

REPORT OF THE INVESTIGATIVE COMMITTEE
DEPARTMENT OF BUSINESS AND PROFESSIONAL REGULATION
PILOTAGE RATE REVIEW COMMITTEE APPLICATION FOR CHANGE OF RATES OF
PILOTAGE AT PORT OF PENSACOLA

March 12, 2026

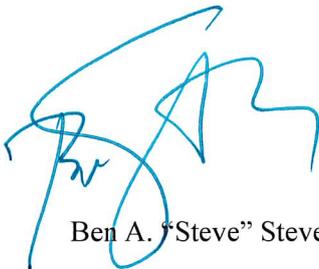
Stacey Buccieri, Executive Director
Pilotage Rate Review Committee
Department of Business and Professional Regulation
2601 Blair Stone Road
Tallahassee, Florida 32399

Dear Ms. Buccieri:

Attached please find our Investigative Committee Report on the Application for Change of Rates of Pilotage at the Port of Pensacola by the Pensacola Pilots LLC, Captain Matthew T. Meilstrup, President.

If you have questions or comments, please contact me.

Sincerely



Ben A. "Steve" Stevens III, CPA, Contract Consultant
Department of Business and Professional Regulation



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Stacey Buccieri, Executive Director
Pilotage Rate Review Committee
Department of Business and Professional Regulation
2601 Blair Stone Road
Tallahassee, Florida 32399

RE: Application for Change of Rates of Pilotage at Port of Pensacola by Pensacola Pilots, LLC

Dear Ms. Buccieri:

We have completed our review and investigation of the above-referenced application and hereby present our Findings to the Pilotage Review Committee, as required by Florida Administrative Code Rule 6JGJ4-22.007(4).

Captain Thomas L. Bush, SMS (Ret.), Contract Consultant
Department of Business and Professional Regulation

Ben A. "Steve" Stevens III, CPA, Contract Consultant
Department of Business and Professional Regulation

The following report and attached materials were considered by the investigative committee and are forwarded to the Pilotage Rate Review Committee for its consideration. This report will follow the following format:

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Executive Summary

Application Highlights

- The Port of Pensacola is served by the Pensacola Pilots, LLC owned by Captain Matt Meilstrup. He is the sole State and Federally licensed Harbor Pilot.
- The Application for the Change in Rates of Pilotage requests a substantial increase in the rates. The projected 12/31/2026 total income \$198,658 using the current rates versus the projected 12/31/2026 total income of \$419,467 using the requested rates provides a requested increase of 111%.
- The application also requests an automatic annual increase of 3% and a change in the formula used to calculate rates. Please note the CPI increased by 36.42% since the last rate increase in 2012-2025.
- The application included compiled financial statements that when the 50% ownership of Pensacola Launch Services LLC, a related company to the Pensacola Pilots, LLC was adjusted, total Income was less than \$250,000, therefore an audit was not required. This is in accordance with Florida Administrative Code 61G14-22.005 (1).
- Additionally, the Pensacola Pilots is party to a revenue guarantee with the City of Pensacola due to low volume and unpredictable shipping traffic. The revenue guarantee provides up to \$10,000 per month with a declining payment option adjusted around monthly pilotage revenues. For the years ended December 31, 2023, and 2024, the total revenues received from the City of Pensacola under this contract were \$18,036.52 and \$46,714.37. This equates to 30% and 24% of the Pensacola Pilots revenue. Please see Exhibit.
- Potential impacts to the Port of Pensacola Pilotage includes the use of the Port by SailGP and American Magic with a five-year agreement to bring the fleet to Pensacola in the off-season. The City of Pensacola has received approval for a \$76 million Project Maeve Grant from Triumph Gulf Coast that will establish shipbuilder Birdon America Inc.'s Southeastern Headquarters.

General Comments

The Port of Pensacola is a deep-water Florida port providing pilotage services under F.S. 310.001. It is one of the least active ports in Florida. It is situated at the western boundary of Florida's panhandle between the busy Port of New Orleans and the Ports of Tampa Bay. Pensacola maintains the status of a Florida deep water port and is recognized in Florida Administrative Code 61G14-15.001 (1). Pensacola is unique in the fact that it has but one state pilot serving the port and is assisted occasionally by two cross licensed deputy pilots¹. For the record, Florida does recognize other small ports, but none of those have a

¹ Cross licensed deputy pilots are detailed in FAC 61G14-11.008. They are licensed state pilots in another Florida port and have volunteered and been examined to provide as needed pilotage service in the designated port.

state pilot organization recognized by the Board of Pilot Commissioners. The ports of Fort Pierce and Port St. Joe are serviced by cross licensed deputy pilots on a “as needed” basis. Fort Pierce has cross licensed pilots from Jacksonville, Palm Beach and Miami. (Only Palm Beach is actively sending cross licensed pilots to Fort Pierce). Port St. Joe’s cross licensed pilots come from nearby Panama City. The ports of Fort Myers and Boca Grande were once combined with Key West, but that designation was amended and then dropped in 2020.

The recognized State Pilot organization in Pensacola is the Pensacola Pilots LLC, where Captain Matthew T. Meilstrup is the sole state pilot, and serves as President. He is also a co-owner of Pensacola Launch Services LLC which provides a boat service for the pilots to embark and disembark from ships calling at Pensacola.

The Port of Pensacola has a small commercial wharf in the downtown business district where cargo ships call occasionally. It also is homeport of the US Naval Air Station Pensacola that has a wharf once capable of mooring aircraft carriers but has since served only ships providing logistics to the station.

Pensacola Pilots LLC exists as a public service monopoly, yet it still must attract qualified ocean going mariners to apply for appointments to the Association. There is a legitimate concern that if the sole state pilot is injured, taken ill, or elects to retire, then the ability of the port to attract quality mariners to become state pilots will diminish as compensation is well below that of most other Florida ports. If that were to occur the cross licensed pilots would be required to conduct the pilotage services, the port requires. More detail on cross licensed pilot in Factor 7.

The entrance to the main channel to Pensacola Bay is by the Caucus Channel. The channel is 500 feet wide at its seaward end and dredged to 33 feet in depth. The approach channel to the Port of Pensacola is 300 feet wide with a control depth of 33 feet and intersects Pensacola Bay in a generally northeasterly direction. The Gulf Intracoastal Waterway (GIWW) intersects the Port’s entrance channel just north of Santa Rosa Island. The GIWW traverses the Gulf of Mexico from Brownsville, Texas to Ft. Meyers, Florida before connecting to the Atlantic Intracoastal Waterway via the Okeechobee Waterway.

Pilot services – Pensacola Bay Pilots provide 24-hour service for all vessels entering or leaving the Port. All vessels, except those exempted by the laws of the United States or those drawing less than 7 feet of water, must have a licensed state pilot or certified deputy pilot on board to direct the movements of the vessel when entering or leaving the Port. Pilots can be reached on VHF channel 13 (156.65 MHz), channel 6 (156.3 MHz) and channel 12 (156.60 MHz). Telephone numbers are: Pensacola Bay Pilots, 850-418-4222.

Port Pensacola is located at latitude 30 degrees, 24 minutes north; longitude 87 degrees, 13 minutes west. The following infrastructure and services are available to port customers:

- Seven warehouses with over 400,000 square feet of available indoor storage area.
- Covered railcar loading and unloading.
- Four acres of open, outside storage (lay down) area with 8-10 additional acres available for future development.
- On-dock Class 1 rail service provided by CSX Transportation

- Seven berths ranging in depth from 16 to 35 feet, including 2,360 linear feet of primary deepwater berths, 1,000 linear feet of secondary shallow draft berths, and 1,000 linear feet of shallow draft moorage. Deepwater berths are supported by 1,200 linear feet of rail trackage.
- A full range of stevedoring services and cargo handling equipment.
- 24/7 ISPS certified and U.S. Department of Homeland Security & Florida Department of Law Enforcement compliant security force and procedures. Transportation Worker Identification Credential (TWIC) required for access to port.
- An efficient, experienced and professional labor force (non-union).
- A commercial ferry service with routes to Pensacola Beach and special tours available.

Rate Application

The Pensacola Pilots, LLC filed an application to increase the rates of pilotage in the Port of Pensacola on November 6, 2025. The Florida Pilotage Rate Review Committee Investigative Committee held a fact finding proceeding in Pensacola at the Hilton Garden Inn Monday February 9, 2026. The last rate increase in Pensacola was August 19, 2011.

Rate History

Pensacola Pilots LLC propose the following rates into three vessel categories:

1. Less than 5,000 GT
2. 5,001 to 20,000 GT
3. Greater than 20,000 GT

Vessels of GT:	Less than 5,000 GT	5,001 – 20,000 GT	Greater than 20,000 GT
LOA Rate	\$1.25	\$1.75	\$2.25
Beam Rate	\$5.00	\$10.00	\$15.00
Draft Rate	\$45.00	\$60.00	\$75.00
GT Rate	\$0.02	\$0.025	\$0.03

The Pensacola application was presented in an unusual format then past rate review application. The Standard Vessel Fee for the Florida and Gulf ports, shown in the application in Table 5 on page 9, includes round trip pilotage. In most applications a one-way fee is considered useful for comparison. Also, the application included the inbound and outbound drafts, which confuses the computations and actually has no value. If all vessel fees are computed using the same vessel characteristics (length, beam, draft and gross tonnage), then a fair comparison is possible.

The Pensacola application included some fees for all vessels. When in fact that is not customary in most ports. For example, a luxury yacht (LOA 150 feet, beam 30 feet, draft 10 feet, and 2,000 gross tons) would probably be equipped with Azipod propulsion, and certainly have bow thrusters. It is highly unlikely that the master of that vessel would expect, and allow a fee assessed, for the harbor pilot to dock his vessel.

However, in 2024 Pensacola handled only 17 vessels with gross tonnage of less than 2,000, no vessels of more than 10 feet draft, and only 14 vessels with LOA less than 250 feet. It is likely there is some duplication in these vessels by category. Within this report docking fees are prevalent as most vessels are cargo vessels that usually have limited maneuverability.

With this consideration, only the proposed fees for port dispatch (\$25), cross-licensed pilot (\$250), and docking fee (\$400) are summed up (\$675) and added to the pilotage fee for all vessel movements.

Rate Analysis

The rate change requested by the Pensacola Pilots LLC includes changing the existing formula: ((LOA X Beam/100) X Pilotage Unit Rate) plus (Draft X Draft Rate)

To the proposed formula:

(LOA X LOA Rate) +(Beam X Beam Rate) + (Draft X Draft Rate) + (GT X GT Rate)

This requested change in calculation appears to comply with Florida Statute 310.151(6). Which fixes rates of pilotage based on vessel characteristics.

