplies, Repairs and Maintenance. With four months of stable revenues, we have directed Operations to begin loosening expense controls to ensure necessary repairs are not delayed. Berth Maintenance Dredging is also under budget at this point by $157 thousand but we do not expect to realize significant savings in this category by year end. Three unusual Income items have boosted our year-to-date revenue - the vessel layup fee and MAG settlement noted above along with $743 thousand Tipping Fees recorded in November. With these unusual but welcomed payments, we report Operating Income before Debt Service and Depreciation of $11.386 million, a favorable Budget Variance of $4.2 million. Additionally, we continue to benefit from more than expected Shared Revenue from the City which at $3.365 million represented an $165 thousand increase over budget and $2.630 million over same period last year. As a reminder the debt that the city issued repaid from this source was extinguished last year.

BALANCE SHEET

Our Balance Sheet remains strong. Cash Balances are $20.615 million, above our target. The increase in payables is due to timing of receipt of some large invoices. Payment of these will reduce some of the excess Cash balance as will continued funding of capital projects. We also expect to apply some of the excess Cash to our Line of Credit in February.

CONCERNS

We continue to have concerns of losing a ship call as carriers are consolidating cargo on larger, fully loaded ships which need deep water.

VITAL STATISTICS

JANUARY FY2021 - Cargo Performance

CARGO INDICATORS

				VARIANCE		YEAR-TO- DATE			VARIANCE	
	Actual	Budget	Prior	Budget	Prior	Actual	Budget	Prior	Budget	Prior
Vessel Calls	128	124	132	4%	-3%	515	495	553	4%	-7%
Total Tons	**852,515**	**796,421**	**897,263**	7%	-5%	**3,452,728**	**3,185,684**	**3,526,121**	8%	-2%
Total Revenue	$6,527,940	$4,774,587	$5,593,433	37%	17%	$22,388,900	$19,098,348	$22,359,154	17%	0%

OPERATING REVENUE / STATISTICS

				VARIANCE		YEAR-TO- DATE			VARIANCE	
	Actual	Budget	Prior	Budget	Prior	Actual	Budget	Prior	Budget	Prior
Container Revenue	$2,984,824	$2,588,698	$2,832,124	15%	5%	$11,094,852	$10,354,792	$11,322,060	7%	-2%
Container TEU's	**122,769**	**105,423**	**109,141**	16%	12%	**476,136**	**421,691**	**444,381**	13%	7%
ICTF Rail Lifts	**1,231**	**1,500**	**995**	-18%	24%	**5,096**	**6,000**	**4,520**	-15%	13%
Auto Revenue	$1,315,975	$1,248,788	$1,391,377	5%	-5%	$5,321,416	$4,995,152	$5,790,345	7%	-8%
Auto Units	**51,646**	**49,063**	**51,577**	5%	0%	**235,904**	**196,252**	**222,670**	20%	6%
Military Revenue	$22,141	$105,834	$22,015	-79%	1%	$314,780	$423,336	$384,047	-26%	-18%
Military Units	**26**	**356**	**5**	-93%	420%	**1,281**	**1,068**	**1,778**	20%	-28%
Breakbulk Revenue	$1,035,070	$341,094	$285,731	203%	262%	$2,067,146	$1,364,376	$1,310,600	52%	58%
Breakbulk Tons	**53,728**	**65,484**	**58,682**	-18%	-8%	**234,422**	**261,938**	**266,973**	-11%	-12%
Liquid Bulk Revenue	$106,558	$109,386	$132,436	-3%	-20%	$467,418	$437,544	$468,190	7%	0%
Liquid Bulk Tons	**30,354**	**24,125**	**32,431**	26%	-6%	**142,175**	**96,498**	**128,436**	47%	11%
Dry Bulk Revenue	$153,419	$168,247	$221,301	-9%	-31%	$637,834	$672,988	$696,613	-5%	-8%
Dry Bulk Tons	**47,775**	**66,819**	**121,210**	-29%	-61%	**227,392**	**267,275**	**289,818**	-15%	-22%
Cruise Revenue	$0	$0	$346,340	0%	-100%	$0	$0	$1,364,334	0%	-100%
Cruise Passengers	-	-	**13,680**	0%	-100%	-	-	**54,146**	0%	-100%
Total Cargo Revenue	$5,617,987	$4,562,047	$5,231,324	23%	7%	$19,903,445	$18,248,188	$21,336,189	9%	-7%
Other Revenue	$909,953	$212,540	$362,109	328%	151%	$2,485,453	$850,160	$1,022,966	192%	143%