The increase in rates and the change in calculation are compared in the table below:

	Actual 12/31/2024	Projected 12/31/2025	Projected 12/31/2026
Pilot Fees Current Rate	\$196,591	\$193,654	\$198,658
Pilot Fees Requested Rate		\$424,568	\$419,467
% Increase over Current Rate		119%	111%

The requested rate structure increases pilot income substantially. Pilot income is variable based on changes in vessel traffic volume. The 12/31/2025 and 12/31/2026 pilot income amounts reflect decreases in customers and frequency.

Pilot Workload

Pensacola Pilots LLC has one state pilot and is augmented by the temporary services of two cross licensed deputy pilots. The Pensacola state pilot is the president of the LLC and handles most ship arrivals and departures in the port. In 2024 there were 107 vessels handled. In 2025 there were 70 vessels handled. Projected traffic in 2026 is 64 handles.

Because Captain Meilstrup is the only state pilot in Pensacola, he is required to handle all vessels that request a pilot. When circumstances arise such as illness, conferences, refresher training or other functions that take him off watch, he must rely upon his two-cross licensed “Deputy Pilots” to travel to Pensacola and take the watch. One cross-licensed pilot comes from Port Everglades, the other from Palm Beach. More details on cross-licensed state pilots in Factor 7 below.

The following results of cross-licensed pilots used to handle ships are as follows:

2024 1 out on 107 handles - 1%

2025 6 out of 70 handles – 9%

In addition to pilotage services, the Pensacola Pilot handles shoreside support services such as dispatcher, bookkeeper, and business manager of LLC. Details of the pilot’s workload will be found in Factor 5.

Operating Costs and Capital Expenditures

Pilot Compensation

Pilot compensation was projected to increase in correlation to an approved increase in rates.

Boat Expenses and maintenance

Boat maintenance and fuel costs are projected to remain consistent in the projected years. These costs are included in the 50% owned Pensacola Launch Services LLC compiled financial statements.

Retirement

The sole Harbor Pilot contributed to a discretionary Simplified Employee Pension plan. The contributions for the years ending December 31, 2023 and 2024 were \$8,886 and \$32,463, respectively. The Company projects higher contributions in the future years based on an approved rate increase. The 2025 maximum contribution rate limit is \$70,000.

Analysis of 2024 Projected Expenses

	12/31/2024 Actual		12/31/2025 Projected		12/31/2026 Projected
Operating Expenses Current Rate	\$69,185		\$50,484		\$53,971
Operating Expenses			\$92,484		\$93,971
Increase if Requested Rate is approved			\$42,000		\$40,000

If the requested rate is approved the primary increase in operating costs will be the increase in retirement plan contributions.

Certification of Information Presented in Application

Overview

Rather than restating the contents of the application, which is otherwise attached in its entirety to this report, the Committee will comment on the contents of the application on an exception basis only. To the extent we have discovered errors or more relevant information, we will identify such and refer you to other sections of our report.

Exceptions/Clarifications – Pilots' Application

There were no material exceptions or clarifications noted

Analysis Of Data for Request for Change of Rates [Chapter 310.151(5) Florida Statutes]

The bold type represents the items listed in the above rule. The standard type is information or comments by the investigative committee.

In determining whether the requested rate change will result in fair, just, and reasonable rates, the Board shall give primary consideration to the public interest in promoting and maintaining efficient, reliable, and safe piloting services.

The Board shall also give consideration to the following factors:

- 1. The public interest in having qualified pilots available to respond promptly to vessels needing their service.**

Pilots are essential to the safe movement of vessels within the pilotage waters of the State. In addition to their navigation and supervisory skills, they must be knowledgeable of local weather, hazards, silting, speed and direction of currents, and timing and direction of tidal movements. They help provide safety standards and operational guidelines for the port operation and participate in the process of port and professional regulations. They also provide extensive training to deputy pilots.

The pilots serve multiple public interests:

- Protection of life and property.
- Protection of the environment and the economic base that is dependent upon it.
- Providing a sense of security that the entire scope of responsibility is assumed only by the best qualified pilot available.

We received no complaints from the various port stakeholders, or other interested parties regarding the level of service, qualifications and skills of pilots or their ability to respond promptly to vessels needing their services. At our Investigative Committee meeting on January 9, 2026, only a Port Official attended the meeting with no complaints.

2. A determination of the average net income of pilots in the port, including the value of all benefits derived from service as a pilot. For the purposes of the subparagraph, "net income of pilots" refers to total pilotage fees collected in the port, minus reasonable operating expenses, divided by the number of licensed and active state pilots within the ports.

As required by Chapter 61G 14-22.005, F.A.C., the Pilots' application includes compiled financial statements for December 31, 2023, and 2024, and projected financial statements for 2025 and 2026, both with and without the requested rates.

	2024 Existing Rates	2025 Estimated without Rate Increase	2025 Estimated With Rate Increase
Pilot Income	\$196,591	\$193,654	\$424,568
Operating Expenses:			
Advertising and Marketing	\$2,603	\$1,911	\$1,911
Automotive	6,453	6,529	6,529
Benefits-Retirement Plan	32,463	28,000	70,000
Contract Labor	12,350		
Credentialing	150	150	150
Dues and Subscriptions	4,304	3,695	3,695
Insurance	964	964	964
Meals	1,152	1,466	1,466
Office Expense	1,468	1,527	1,527
Professional Fees	1,750	5,000	5,000
Taxes and Licenses	404	241	241
Training	3,391	670	670
Travel	1,733	331	331
Total Operating Expenses	\$69,185	\$50,484	\$92,484
Net Income	\$127,406	\$143,170	\$332,084

There are certain fringe benefits included in the determination of average net income for pilots, presented in the compiled and projected financial statements. These benefits presented below should be considered as the average net income including all benefits as required by Chapter 310.151 5(b) 2 Florida Statutes.

Health Insurance

The Pensacola Pilots, LLC does not pay for health insurance for their pilot.

Lobbying

Part of the dues paid to the Florida Harbor Pilots Association is considered lobbying.

Retirement Plan

The sole Harbor Pilot in Pensacola Pilots contributes annually to a discretionary Simplified Employee Pension plan. The contributions for the years ended December 31, 2023, and 2024 were \$8,886 and \$32,463, respectively, and are included on the Combined Statements of Operation report. There are no unfunded retirement plans.

Concentration Risk-Revenue

Based on current rates, one customer accounted for 56% of Pensacola Pilots’ revenue for the year ended December 31, 2023. This one customer plus one additional customer accounted for 50% of the combined revenues for the year ended December 31, 2024.

3. Reasonable Operating Expenses of Pilots.

Pensacola Pilots LLC does not maintain a pilot office, nor does it have any employees in the office. The Harbor Pilot is a 50% partner in pilot boat ownership, Pensacola Launch Services LLC, and pays the boat operator. Operating expenses in the compiled statements appear reasonable based on the vessel traffic and Harbor Pilot responsibilities.

4. Pilotage Rates in Other Ports

Pensacola Pilots LLC application for a change of rates included Florida rate comparisons with the ports of Panama City, Port Manatee, and Key West. Additionally, three nearby Gulf of America ports were included, namely Mobile, Alabama; Pascagoula, Mississippi; and Gulfport, Mississippi.

How the Pilot Association derives their rates is shown in the following sections of Factor 4

A. St. Andrew Bay (Panama City) uses a Box Formula Pilot Unit system

St. Andrew Bay Pilots (Panama City) utilize a Box Formula Unit System to assess rates. This is an older methodology that assigns Pilot Units based upon length overall (LOA) and breadth of the vessel:

Table 1: Pilotage Rates - Box Formula

Port	Parameters	Pilot Unit (PU)	Fee per PU	Draft / Feet	Min Draft	Effective
Panama City	All Vessels	(LOA x B)/100	\$2.75	\$29.92	16’	1/1/23

$LOA \times BEAM / 100 = \text{Pilot Units}$

$\text{Pilot Unit} \times \text{Pilot Unit} = \text{Rate}$

Draft is used to add to the rate:

$\text{Draft Rate} \times \text{Vessel Draft} = \text{Rate (16 feet minimum)}$

B. Key West Uses a Draft/Gross Ton Rate Structure

Table 2: Pilotage Rates Draft/GT Rate Structure

Port	Parameters	Length/ Feet	Min. Feet	Beam/ Feet	Min. Feet	Draft/ Feet	Min. Feet	GT/Ton	Min Ton	Effective
Key West Existing	All Vessels					\$18.40	12'	\$0.0345	2,000	2025

C. Tampa Bay Uses a Tiered Rate Structure

The tiered rate structure takes all vessel characteristics into the computations. Often the pilot association will include different parameters for different gross tonnage and/or draft.

Pensacola Pilots has proposed to change their rates based upon a tiered rate structure as shown below.

Table 3: Comparable Tiered Rate Structure

Port	Parameters	Length/ Feet	Min. Feet	Beam/ Feet	Min. Feet	Draft/ Feet	Min. Feet	GT/Ton	Min. Ton	Effect
Pensacola	GT<5K	\$1.25		\$5		\$45		\$0.02		2026
	GT 5K-20K	\$1.75		\$10		\$60		\$0.025		
	GT >20K	\$2.25		\$15		\$75		\$0.03		
Tampa Bay	GT >22K	\$1.25		\$7.50		\$47.50		\$0.025		2023
	GT >22K	\$1.75		\$10.00		\$60.00		\$0.030		
	GT 40K> and LOA >815'	\$2.25		\$17.00		\$72.00		\$0.040		
	Draft >39'	App LOA Rate		App Beam rate		\$82.00		App GT Rate		

D. Sample Vessels as included within the Pensacola Application

Table 4: Sample Vessels

The sample vessels frequently call in Panama City, as well as a demonstrative of the size of vessels calling at the Gulf or America ports.

Name		LOA	Beam	Draft*	GRT
Grit Cement IV	Small Cargo	440'	68'	27'	9,299
Banana Spirit	Medium Cargo	615'	106'	29'+	26,792
Bahri Jeddah	Large Cargo	738'	106'	29'	50,714

*Sample vessels had their draft rounded up to the nearest whole number as per the rate proposal.

The medium and large cargo vessels have had their drafts reduced to 29' as opposed to those values in the rate application because the Port of Key West could not accommodate the medium and large vessels with the drafts proposed, this providing a more valuable comparison.

The Pensacola application did not include any cruise (passenger) ship, large container ships or oil tankers as these types of ships do not call in Pensacola.

Table 5: Comparison of select Florida Ports Pilotage Rates – with averages.

Port	Small Cargo	Medium Cargo	Large Cargo		Average All Classes
Pensacola (Proposed)	\$3,978	\$6,628	\$7,622		\$6,076
Port Manatee	\$2,798	\$5,048	\$8,040		\$5,243
Panama City	\$2,170	\$2,963	\$3,329		\$2,821
Key West	\$1,233	\$2,117	\$3,301		\$2,217
Pensacola Existing	\$1,273	\$2,104	\$2,389		\$1,922

Table 5 Notes: Methodology

1. Pensacola Pilots used length, beam and drafts rounded up. That method was used for all ports unless specifically noted to fractionalize the values.
2. Key West max draft is 29 feet. All comparison vessels listed above were reduced to 29 feet.
3. Pensacola applied Port Control Fee (\$25), docking (\$400) and Cross License fee (\$250) on all vessels. Similar fees for the comparison ports were applied.
 - a. Panama City applies a docking fee of \$0.25 per linear foot.
 - b. Port Manatee in Tampa Bay uses docking fees based upon vessel size: small \$150, medium \$250, large \$400, and includes a port communication fee of \$15. Transportation Fee \$50 and Training Fee \$15.
 - c. Key West applies a Harbor Control Fee of \$25.
 - d. Mobile applies a docking fee (\$188.66) and Communication fee of \$12.47.
 - e. Pascagoula applies a Dispatch fee of \$127.90.
 - f. Gulfport applies a docking fee of \$112.14.
4. Where most ports have a Pilot Boat recapitalization fee – Pensacola does not, so no pilot boat fees were applied for any port.

The Pensacola Application was submitted in 2025. Due to delays in the Rate Review system the rates were considered outdated in presenting comparison rates in Florida or elsewhere. The Investigative Committee report includes rates based upon the most recent information provided by the specific states or piloting associations.

Table 6: Comparisons of Gulf Ports Pilotage Rates – with averages.

Port	Small Cargo	Medium Cargo	Large Cargo	Average All Classes
Gulfport, MS	\$1,863	\$2,840	\$4,051	\$2,918
Pascagoula, MS	\$2,044	\$3,293	\$4,929	\$3,422
Mobile, Al	\$2,221	\$3,690	\$5,568	\$3,826

Table 7: Port Minimum Pilotage Fee and Additional Fees

Fee Title	Pensacola	Panama City	Port Manatee	Key West	Mobile	Gulfport	Pascagoula
Cross License	\$250						
Pilot Boat Fund	0	0	(\$100)	(\$225)	(\$126)		(\$411)
Docking/ undocking	\$400	\$110	150/ (250 /400)		(\$187)	\$112	
Harbor Control	\$25	\$28		\$25	(\$25)		\$128
Training/ Technology			(\$15)				
Communications			\$15				
Transportation			(\$50)			(\$127)	
Major Capital Improve			(\$215)		(PB & STA \$315)		
Fuel Surcharge					(5%)	yes	
Minimum Pilotage Fee	None	\$980	\$1,500	\$917	\$1,227	\$1,259	\$959
Base Rate plus Fees	\$675	\$1,118	\$1,665	\$942	\$1,416	\$1,371	\$1,087

Values in parenthesis are not included in the Base Rate plus Fees in this analysis.

Table 8: Pilotage Fee per Nautical Mile (NM)

Port	Distance NM (S/B to Port)	Small Vessel Fee	Fee Per NM	Medium Cargo Fee	Fee Per NM
Pensacola	12.0	\$3,978	\$332	\$6,628	\$552
Pascagoula	9.0	\$2,044	\$227	\$3,293	\$366
Panama City	9.7	\$2,170	\$224	\$2,963	\$305
Key West	8.2	\$1,233	\$150	\$2,117	\$258
Port Manatee	26.0	\$2,798	\$105	\$5,040	\$192
Gulfport	18.0	\$1,863	\$104	\$2,840	\$158
Mobile	32.0	\$2,221	\$70	\$3,690	\$115

Table 9: Florida Revenue per Handle Analysis (2025)

Florida Port	Revenue	Handles	Revenue/ Handle	Avg Handle Hours	Revenue/ Handle Hour
Pensacola (Proposed and projected)	\$388,864	64	\$6,076	4.9	\$1,240
Key West	\$2,465,536	523	\$4,714	3.5	\$1,347
Port Manatee	\$23,841,130	5,090	\$4,684	4.0	\$1,171
Panama City	\$971,955	501	\$1,940	4.0	\$485
Pensacola (Existing)	\$133,612	70	\$1,909	4.9	\$390

Notes: Pensacola rate proposed for 2026. Previous was 2011. Proposal seeks 3% annual escalator for 10 years Key West rates last increased in 2025. Previous 1991. 3% annual escalator for six years (2031). Port Manatee rates last increased in 2023. Previous 2010. 6% 3 years, 3% 7 years annual escalator. Panama City rates last increased in 2025. Last 2019. 2% annual escalator for 5 years.

5. Time Spent by Pilots on Actual Pilotage Duty (Hours per year)

In Pensacola, the actual time spent on pilotage duty, as reported by the Pilots, is 4.9 hours. The investigative committee concurs with this amount of time as “handle time”. Note in this Investigative Report terminology: the use of “handle time” will be the standard to which pilotage duty is based. Occasionally, terms such as “transit time” or “bridge time” are used to describe the specific amount of time the pilot is working with the ship’s Master on the ship’s bridge. The term “Dock to Dock” has been used sometime to describe a modification of “Handle time”, as in the time the pilot boards the ship at the dock and returns to the same dock. The term “dock to dock” is considered a measure of time used in commercial shipping and infrequently used in describing pilotage duty. This term will not be used by the Investigative Committee in their report.

Pensacola Pilots spend most of their work hours aboard ships coming into or out of port. However, universally within the piloting profession it is accepted that pilots record the quantity of time recognized as “handle time.” Handle time is the summation of all the time a pilot commits to a singular ship that requires pilotage. The handle time begins when the pilot is called out or notified that he must take a ship into or out of the port, usually from his/her residence. This starts a time clock that will include time to prepare the transit plan, research the vessel’s characteristics and how that may affect the movement of the vessel, consulting weather forecasts and tidal predictions. Pensacola does not maintain an office, so the Pilot’s residence accommodates his preparation work. Then the pilot must travel from his residence to the pilot boat or to the ship – a short time if the ship is departing Pensacola. If the ship is offshore the pilot goes to the Pilot Boat dock for the ride out to the ship. Once at the ship, the pilot must climb the pilot ladder, then walk and climb stairs to the bridge that can take upwards of 15 minutes. Once on the ship’s bridge, the Pilot engages in a Master/Pilot Information Exchange with the ship’s Master that could take ten minutes. Then, the pilot is ready to assist the Master in bringing the ship into port. Once in the port, the pilot may have to make extra maneuvers to turn the ship to facilitate docking, then wait while the ship is securely moored, and the gangway is lowered for a safe disembarkation. Then,

the pilot will reverse his movements by going back to his residence to complete the transit report, and post billing information.

There presently is one state pilot in the Port of Pensacola, and no deputy pilots. The Pensacola Pilots are assisted on an as needed basis by cross-licensed state pilots. The lone state pilot does not stand a watch schedule or rotation as in other ports with multiple pilots. Captain Meilstrup basically never has a day off unless the ship's movements allow some time off. When circumstances arise, he must request one of the cross licensed pilots in advance to cover the pilotage needs of Pensacola.

The cross-licensed state pilots need to be notified of the need for their services well in advance. The Port Everglades state pilot is retired so will tend to be available more often, but the Palm Beach Pilot stands watch and may not be readily available to travel to Pensacola. Either way, travel is time consuming. From Port Everglades it is a ten hour drive, or reliance upon air travel. From Palm Beach is it a nine hour drive, and air travel is not reliable or available from Palm Beach International Airport.

The investigative committee concurs with the Pensacola Pilots accounting of time spent on actual pilotage duty of 370 hours per year.

2024	107 handles	493 hours
2025	70 handles	322 hours
2026 (Est.)	64 handles	295 hours

The three-year average would be 370 hours per year

Time Spent by a Pilot on Essential Support Services

In Pensacola, the actual time spent on pilotage duty, as reported by the Pilots, is 4.9 hours. The investigative committee concurs with this amount of time as "handle time". Note in this Investigative Report terminology: the use of "handle time" will be the standard to which pilotage duty is based.

A Pensacola state pilot does more than "handle ships". The state of Florida has specific responsibilities that a pilot association must maintain. Operating the business of the pilots from a fully equipped office facility is enforced for the larger volume ports, but Key West and Pensacola use spaces within the residence of one of the pilots. Besides not having office space, the pilots will maintain communications equipment such as cellular telephone, VHF radio, email and text messages. Such communications are conducted between the pilots and shipping agents, shipping company office personnel, the ship's master, other pilots, pilot boat crews, ship assist tugs, harbor masters (or port authority personnel), US Coast Guard, US Arm Corp of Engineers, billing personnel, public accountants, the Board of Pilot Commissioners and the Florida Harbor Pilots Association.

The Pensacola Pilots do not employ any office personnel. The lone state pilot handles all the business of running the LLC and assists with the ownership duties of the pilot boat of which he has a 50% stake. 24/7/365 is the rule he must follow.

Then the pilot must, in fulfilling the authorizing statutes, conduct the training of deputy pilots when they are assigned to the association. The training program, which can exceed two years, requires a steady hand in assigning work to the deputy pilot, his or her time on ships and the pilot boat, supervising progress, providing coaching, learning the shoreside operations, and developing relationships with shoreside people. Currently there are no deputy pilots in training in Pensacola.

However, when the Board of Pilot Commissioners agrees to bring on a cross-licensed state pilot the port's pilot association must provide training required for port familiarization. The potential cross-licensed state pilot must be accompanied by the state pilot on numerous ships that arrive and depart the port and must become eligible to take a US Coast Guard administered First Class Pilot examination. Such familiarization rides are few and far between in Pensacola because of the limited traffic and can total over 50 administrative hours per year. The most recent cross-licensed pilots accrued 12 trips in, and 12 trips out, with a percentage at night. This effort took almost an entire year! More information on cross licensed pilot in Factor 7.

The investigative committee concurs with the Pensacola Pilots accounting of time spent on essential services to be upwards of 1,400 hours per year conducting the pilot on essential support.

6. The Prevailing Compensation Available to Individuals in Other Maritime Services of Comparable Professional Skill and Standing.

The Pensacola Pilots application for a rate increase cites numerous references to compensation of individuals in other maritime services of comparable professional skills, specifically using records of previous testimony, reports and administrative hearings. The Investigative Committee had no objection to the introduction of this data since it had been accepted by numerous rate review hearings in the recent past.