Jacksonville Port Authority
Comparative Income Statement (Unaudited)
For the 4 months ending 01/31/2021

	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	2,984,824	2,588,698	396,126	2,832,124	11,094,852	10,354,792	740,060	11,322,060
AUTOS	1,315,975	1,248,788	67,187	1,391,377	5,321,416	4,995,152	326,264	5,790,345
MILITARY	22,141	105,834	(83,693)	22,015	314,780	423,336	(108,556)	384,047
BREAK BULK	1,035,070	341,094	693,976	285,731	2,067,147	1,364,376	702,771	1,310,600
LIQUID BULK	106,558	109,386	(2,828)	132,436	467,418	437,544	29,874	468,190
DRY BULK	153,419	168,247	(14,828)	221,301	637,834	672,988	(35,154)	696,613
CRUISE	-	-	-	346,340	-	-	-	1,364,334
OTHER OPERATING REVENUE	909,953	212,540	697,413	362,109	2,485,453	850,160	1,635,293	1,022,966
TOTAL OPERATING REVENUES	6,527,940	4,774,587	1,753,353	5,593,433	22,388,900	19,098,348	3,290,552	22,359,155
OPERATING EXPENSES								
SALARIES & BENEFITS	1,402,736	1,426,050	(23,314)	1,497,767	5,766,142	5,887,007	(120,865)	5,882,861
SERVICES & SUPPLIES	308,740	340,895	(32,155)	410,288	1,226,935	1,363,580	(136,645)	1,534,914
SECURITY SERVICES	365,995	417,445	(51,450)	464,364	1,532,152	1,669,780	(137,628)	1,758,813
BUSINESS TRAVEL AND TRAINING	5,164	36,927	(31,763)	29,665	49,609	147,708	(98,099)	211,935
PROMO,ADV,DUES & MEMBERSHIPS	19,222	52,659	(33,437)	31,222	128,181	210,636	(82,455)	267,843
UTILITY SERVICES	51,530	66,989	(15,459)	70,419	218,559	267,956	(49,397)	276,412
REPAIRS & MAINTENANCE	112,202	151,017	(38,815)	204,834	471,127	604,068	(132,941)	737,892
CRANE MAINTENANCE PASS THRU	(39,811)	(37,500)	(2,311)	(22,300)	(120,367)	(150,000)	29,633	(102,720)
BERTH MAINTENANCE DREDGING	972,322	458,312	514,010	180,284	1,676,642	1,833,248	(156,606)	2,438,830
MISCELLANEOUS	9,955	19,541	(9,586)	12,113	53,556	78,164	(24,608)	64,638
TOTAL OPERATING EXPENSES	3,208,055	2,932,335	275,720	2,878,657	11,002,536	11,912,147	(909,611)	13,071,418
OPERATING INC BEFORE DS AND DEPR	3,319,886	1,842,252	1,477,634	2,714,776	11,386,364	7,186,201	4,200,163	9,287,736
NON OPERATING INCOME								
INVESTMENT INCOME	773	12,194	(11,421)	37,818	3,323	48,776	(45,453)	135,242
SHARED REVENUE FROM CITY	879,828	799,026	80,802	226,057	3,361,228	3,196,104	165,124	730,885
TOTAL NON OPERATING ITEMS	880,601	811,220	69,381	263,875	3,364,550	3,244,880	119,670	866,127
NON OPERATING EXPENSE								
DEBT SERVICE	1,794,665	1,908,117	(113,452)	1,727,272	7,190,203	7,632,468	(442,265)	6,897,781
CONTRIBUTIONS TO TENANTS	-	-	-	173,160	-	-	-	613,129
CRANE RELOCATION	322,400	-	322,400	-	687,400	-	687,400	-
OTHER NON OP EXPENSE	(30)	678	(708)	(15)	1,905	2,712	(807)	3,342
TOTAL NON OPERATING EXPENSE	2,117,035	1,908,795	208,240	1,900,417	7,879,508	7,635,180	244,328	7,514,252
INCOME BEFORE DEPRECIATION	2,083,452	744,677	1,338,775	1,078,233	6,871,407	2,795,901	4,075,506	2,639,611