The essential issues surrounding comparable compensation for harbor pilots have always been citing equitable professions. Within the maritime community, only deep-sea ship masters (captains) are used directly as comparison. Over the past 50 years of Florida pilotage history, most pilot candidates have come from the deep-sea maritime field. In most cases these two maritime employment groups began their career path with higher education from a college that specializes in marine transportation or nautical science, then sea going employment which, on average, is greater than seven years. During this seagoing employment the mariner transcends the hierarchy of the ship's operations from an entry level officer to the high point of becoming the ship's master.

It is at this point when the career paths diverge. Many US ports use select methods such as qualification review, then an interview. Others use a modern approach and evaluate a mariner's skill in a computer driven ship's bridge simulator. Only Florida uses a very comprehensive examination system for qualified candidate to determine if the mariner is of good potential to become a harbor pilot.

After passing the very challenging examination selection process, the mariner begins working in a pilot association as a deputy pilot. The time period to become a fully licensed harbor pilot, known as a state pilot, takes no less than two years to complete. This is essentially the primary difference between the ship's master and a harbor pilot.

Traditionally, it is recognized that the ship's master will earn less compensation than the harbor pilot. Testimony from an officer of the Master, Mates and Pilots Association, a large maritime union, stated in 2018 that maritime pilots in the United States earn between \$410,000 and \$498,000 gross income. Another consultant, the Dibner group, made testimony in 2020 that

Mississippi River pilots earn between \$402,000 and \$778,000 gross income.

The Masters, Mates and Pilots union further noted in 2018 that a US flagged ship's master earns on average \$325,000 gross income, which at that time equated to 56% of that of a harbor pilot. The ship's master compensation, calculated for 2026, would likely be \$408,000, using cost of living estimates from the Bureau of Labor Statistics. But the harbor pilot in Pensacola is projected to earn \$419,467 with this rate increase in 2026. This indicates that the ship's master will make 82% of what the harbor pilot in Pensacola is projected to make (\$419,467 divided by \$510,000).

Although the PRRC does not set compensation amounts for pilots, the estimated average net income for 2026 with the requested rates, would be within the range of comparable compensation discussed above and may be slightly less than that of other ports in Florida.

7. The Impact Rate Change May Have in Individual Pilot Compensation and Whether Such Change Will Lead to a Shortage of Licensed State Pilots, Certified Deputy Pilots, or Qualified Pilot Applicants.

Pensacola Pilots Association has a very poor record in attracting mariners that desire to become harbor pilots. From 2017 to 2019 only four deputy pilot applications were received. But in 2020 there was a resurgence of applications, but then only five proceeded to be tested, and only one passed the exam!

In Florida, the issues with the Deputy Pilot (DP) examination cycle, besides its length, is it is a challenging exam and has restrictions in place to avoid casual participation to ascertain exactly what details are on the examination. Because of this, often a qualifier is approved to sit, but because of work schedule, or a sense that his/her preparation is lacking, they simply skip taking the exam. A candidate that fails two consecutive DP exams must sit out one year. It is not uncommon for a candidate to sit two or three times before achieving a passing grade – and then they must contend with the scoring competition to make it into the top five candidates, which the Secretary will select from.

In Florida the large capacity ports like Miami, Port Everglades, Tampa, Jacksonville and Port Canaveral enjoy excellent applicant pools when deputies are requested, but Key West, Palm Beach, Panama City and Pensacola struggle to get applications. Recent rate increases have helped Palm Beach and Key West attract more applicants – and that is where we are with Pensacola today.

The tables below provide insight into the applications for all Florida ports that have harbor pilots. The column labelled “apps” are the raw applications received by the Board of Pilot Commissioners. The column “test” indicates the number of candidates that took the examination, and column “pass” shows the final number of candidates that passed the exam – where passing grade is 85%. One element of the application process that might need explanation is between the raw applications and the Board approval to sit for the exam. Occasionally applications are deemed ineligible due to not meeting qualifications – usually a shortage of sea service or too low of a US Coast Guard license level. These circumstances are usually attributed to the applicant not understanding the minimum requirements.

Within the table, the only time all test takers passed the exam was in Key West in 2017. The pass numbers make it clear that 50-60% pass rate would be an exceptional year.

Deputy Pilot applications, tests and pass rates for the years 2017 to 2025.

Application data based upon applications (Apps) reviewed by the Pilot Consultant. Data on Approval from BOPC meeting minutes. Tests and Pass rates provided by the Bureau of Education and Testing October 2025.

Port	2017				2018				2019			
	Apps	Board App.	Test	Pass	Apps	Board App.	Test	Pass	Apps	Board App.	Test	Pass
Jacksonville												
Port Canaveral					19	15	9	5	17	17	12	6
Palm Beach					9	8	7	4	10	8	4	1
Port Everglades					21	17	12	8	20	17	12	7
Miami	24	22	14	4								
Key West	7	7	5	5								
Tampa Bay	21	16	9	3	21	19	9	3	21	18	14	7
Panama City									5	5	4	4
Pensacola	4	4	1	0								

Port	2020				2021				2022			
	Apps	Board App.	Test	Pass	Apps	Board App.	Test	Pass	Apps	Board App.	Test	Pass
Jacksonville												
Port Canaveral	19	17	9	4					20	16	10	5
Palm Beach					22	19	12	4				
Port Everglades	19	17	13	6					30	23	17	7
Miami												
Key West												
Tampa Bay	19	14	10	4					22	19	14	5
Panama City												
Pensacola	11	6	5	1								

* 2020 and 2021 were affected by the COVID pandemic.

Port	2023				2024				2025			
	Apps	Board App.	Test	Pass	Apps	Board App.	Test	Pass	Apps	Board App.	Test	Pass
Jacksonville	11	10	8	4	12	10	9	5	19	14	9	5
Port Canaveral	11	8	5	3								
Palm Beach									16	11	9	4
Port Everglades					19	15	10	5				
Miami	12	10	9	5					14	14	12	6
Key West												
Tampa Bay	19	17	14	5	16	14	9	6				
Panama City												
Pensacola												

Exam activity per port for the past nine years (2017 – 2025)

Port	Exams in past 9 years	Number of Apps	Number of Pass	Pass Rate
Jax/Fern	3	42	14	33%
Port Canaveral	5	86	23	27%
Palm Beach	4	57	13	23%
Port Everglades	5	109	33	30%
Miami	3	50	15	30%
Key West	1	5	5	100%
Tampa Bay	7	139	33	24%
Panama City	1	5	4	80%
Pensacola	2	15	1	7%

Note: Including the unusual two years in Panama City and Key West, the overall average pass rate was only 39%.

Cross licensed pilots

Florida Administrative Code applicable to the Board of Pilot Commissioners has created section 61G1411.008 which addresses cross licensed state pilots. Cross licensing state pilots is necessary when a port has a shortage of state pilots and is having difficulty in attracting deputy pilot candidates. This usually occurs for small ports that do not have significant traffic. Specifically, a cross licensed state pilot is a licensed state pilot in one of the Florida deepwater ports. The state pilot agrees to volunteer and accept the provisions of cross licensing. These provisions include 1) taking an examination pertaining to the port in which he/she desires to work in and 2) achieves US Coast Guard First Class Pilot Endorsement for that port. Once those provisions are met the pilot is issued a Deputy Pilot Certificate for that port.

Interestingly, over the past three years only one state pilot, out of over 90 state pilots, volunteered to cross license in Pensacola. This may be attributed to the isolation of Pensacola in the Florida panhandle.

In Pensacola they now have two cross licensed pilots. These pilots coordinate the time needed in Pensacola with Captain Meilstrup, be it a one ship movement, or multiple movements over a few days. The pilot travels on their own time and expenses are reimbursed at the GSA M&IE rate. The pilot is paid in three different stages: 1) Standby days in home port when Captain Meilstrup is not available, but no ships require movement. In such status the pilot is compensated at \$500 per day. 2) When in Pensacola and no vessel movement are completed, the compensation is \$1,000 per day. 3) When multiple ships require movements over a few days the compensation is \$2,000 per day. The third stage rarely occurs in Pensacola.

The cross-license compensation rate is negotiated by the state pilot, the Pensacola Pilots and the Florida Harbor Pilots Association. The proposed pilotage rate for Pensacola has a \$250 fee per movement to cover cross licensed pilot expense. This, together with the proposed rate structure, may attract more mariners to become pilots in Pensacola.

8. Projected Changes in Vessel Traffic

	Actual 12/31/2021	Actual 12/31/2022	Actual 12/31/2023	Actual 12/31/2024	Actual 12/31/2025
Port Handles	75	93	100	99	70
Year over Year Increase		18	7	-1	-29
% Increase		24.00%	7.53%	-1.00%	-29.29%

Based on the number of handles per year and the downward trend associated with 2024 and 2025, the expected future handles will plateau or slightly decrease.

9. Cost of Retirement and Fringe Benefit Plans.

The sole Harbor Pilot in Pensacola Pilots contributes annually to a discretionary Simplified Employee Pension plan. The contributions for the years ended December 31, 2023, and 2024 were \$8,886 and \$32,463, respectively, and are included on the Combined Statements of Operation report. There are no unfunded retirement plans.

10. Physical Risks Inherent in Piloting

The vessels calling at Pensacola do not represent a full representation of ships calling at most ports in Florida. The port usually handles cargo vessels serving the paper industry.

The most dangerous part of the harbor pilot's job is boarding and disembarking the vessel. Cruise ships have very short pilot ladders to a side port near the ship's waterline, making it a safer transition for the pilot to board the ship. The large cargo ship due to the limited draft they must maintain, will have a longer, and more dangerous ladder climb to board the ship. This means a pilot ladder can extend as many as 27-feet above the waterline of the ship. This involves a rigorous climb or descent, complicated by wind and the vessel's motion. Pilot's falling off the ladder, or the ladder failing, often leads to serious injury or death.

This investigative report could stop right there on the dangers for pilots. On January 12, 2026, one of the Panama City pilots fell off the pilot ladder while disembarking. It took 20 minutes to recover him aboard the pilot boat, yet immediate medical aid was not available. The efforts of the Pilot Boat operator, and the US Coast Guard personnel were heroic, but Captain Phillip Brady did not survive. He was the third US state pilot to die in pilot ladder accidents in the past five years.

According to the Maritime Industry Guide web site, pilots must be aware of death or injury primarily when falling off the pilot ladder while boarding or disembarking. Such accidents result in severe danger by falling onto the deck of the pilot boat or falling between ship and the pilot boat which results in being struck by one of them or also falling into the sea which may result in drowning.

Often times, the pilot that dies have had professional experience with many other pilots

through trade memberships or conferences. When a pilot dies, it is as if a family member has passed away.

11. Special Characteristics, Dangers, and Risks of Port

Lengths, Widths, and Depths of Various “Pilotage Waters” Channels

From the sea buoy to the Pensacola Downtown wharf is 12.2 miles, taking approximately one hour and thirty minutes to transit. (This transit time does not include the vessel being maneuvered for docking or adding time for running mooring lines and securing a gangway.) The approach to the main entrance channel is surrounded by relatively deep water with sand or shells bottoms. A vessel encountering an emergency due to loss of propulsion or steering have adequate water area to maneuver to a safe anchorage. But once the ship enters the dredged channel into the port, the transit is 100% confined to narrow channels with navigation buoys (markers) on each side. The channel’s width is maintained at 500 feet with a project depth of 35 feet. The outer portion of the maintained channel was managed by the US Navy and once had a 800 width and 44 deep depth to accommodate aircraft carriers. There are no aircraft carriers that could call in Pensacola today.

Page 16 of the Pensacola application has detailed information on the physical characteristics of the pilotage waters of Pensacola Bay.

The upper block on Page 17 of the application lists hazards to navigation. Most of these are typical of harbors in Florida and the Gulf of America.

The next lower block cites weather related hazards to navigation. In most cases this list is typical of the ports on Florida’s west coast, and the northern ports of the Gulf of America. They all must be prepared during the annual hurricane season for tropical storms and hurricanes. These storms usually cause pilotage operations to be suspended, but the Pilots and their boat crews are often tasked to assess the harbor’s channels for severe silting or sunken vessel obstruction after the storm passes.

The final two lower blocks contain information that the pilots apply to vessel transits such as under-keel-clearance (UKC) and berthing locations that unique construction that can pose hazards to the vessels. These two lists are typical of most ports,

Finally, Pensacola Bay is an attractive waterway for recreational vessels. They often transit the bay to access the Gulf of America. Operators of most recreational vessels have limited knowledge of the Rules of the Road and collision avoidance techniques. The pilots are forced to cope with strict channel limits while navigating ships upwards to 750 feet in length while also contending with smaller craft that often interfere with the pilot’s transit plan.

- 12. The Board may take into consideration the consumer price index or any other comparable economic indicator when fixing rates of pilotage; however, because the consumer price index or such other comparable economic indicator is primarily related to net income rather than rates, the Board shall not use it as the sole factor in fixing rates of pilotage.**

The U.S. consumer price index for all urban consumers for the period 2012-2025 increased by 36.4% according to the chart obtained from usinflationcalculator.com. The requested increase from the Pensacola Pilots LLC is substantially higher than CPI. The CPI increase can be taken into consideration but should not be used as the sole factor in fixing pilotage rates.

Pensacola Pilots LLC Application

FLORIDA
 DEPARTMENT OF BUSINESS
 AND PROFESSIONAL
 REGULATION
 P O Box 5377
 TALLAHASSEE, FLORIDA
 32314-5377
 850-717.1980

STATE OF FLORIDA
 APPLICATION FOR A
 CHANGE IN RATES OF
 PILOTAGE

DO NOT WRITE IN THIS SPACE
 FOR OFFICE USE ONLY

RECEIVED RECEIVED
 MAIL INTAKE

APPLICATION SHOULD BE TYPED

JUL 16 2025 NOV 06 2025

Stamp #2

PLEASE CHECK THE APPROPRIATE BOX TO IDENTIFY THE APPLICANT:

Individual Person
 Single Licensed State Pilot

Other Entity
 Group of Licensed State Pilots

PART A APPLICANT PROFILE DATA

Name of Individual/Association/Group
 Pensacola Pilots LLC

Name of Authorized Representative & Title
 Captain Matthew T. Meilstrup, President

Home Telephone:
 (Include area
 code)
 (540) 848-4524

Business
 Telephone:
 (Include area
 code)
 (540) 848-4524

Mailing
 Address:

Street and No.

Apartment No.

Social Security Number or Federal Employer
 ID Number (Optional):
 87-1077261

901 S. Old Corry Field Rd. Box 4435

City Pensacola

State FL

Zip Code 32507

Permanent
 Address:

C/O

Street and No.

Apartment No.

Same as above

City

State

Zip Code

IF PERSONS OTHER THAN A PILOT:

Detailed statement setting forth the substantial interest of the applicant and how the applicant is directly affected by the established rates:

PART B

1. Name of Port for which rate change is being requested: Port of Pensacola

2. Detailed explanation of rate change being requested:

The requested rate change replaces the existing rates for pilotage and other services and charges for vessels visiting the Port of Pensacola or Naval Air Station Pensacola, subject to pilotage as outlined in Florida § 310.141.

The formula for calculating base pilotage rate shall be modified from the existing box formula of $((LOA \times Beam / 100) \times Pilotage \text{ Unit Rate}) + (Draft \times Draft \text{ Rate})$

To a proposed base pilotage rate of $(LOA \times LOA \text{ Rate}) + (Beam \times Beam \text{ Rate}) + (Draft \times Draft \text{ Rate}) + (GT \times GT \text{ Rate})$

LOA = length overall (rounded up to the nearest foot)

Beam = extreme beam (rounded up to the nearest foot)

Draft = deepest draft (rounded up to the nearest foot)

GT = gross tonnage (maximum value if differing tonnages are listed)

	<u>From</u>	<u>To</u>
Pilotage unit rate *	\$2.00 per pilotage unit	N/A
- Minimum	200 pilotage units	
LOA rate	N/A	See chart below
Beam rate	N/A	See chart below
Draft charges	\$25 per draft foot	See chart below
Minimum	16 foot	
GT rate	N/A	See chart below

Base pilotage rate:

Vessels of GT:	Less than 5,000 GT	5,001-20,000 GT	Greater than 20,000 GT
LOA Rate	\$1.25	\$1.75	\$2.25
Beam Rate	\$5	\$10	\$15
Draft Rate	\$45	\$60	\$75
GT Rate	\$0.02	\$0.025	\$0.03

Special Evolutions:

Shift at Port Docks	Unit charge only	50% of base pilotage rate + applicable additional fees
Long Shift between Port Docks, Navy Base, and/or Anchorage	Full pilotage	75% of base pilotage rate + applicable additional fees
Dead Ship Movement:	N/A	150% of total pilotage rate + applicable additional fees

Application for change of Pilotage Rates

Additional Fees:

Docking/Undocking		
Under 400 ft	\$125	\$200
Over 400 ft	\$175	\$400
Port Dispatch	N/A	\$25 per vessel movement
Cross-licensed Pilot	N/A	\$250 per vessel movement
Anchoring/departing anchorage	\$100	\$250
Detention **	\$50 per ½ hour; \$100 after first ½ hour	\$150 per ½ hour \$300 per ½ hour after first ½ hour
Vessel late on ETA at sea buoy	Same as detention rates	Detention rates apply
Cancelled sailing	\$100 after dispatch	\$500 assessed if cancelled within two hours of arrival or sail time
Pilot carried to sea ***	\$300/day plus expenses	\$1,000/day plus first class return transport (per pilot if necessary)

Notes:

- Dead ship movement: defined as the movement of any vessel equipped with motive power and/or steering capability when such motive power and/or steering capability is or becomes unavailable, for any reason, during any part of the vessel's transit.
- The LOA Fee is determined using the maximum length overall, rounded up to the nearest foot. The LOA for conventional tug and barge combinations, whether towing astern, alongside, or pushing ahead, shall be the combined length overall of the tug and barge(s).
- The Beam Fee is determined using the maximum waterline beam, rounded up to the nearest foot. The beam for tug and barge combinations shall be the maximum waterline beam of the widest vessel in the unit.
- The Draft Fee is determined by using the deepest draft, rounded up to the nearest foot.
- The GT Fee is determined by using the ITC Gross Registered Tonnage and will be the maximum value if differing tonnages are listed.
- A \$25 fee per each vessel movement for port control duties.
- A \$250 per each vessel movement to help defray cross-licensed pilot coverage when required.
- Second pilot: may be assigned to any vessel, dead ship tow, abnormal transit, or when there are special weather circumstances. When Pensacola Pilots deem that a second pilot is required, that vessel will be charged two base pilotage rates + applicable additional fees.
- Late payment charge: 3% interest per month charged on the unpaid balance of all monies unpaid after 30 days from date of service, compounded monthly.
- All rates and fees shall increase by 3% per year beginning on the one-year anniversary of approved rate implementation.

* Pilotage Unit consisted of length overall multiplied by the beam, divided by 100. Pilotage unit rate x pilotage unit = unit charge.

** A delay in departure caused by a medical emergency will not be considered a detention. A delay in arrival, departure, or shift caused by weather conditions inside Pensacola Bay and/or the area offshore of Pensacola including the pilot boarding area will not be considered a detention.

*** In the event the sole Pensacola Pilot is carried to sea with another vessel ready for transit, the fee will also apply to fund a cross-licensed pilot to travel to Pensacola to pilot the other vessel.

3. Basis for requested rate change:

The express purpose of pilotage regulation in the State of Florida is to ensure that, “[waters, harbors, and ports of the state], the environment, life, and property may be protected to the fullest extent possible.” § 310.001, Fla. Stat. (2018). This policy achieves these goals by maximizing safety on Florida’s state waters, preventing the duplication of expense created by redundant pilotage services, and strengthening state regulatory oversight. Id § 310.0015(3). Requiring that pilots place the safety of life, property, and the environment before any other competing concerns, mandating that they procure the necessary facilities, vessels, and equipment to provide dependable service, and restricting how pilots may seek to set rates of pilotage are all essential elements of our system.

As part of this system, Florida established the Pilotage Rate Review Committee (hereinafter “PRRC”), charging it with setting “fair, just, and reasonable rates”, but giving “primary consideration to the public interest in promoting and maintaining efficient, reliable, and safe piloting services”. Id §§ 310.0015(3)(b), .151(3), .151(5)(a). Florida further sets forth a non-exhaustive list of criteria that the PRRC shall consider when considering whether an application for a change of pilotage rates will meet these requirements. Id § 310.151(5)(b). Of paramount importance is the need to attract the most skilled and qualified applicants possible. The most effective tool to accomplish this goal is compensation that, when compared to the compensation provided to pilots throughout the country, justifies the sacrifices required to obtain a position as a Florida harbor pilot worthwhile. Id § 310.151(5)(b)(6).