Jacksonville Port Authority
Balance Sheet (in thousands)
At January 31, 2021

	January 31, 2021	December 31, 2020	September 30, 2020
Current Assets			
Cash & cash equivalents	20,615	16,057	16,788
Restricted cash & cash equivalents	3,375	2,286	7,867
Accounts receivable, net	5,872	7,191	6,056
Notes and other receivables	1,292	1,811	1,138
Grants receivable	21,927	19,835	21,216
Inventories and other assets	1,868	1,850	1,667
Total Current Assets	54,949	49,030	54,732
Noncurrent Assets			
Restricted cash & cash equivalents	16,015	16,072	16,087
Restricted Cash for Cap Projects	1,518	3,457	3,457
Deferred outflow of resources	11,162	11,193	11,284
Capital Assets, net	845,734	845,582	849,045
Total Noncurrent Assets	874,429	876,304	879,873
Total Assets	929,378	925,334	934,605
Current liabilities			
Accounts payable	2,855	1,126	1,755
Construction accounts payable	2,102	930	3,293
Accrued expenses	793	523	895
Accrued interest payable	1,716	2,523	3,365
Retainage payable	803	803	803
Unearned Revenue	7,401	7,401	7,401
Bonds and Notes Payable	7,163	7,163	7,163
Total Current Liabilities	22,833	20,469	24,675
Noncurrent liabilities			
Unearned Revenue	126,394	127,522	129,022
Accrued Expenses	3,234	3,406	3,406
Line of credit	17,208	17,208	19,346
Bonds and notes payable	215,447	215,463	222,152
Short Term Borrowings	37,700	37,700	37,700
Other Obligations	8,537	8,537	8,537
Net Pension Liability	18,069	18,069	18,069
Deferred inflow of resources	1,461	1,697	1,461
Total Non Current Liabilities	428,050	429,602	439,693
Total Liabilities	450,883	450,071	464,368
Net Position	478,495	475,263	470,237

COMMERCIAL REPORT

JAXPORT BOARD MEETING
February 2021

COMMERCIAL OVERVIEW

ITEMS OF INTEREST

- **State of the Port,** virtual (Feb. 23)
- **Industry Highlights**
  - **Containers**
  - **Vehicles**

COMMERCIAL OVERVIEW

NEW BUSINESS EXAMPLES

BUSINESS	PROJECTED ANNUAL REVENUE
PROJECT KING	$81,000
PROJECT PLANTER	$70,000
PROJECT PRIME	$60,000
PROJECT BRADY	$40,000
PROJECT BURROW	$30,000

COMMERCIAL OVERVIEW

SAMPLE OPPORTUNITIES IN PIPELINE

TOTAL OPEN OPPORTUNITIES: $12.5 MILLION in Pipeline

PROJECT	PROJECTED ANNUAL REVENUE
PROJECT FASTER	$85,000
PROJECT NEWTON	$75,000
PROJECT LUNA	$60,000
PROJECT CRUISER	$60,000


COMMERCIAL
REPORT
JAXPORT BOARD MEETING
February 2021

Post Office Box 3005
2831 Talleyrand Avenue
Jacksonville, Florida 32206-0005

AWARDS COMMITTEE GO TO MEETING MINUTES
February 16, 2021

Awards Committee Attending:
Mr. Fred Wong – Chairman
Mr. Robert Peek
Mr. Nick Primrose
Ms. Jackie Glass
Ms. Retta Rogers, Recording Secretary

Other Attendees:
James Bennett
Marv Grieve
Frederick Wessling

Fred Wong called the meeting to order at 3:30 PM

Item No. 1
AC2021-02-01
Services During Construction Wharf Rehabilitation Phase II at BIMT
JPA Project No.: B2019.08 JPA Contract No.: AE-1436D CO#2
HDR Engineering, Inc.
$801,800

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

Item No. 2
AC2021-02-02
Rail Track Asphalt Replacement at TMT
JPA Project No.: T2020.03 JPA Contract No.: MC-1750A CO#1
Pars Construction
$23,967

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

Item No. 3
AC2021-02-03
Maximo Software Maintenance Agreement Renewal
JPA Project G/L No.: 193.5840 JPA Contract No.: IT-1540E
IBM Corporation
$45,758

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

Item No. 4
AC2021-02-04
Purchase of Core Server Hardware for JAXPORT
JPA Project G/L No.: 003.2042.193 JPA Contract No.: IT-1732C
SHI
$49,850

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

(Item No. 1 Requires Board Approval)

The meeting was adjourned at 4:00 PM