The Port of Pensacola applied for and received two pilotage rate increases in the past 35 years; January 1991 and most recently in August 2011. Pensacola Pilots LLC (hereinafter “Pensacola Pilots”) assumed the State Pilot responsibilities from Pensacola Bay Pilots Inc. on 22 July, 2023 and is submitting this application. Since 2011, the Consumer Price Index (hereinafter “CPI”) increased by 42%, causing every aspect of operating the business to become substantially more expensive.

Table 1 below summarizes the traffic variability and low volume since the last rate review. While Table 1’s data omits a limited number of transits to/from Naval Air Station Pensacola, it represents the challenges faced by the Pensacola Pilots. Never close to national or state averages for pilot compensation rates, the unpredictable swings in the finite vessel traffic rendered piloting alone insufficient to support the sole State Pilot and family without supplementary income. Consequently, in December 2021, the City of Pensacola, Florida Harbor Pilots Association, and Pensacola Bay Pilots Inc. signed a Memorandum of Agreement (MOA) which established a revenue guarantee, enabled use of the Port’s security boat as the pilot boat, and memorialized a cross-licensed pilot training program.

This revenue guarantee provides Pensacola Pilots with as much as \$10,000 per month with a declining payment option adjusted around monthly pilotage revenues. For the years ending December 31, 2023, and 2024, the total revenues received (Port of Pensacola and tenants) under this contract were \$18,037 and \$46,714. This amounted to 30% and 24% of the total Pensacola Pilot’s revenues respectively for those years. The revenue guarantee was updated on 24 January 2024 to reflect the new Pensacola Pilots LLC; remaining in effect through at least January 2027. Pensacola Pilots anticipates that the proposed rates, if approved, would negate the need for income from the MOA revenue guarantee absent a collapse of vessel traffic.

Table 1: Ship transits to/from Port of Pensacola

Fiscal Year	Ship Handles (Port of Pensacola)
2010	64
2011	68
2012	110
2013	130
2014	136
2015	108
2016	102
2017	40
2018	62
2019	58
2020	52
2021	56
2022	92
2023	86
2024	87

The State of Florida requirement for pilots to maintain or secure adequate pilot boats in § 310.0015(3) was creatively attained in Pensacola over the past few years. Without any pilot boat fee in either the approved 1991 or 2011 pilotage tariffs, it became cost-prohibitive for the former pilot to continue operating the pilot boat. The December 2021 MOA formally committed the Port of Pensacola to provide primary pilot launch service starting in late 2021. This arrangement worked well until the Port expressed interest in transitioning away from primary pilot launch responsibilities in 2023. In January 2024, Pensacola Launch Services LLC (PLS) was established and began to provide primary pilot launch services in addition to some additional non-pilot business. While not formally affiliated with Pensacola Pilots LLC, the Pensacola Pilot is half-owner of PLS. This arrangement establishes adherence to the § 310.0015(3) requirement. This unique arrangement is why the proposed pilotage rates do not request any pilot boat-related fees that are commonly seen in other rate packages around the State of Florida and country. The comparisons between Pensacola and other Florida and Gulf ports in Section 8 do not include pilot boat-related fees and surcharges.

Another unique feature of one-pilot ports such as Pensacola is the need for contingency pilotage when the sole pilot is unavailable. This could be a medical issue, required professional development or conference attendance, or another planned absence. The BOPC authorized interested pilots to cross-license in Pensacola on several different occasions. One retired State Pilot cross-licensed in 2014 and still assists with pilotage from time-to-time. More recently, another still active State Pilot responded to a 2023 Department of Business and Professional Regulation (DBPR) solicitation and will be cross-licensed in August 2025. Their willing contributions are an essential “insurance” policy to ensure continuity of maritime commercial operations in Pensacola. The proposed \$250 per vessel movement fee ensures Pensacola Pilots can attract, compensate, and ultimately retain cross-licensed pilots to ensure uninterrupted pilotage services in Pensacola. Note: the 2023 DBPR solicitation only attracted one of the 90+ active Florida State Pilots to pursue Pensacola cross-licensing. While there are valid and understandable reasons to not pursue cross-licensing, this statistic affirms the difficulty attracting the best qualified maritime professionals to Pensacola.

Beyond cross-licensing, Pensacola experienced unprecedented difficulty attracting a deputy pilot when the former State Pilot first requested a deputy pilot examination in 2017 to facilitate his eventual retirement. Three successive candidate annual testing periods either failed to attract any applications or resulted in no applicants passing the deputy examination. In fall 2020, a deputy finally passed the exam and began the two-year apprenticeship the following summer; ultimately attaining State Pilot certification in summer 2023. This enabled the incumbent State Pilot to finally retire after 26 years of service; several years his desired retirement date. This situation perfectly encapsulates the issue of attracting the most qualified maritime professionals in Pensacola. The current low compensation relative to other pilot groups and/or comparable maritime jobs combined with the limited pilotage opportunities makes Pensacola unattractive to prospective deputy pilots. The proposed rates would bring Pensacola more closely into alignment with other pilot groups in Florida and the Gulf Coast and help attract future deputy pilot candidates.

The Pensacola Pilot handles all pilot dispatch duties including coordination between the pilot and stevedores, tugs, agents, Port stakeholders, and tenants. There is no harbormaster or Marine Exchange. Therefore, Pensacola Pilots requests a \$25 port control fee per vessel movement.

To keep pace with annual business expense increases and provide stability and predictability for all parties, Pensacola Pilots also seeks an annual inflation rate. As everywhere, the costs that Pensacola Pilots pay to conduct business continue to increase each year.

The proposed rates seek to attract highly qualified future applicants while securing the resources necessary for Pensacola Pilots to continue providing the highest level of pilotage service to Pensacola.

Application for change of Pilotage Rates

4. Effective Date of Last Pilotage Rate Change: 19 August 2011

Pilotage Charges from the previous rate Increased at that time:

<u>Charge</u>	<u>From</u>	<u>To</u>
Draft	\$20.00 / ft (16 ft minimum)	\$25.00 / ft (16 ft minimum)
Unit Price	\$1.75 / unit (200 minimum)	\$2.00 / unit (200 minimum)
Docking		
< 400 ft	No charge	\$125
> 400 ft	No charge	\$175
Shift at Docks	Unit charge	Unit charge
Long Shift	Unit charge	Full pilotage fee
Anchoring	No charge	\$100
Detention	\$100 per hour – after first hour	\$50 per half hour – after first half hour \$100
Cancellation after Dispatch	No charge	\$100
Vessel Late on ETA	No charge	\$50 per half hour – after first half hour \$100
Pilot Carried to Sea	No charge	\$300 plus expenses

5. Financial Information:

(a) Pilot: the appropriate financial statements are attached as Exhibit I.

Application for change of Pilotage Rates

6. Required by Pilot Applicant/Optional by Non-Pilot Applicant:

Table 2: Number of Vessels Handled

Tonnage of Vessels Handled	Second Preceding Fiscal Year: 2023	Last Fiscal Year: 2024	Estimated Current Fiscal Year: 2025	Projected Next Fiscal Year: 2026
Less than 500 GRT		2		
500 - 1000 GRT		1		
1000 - 2000 GRT	6	14	4	4
2000 - 5000 GRT	6	12	4	6
5000 - 10000 GRT	50	52	44	52
10000 - 20000 GRT	6	2	10	12
Over 20000 GRT	27	24	28	22
Draft of Vessels Handled				
Less than 8 feet				
8 - 10 feet				
11 - 15 feet	9	18		
16 - 20 feet	27	39	30	32
21 - 25 feet	13	15	14	22
26 - 30 feet	44	33	38	36
31 - 35 feet	2	2	8	6
Over 35 feet				
Length (LOA) of Vessels Handled				
Less than 100 feet				
100 - 250 feet	3	14		
250 - 500 feet	65	69	52	62
500 - 750 feet	27	24	38	34
Over 750 feet				
Total Vessels Handled	95	107	90	96

Application for change of Pilotage Rates

7. Comparison of the average net income of pilots in the port, using current rates, including the value of all benefits derived from services as a pilot, to the projected average net income using the requested rates.

Table 3

	Prior Year (2023) *	Present Year (2024) **	Projected Year (2025) Current 2011 Rates	Projected Year (2026) Current 2011 Rates
Total Number of Pilots	1	1	1	1
Gross Pilotage Revenue	\$ 42,581	\$149,877	\$153,424	\$152,758
Gross Income from Revenue Guarantee #	\$ 18,037	\$ 46,714	\$ 40,230	\$ 45,900
Gross Launch Service Revenue	N/A	\$ 85,234	\$ 82,883	\$ 88,583
Operating Expenses	\$ 26,444	\$117,627	\$105,489	\$109,247
Net Income (pilotage)	\$ 34,174	\$164,198	\$171,048	\$177,994
Less PLS non-pilot partner share of income ##	N/A	\$18,396	\$13,939	\$16,654
Total Income for Pilot	\$ 34,174	\$145,802	\$157,109	\$161,341

* Assumed full State Pilot status on 22 July, 2023. This Prior Year (2023) column captures only this partial year pilotage income from 2023.

** Full State Pilot income in addition to partial year income for Pensacola Launch Services LLC (commenced operating in February 2024). The latter is half-owned by the State Pilot with the other half owned by a non-affiliated partner. The boat's engine hours were used 88.7% of the time for pilotage-related revenue generation.

Per MOA, the revenue guarantee income supplements pilotage revenue during months with no or limited vessel traffic.

For all but the Prior Year (2023) when the Pensacola Launch Service (PLS) did not exist, the PLS Net Income must be halved to calculate the actual Total Income received by the Pensacola Pilot.

Itemize Other Reasonable Operating Expenses of Pilots: (unaudited) See the attached financial statements.

General business expenses include pilot license insurance, portable VHF radios, travel expenses, smart phone service with related applications, protective gear and clothing, sunglasses, sunblock, associated medical expenses directly related to profession, professional training, business meals and subscriptions, automatic flotation devices, required State and USCG annual physicals, renewal of USCG certificates, various travel expenses to APA and FHPA meetings and professional development, administrative fees, and various fees including, but not limited to, accounting, State and Board, TWIC card renewal, LLC renewals, and post office fees.

Table 4

	PROJECTED YEAR I 2025 Requested Rates	PROJECTED YEAR II 2026 Requested Rates
Total Number of Pilots	1	1
Gross Pilotage Revenue	\$424,568	\$419,467
Gross Income from Revenue Guarantee #	\$0	\$0
Gross Launch Service Revenue	\$82,883	\$88,583
Operating Expenses	\$147,489	\$149,247
Net Income (pilotage)	\$359,962	\$358,803
Less PLS non-pilot partner share of income ###	\$13,939	\$16,654
Total Income for Pilot	\$346,023	\$342,150

As above, the PLS Net Income must be halved to calculate the actual Total Income received by the Pensacola Pilot.

8. a) Pilotage rates in other ports deemed relevant by the applicant:

The fairest way to compare pilotage rates between ports and determine whether requested rates are fair, just, and reasonable is to compare the cost per handle for representative vessels at each of the relevant ports. The following ports provide a reasonable comparison or are the most geographically relevant. Note: pilot boat-related fees and surcharges for all ports are excluded.

Table 5: Rate Comparison for Applicable Florida and Gulf Ports (all rates effective as May 15, 2025)

Port	Standard Vessel Fee (Roundtrip and normalized to Pensacola-equivalent drafts)		
	Small Cargo Vessel	Medium Cargo Vessel	Large Cargo Vessel
	<i>Grit Cement IV</i>	<i>Bahama Spirit</i>	<i>Bahri Jeddah</i>
Panama City, FL	\$ 3,389	\$ 5,890	\$ 6,807
Port Manatee, FL	\$ 5,423	\$10,282	\$12,820
Key West, FL	\$ 3,778	\$ 5,633	\$ 8,112
Mobile, AL *	\$ 4,054	\$ 7,307	\$11,323
Gulfport, MS	\$ 4,910	\$ 7,078	\$ 9,698
Pascagoula, MS	\$ 3,440	\$ 6,153	\$ 9,651
Pensacola (2011 rate)	\$ 2,655	\$ 4,313	\$ 4,939
Pensacola (Proposed)	\$ 7,391	\$12,970	\$15,273

Port Tariffs:

Panama City, FL (Rates changed 2019): \$2.92/Unit Rate ((LOA x Beam)/100) (minimum 175 Units), \$31.75/Draft Ft (16 Ft minimum), Docking/Undocking Fee \$0.25/Ft of LOA, Bow Out (not included), Passing in Narrow Channel (not included), Capital Boat Replacement and Maintenance Fee (not included)

Port Manatee, FL (Rates changed 2024):

Depending on whether vessel is less or more than 22,000 GRT: \$1.3125/\$1.8375 per Ft of LOA, \$7.875/\$10.50 per Ft of Beam, \$49.875/\$63 per Ft of Draft, \$0.263/\$0.315 per GRT, Docking/Undocking Fee \$157.50/\$262.50, Training/Technology Fee, Transportation Fee, Port Communication Fee, Pilot Boat Fee (not included)

Key West, FL (Rates changed 2025): \$26.40/Draft Ft (20 Ft minimum), \$0.0495/GRT (minimum 10,000 GRT), Docking/Undocking \$750, Port Control Fee \$25, Pilot Boat Fee (not included)

Mobile, AL: \$47.79/Draft Ft (15 Ft minimum), \$0.0785/GRT (minimum 6,500 GRT), Docking/Undocking \$188.66, Tiered Turning Fee (not included), Communication Fee, 1.5% Safety Education Surcharge, 5% Transportation/Fuel Surcharge (not included), Pilot Boat Fund (not included), Capital Boat Fund (not included), Capital Improvement Fee (not included)

* Unable to separate Transportation Fee from Fuel Surcharge so it is not included.

Gulfport, MS: \$47.10/Draft Ft (16 Ft minimum), \$50.46/GRT, Docking \$112.14, Dockside Maneuvering \$660.73, Transportation Fee (not included), Fuel Surcharge (not included)

Pascagoula, MS: \$44.65/Draft Ft (15 Ft minimum), \$66.60/GRT (minimum 4,000 GRT), Dispatch/Communication Fee \$125, Pilot Boat Fee (not included)

Vessel Specifications:

Small Cargo Vessel (*Grit Cement IV*): LOA 440 ft, Beam 68 ft, Draft (in) 26.9 ft, Draft (out) 17.7 ft, GRT 9,299 tons
 Medium Cargo Vessel (*Bahama Spirit*): LOA 615 ft, Beam 106 ft, Draft (in) 31.5 ft, Draft (out) 22.7 ft, GRT 26,792 tons
 Large Cargo Vessel (*Bahri Jeddah*): LOA 738 ft, Beam 106 ft, Draft (in) 30.2 ft, Draft (out) 28.2 ft, GRT 50,714 tons

8. b) (Required by Pilot Applicant/Optional by Non-pilot Applicant)

Both the courts and the Board of Pilot Commissioners (hereinafter "BOPC") have spoken on what constitutes "actual piloting time" and "other essential support services".

"Time spent on actual piloting duty includes handle time, transit time to and from the vessel, and administrative time related to that handle. Time spent on other essential support services generally involve matters pertaining to the port in question, e.g., dealing with the Coast Guard on port security or safety issues, dealing with the Army Corp of Engineers regarding the ship channel, etc." *ACL Bahamas Ltd. V. Dep't of Bus. & Prof. Reg., Pilotage Rate Review Comm.*, DOAH Case No. 10-2335 ¶ 53, *approved and adopted*, (Fla. PRRC Apr. 18, 2012).

"Actual Piloting Duty" means the time elapsed from when the pilot leaves his or her home, office, or other location for the purpose of providing pilotage to a vessel until the pilot returns to that point of origin, or to a closer alternative location of his or her choosing, plus any additional time needed to document the piloting services performed for billing purposes." Board of Pilot Commissioners. (29 January 2010). *Minutes of the Meeting*. http://www.myfloridalicense.com/dbpr/pro/pilotc/documents/pilots_minutes_january_2010.pdf

"Other Essential Support Services" means the time spent by pilots, and their agents, representatives, and employees, in performing tasks that contribute to the provision of safe and efficient piloting services, to include time spent training, on business operations, securing and maintaining adequate infrastructure, and interaction with both governmental authorities and private parties involved in port operations and port security." *Id.*

Time Spent on Actual Piloting Duty

According to these definitions, "Actual Piloting Duty" encompasses substantially more time than the period between when a pilot boards a ship and when he or she disembarks from that ship. In Pensacola, "actual piloting time" begins when a pilot is called out for an assignment. The pilot plans for the logistical and operational challenges presented by the navigation of a vessel through Pensacola Pass and several narrow channels, and pier side maneuvering. This planning includes assessing the state of the environmental conditions, arranging tug assistance where needed, ensuring the launch (pilot boat) is placed in the water at the marina, identifying and coordinating with other port activities that may impact the vessel's transit, and communicating with the vessel's agent and Port personnel about any docking or undocking issues particular to the handle.

Due to Pensacola's vessel traffic volume and geography, maintaining a pilot station/facility for duty periods is unnecessary and uneconomical. Instead, the pilot commutes to and from the home office. The commute to/from the Port of Pensacola is 30 minutes. Once at the Port, the pilot stages a vehicle and rides 8-10 minutes with the boat driver to the marina to rendezvous with the launch (pilot boat). The pilot transits to the vessel, either offshore by launch (pilot boat) or by vehicle to a moored vessel. The pilot boarding area is approximately four nautical miles offshore and the launch transit time between the marina and vessel is 45 minutes with good environmental conditions. During periods of stormy weather/fog/high winds/heavy seas, the Pass and offshore waters can be treacherous for small vessels. In these situations, pilot boat transit times increase by 15-30 minutes.

After a pilot boards a vessel, whether inbound or outbound, the pilot must make his way from the pilot ladder location to the navigation bridge. Depending upon the size and layout of the ship, this involves climbing ladders or occasionally riding in an elevator. Under normal circumstances, the time required to transfer from the pilot ladder to a ship's bridge takes about five (5) minutes.

Before a ship can proceed into Pensacola Bay or get underway from its berth, the pilot conducts a formal exchange of information with the vessel's master. These conversations typically take five (5) minutes but may be longer if there are special circumstances related to the transit, such as equipment deficiencies, channel obstructions, strong currents or weather concerns, etc. In Pensacola, the amount of time necessary to bring a ship from the pilot boarding area to the dock, or from the dock to sea, depends upon multiple variables. Most prominently are the environmental conditions encountered during the transit. Ebb currents are particularly strong at times; 3-4 knots are a regular occurrence with even higher

current velocities especially following heavy rainfall. Most ships moor at the commercial port; 12 nautical miles from the pilot embarkation point. The other mooring location in Pensacola Bay is the Naval Station Pensacola wharf; about 7 nautical miles from the pilot embarkation point. Allowing for the steady reduction (or acceleration) in speed required as a vessel proceeds, transit time averages 90 minutes. It usually takes 30 minutes to maneuver alongside depending on which berth is assigned. As with all piloting evolutions, vessel size and draft, time of transit, state of the tide, presence of any docked vessels that restrict the area in which the ship maneuvers, berth assignment, whether the ship is equipped with thrusters of sufficient number and power, and how many tugs are being used are just a few factors that affect transit time. There are two conventional tugboats in the Port of Pensacola and an "out of town" tug(s) may be brought in for select jobs such as dead ship maneuvers or unwieldy vessels.

Before the pilot can disembark from an arriving ship, or before he or she can get a departing ship underway, the vessel's crew must deploy or recover the ship's gangway and mooring lines. A well-trained and organized crew can generally complete these tasks in 20-30 minutes.

After going from the navigation bridge to the staged vehicle via the gangway, the pilot makes the 30-minute drive back to the home office. The pilot will devote 20 minutes to complete the paperwork associated with the handle, coordination with the servicing agent and required billing. Altogether, the average time required for a pilot to complete the Actual Piloting Duty related to each handle is 4.58 hours.

Table 6: Time Spent on Actual Piloting Duty

Vehicle travel	60 minutes
Launch transit time	45 minutes
Pilotage	150 minutes
Administration	20 minutes
Total	275 minutes (4.58 hours)

Time Spent on Other Essential Support Services

Pensacola Pilots is the smallest pilot group in the State of Florida. However, it still has most of the same requirements as a larger pilot organization with more member pilots. The ever-increasing workload and time requirements associated with community and government outreach must be handled by the sole pilot.

The lone State Pilot in Pensacola maintains 24 hours a day, 7 days a week availability. With no dedicated dispatchers, the sole Pensacola Pilot is tasked with all dispatch and communications duties, including coordinating with the agents, tug company, launch service, stevedores, and Port staff. The State Pilot also completes all other required administrative tasks such as banking and budget tracking, legal compliance, administration of license insurance, retirement planning, and day-to-day liaising and coordination with other Port and Port-related entities. Because Pensacola's political environment tends to be unfavorable to the Port and maritime commerce, Pensacola Pilots devote an extraordinary amount of time in discussions with officials from the State of Florida, Escambia and Santa Rosa Counties, the City of Pensacola, Naval Air Station and other local military unit command staffs, local maritime industry leaders, media, various shipping companies and agents, and civic organizations such as the Propeller Club, Navy League, Chamber of Commerce, and Marine Corps League. The Pilot continues to be heavily engaged with port tenants and coordinated Port tours for local media and Chamber of Commerce leadership groups over the past several years. The Pilot conducts a robust ride along program to educate key stakeholders and community leaders on the importance of the maritime commercial ecosystem. Regular discussions are also held with economic development organizations to bolster the Port of Pensacola's image while highlighting the important contributions of harbor pilots. Finally, the Pilot regularly communicates with the Coast Guard, Army Corps of Engineers, and National Weather Service on maritime subjects that impact vessel movements and security tabletop exercises and meetings. These duties average 25 hours a week (nearly 1,300 hours per year).

Per § 310.075, Pensacola Pilots is obligated to train deputy pilots though it is not a normal occurrence in a one-pilot port. Pensacola Pilots has trained a cross-licensing pilot intermittently over the past year. Once this cross-licensed pilot is certified, the next cross-training need is forecasted to be in several years. While much of the normal deputy engagement is mitigated by the cross-licensing pilot already being a seasoned State Pilot from a different port, there is still pre-handle planning, supervision, and debriefing that occurs. This adds time to each ship that the cross-licensing pilot handles. Pensacola Pilots also undertake considerable scheduling, travel coordination, reimbursement responsibilities, and progress tracking with the cross-licensing pilot. When a cross-licensing pilot is in the system, this takes about 5-8 hours per visit to Pensacola. With a requirement for 8 round trips, that equates to approximately 50 administrative hours per cross-licensed pilot being trained.

With the recent increase in the number and severity of tropical cyclones impacting Florida's coastline, heavy weather planning and coordination with the aforementioned entities occupies a significant amount of the Pensacola Pilot's time. Pensacola Pilots is generally the last organization to cease operations in the port before a storm arrives and among the first to resume operations and help the Coast Guard to assess harbor conditions and the status of essential aids to navigation. Numerous conference calls are held every year for storm preparations and post-storm response efforts. Severe weather-related activities require about 30 hours per year.

The total time contribution for the combined Other Essential Support Services is estimated at nearly 1,400 hours per year.

8. c) Prevailing Rate of Compensation of Individuals in Other Maritime Services of Comparable Professional Skills

The qualifications, skill, and experience required to obtain a state pilot's license place pilots in the highest stratum of maritime professionals. Pensacola's Pilot holds an Unlimited Master license with First Class Pilot endorsement and spent 18 of 29 years in Coast Guard seagoing vessels; 11 years of which were in command/master positions. The current Pensacola Pilot also completed a comprehensive 24-month deputy training period which further sharpened navigation, ship handling, and bridge resource management skills while honing local waterway knowledge. No other shipboard position requires this degree of expertise, dedication, and accomplishment.

Moreover, no other position within the maritime industry is subject to the physical, economic, and professional risks that pilots face to practice their profession and conduct their business. Piloting is consistently one of the most dangerous occupations in the nation, with most injuries and fatalities occurring during transfers to or from ships. The frequency in which pilots engage in these hazardous vessel transfers is unique to their profession, with no equivalent in the maritime industry. Vessel transfers not only place the well-being of a pilot at risk, but also the pilot's livelihood. An injury that permanently hampers a pilot's ability to climb a pilot ladder will likely end that pilot's career. Unlike other positions aboard ships, there is no way for a pilot to serve "light duty" while recuperating from an injury. Compounding this risk is the fact that Own-Occupation Disability Insurance is difficult, if not impossible, for harbor pilots to obtain.

Unlike most maritime professionals, who generally work for large, publicly traded corporate entities and enjoy guaranteed compensation and benefit packages, pilots are small business owners. With this comes business risk and personal financial exposure. Not even the senior executives of major maritime corporations, much less their employee shipmasters, are required to place their personal wealth at risk when making large purchases on behalf of their company. In January 2024, the current Pensacola pilot (along with a non-affiliated partner to provide the necessary capital) purchased a used boat to relieve the Port of Pensacola's security boat which was serving as the primary pilot boat. The "new" vessel enabled safer transfers and more comfortable transits to and from vessels. Because the existing (2011) pilotage rate contained no provision for a pilot boat, the partners funded the entire vessel; a significant financial risk given Pensacola's finite and unpredictable vessel traffic.

Lastly, state licensed pilots are subject to regulatory oversight at both the federal and state level. Florida demands the highest level of competence from harbor pilots operating in the state. Likewise, the Coast Guard regulates pilots practicing under their federal endorsements when handling U.S.-flagged, coastwise vessels, as well as under the Coast Guard's overall jurisdiction over navigable waterways. This double layer of scrutiny means that pilots have no room for error or

omission. Major maritime accidents pose huge risks for the state's economy, public safety, and the environment. Any incident, however minimal, would have serious and lasting consequences for any pilot's professional future.

The prevailing rate of pilot compensation is best determined by the compensation of pilots in other ports in the United States. Piloting is a unique profession within the maritime industry. *Bisso v. Inland Waterways Corp.*, 349 U.S. 85, 93-94 (1955); *Kotch v. Board of River Port Pilot Comm'rs*, 330 U.S. 555, 557-558 (1947). Any comparison drawn between pilots and other positions within the maritime industry ignores fundamental differences between piloting and those positions and would be wholly inaccurate. The PRRC adopted this position in past rate hearings. See *ACL Bahamas Ltd. V. Dep't of Bus. & Prof. Reg., Pilotage Rate Review Comm.*, DOAH Case No. 10-2335, Recommended Order, pp. 31-35 (January 31, 2012); Final Order adopting Recommended Order in full (April 19, 2012). In short, the pilot profession does not have a direct comparison to any other occupation in the maritime industry apart from other pilots. It is most appropriate and realistic to compare pilot incomes against other pilot incomes.

According to a recent report prepared by Dibner Maritime Associates, LLC for the Louisiana Pilotage Fee Commission, pilots at eight different major central and western Gulf of Mexico (America) ports averaged \$605,624 net annual income in July 2020. This amounts to \$737,000 in 2024 dollars. Regarding comparable pilot compensation in other ports in the United States, at the October 24, 2018 Port Everglades rate hearing, Captain George Quick, Vice President of the International Order of Masters, Mates, and Pilots (MMP) cited a different Dibner Maritime Associates analysis which concluded that the average annual cash compensation for pilots throughout the country was approximately \$580,000. In 2024 dollars, that equates to \$724,000. Note: the above net income numbers are also non-inclusive of medical, retirement, and other expenses that the Florida PRRC typically includes in pilot income.

The average pilot compensation exceeded the Pensacola Pilots' 2024 total income by 405%. Using the 2025 projected total income, this difference reduces to just 113% higher.

Oftentimes, pilots are also compared with masters of large, ocean-going, U.S.-flagged ships. However, the skills, risks, and working conditions between the two professions are considerably different. Pilots must possess more technical ship handling skills to handle the wide variety of vessels' operating characteristics. Physical risks for pilots are much higher due to the embarkation and disembarkation of vessels in a wide range of weather and sea conditions. Maneuvering large vessels in close proximity to shoal waters induces much higher stress; this is the riskiest operation for any ocean-going vessel. Finally, pilots must adapt to changing circumstances on every vessel. Beyond equipment, ship characteristics, different propulsion and navigation systems, and crew proficiency, the pilots must navigate the weather, environmental conditions, and oftentimes language barriers. In the aforementioned 2018 Port Everglades Rate Hearing, Captain Quick stated that an unlimited master in the International Organization of Masters, Mates, and Pilots (MMP) makes approximately \$325,000 per year. In current 2024 dollars, \$325,000 is equivalent to nearly \$406,000.

The compensation for a MMP unlimited master exceeded the Pensacola Pilots 2024 total income by 178%. Using the 2025 projected total income, this difference reduces to just 17% higher.

In summary, the current annual compensation for Pensacola Pilots falls well below all comparison compensations and is a major factor in the difficulty attracting pilots to Pensacola. The proposed annual compensation that Pensacola Pilots would earn under the proposed tariff is still dramatically below that regional and national pilot averages but would at least bring Pensacola Pilots more closely into alignment with an MMP unlimited master's compensation.

Application for change of Pilotage Rates

9. Comparison of Present and Requested Pilotage Charges (Required by Pilot Applicant/Optional by Non-pilot Applicants)

Pilotage Charge Item	Present Charge as of: 19 Aug 2011	Actual Revenue for 12 Months Preceding Application (CY 2024)	Requested Charge	Revenue Based on Requested Charge as Applied to Actual Activity of Preceding 12 Months (CY2024)	Increased Revenue, Based on Requested Charge Applied to Preceding 12 Months (CY2024)	Percentage of Increased Revenue on Preceding 12 Months Activity (CY2024)
DRAFT CHARGES: Per foot	\$25.00 / draft ft 16 ft minimum	\$50,031	<=5,000 GT = \$45 per ft 5,001-20,000 GT = \$60 per ft >20,000 GT = \$75 per ft	\$129,594	\$79,687	159%
UNIT CHARGES: Per Gross Registered Ton	\$2.00 per unit 200 unit minimum Unit = length x width divided by 100	\$83,296	N/A	N/A	N/A	N/A
TONNAGE CHARGES: Per Gross Registered Ton Min/Max GRT	N/A	N/A	<=5,000 GT = \$0.02 per GT 5,001-20,000 GT = \$0.025 per GT >20,000 GT = \$0.03 per GT	\$49,733	New Charge	New Charge
LOA RATE	N/A	N/A	<=5,000 GT = \$1.25 per GT 5,001-20,000 GT = \$1.75 per GT >20,000 GT = \$2.25 per GT	\$86,841	New Charge	New Charge
BEAM RATE	N/A	N/A	<=5,000 GT = \$5 per GT 5,001-20,000 GT = \$10 per GT >20,000 GT = \$15 per GT	\$2,037	New Charge	New Charge
DOCKING/ UNDOCKING: All Vessels . . .	Less than 400 ft \$125 Greater than 400 ft \$175	\$15,950	Less than 400 ft \$200 Greater than/equal to 400 ft \$400	\$34,400	\$18,450	46%
SHIFTING CHARGES:	Long shifts/Port docks/Navy Base Anchorage: Full Pilotage Fee Shift at docks: Unit Charge only	\$0	Long shifts: 75% of base pilotage rate + applicable fees Shift at docks: 50% of base pilotage rate + applicable fees	N/A	N/A	N/A
DEAD SHIP MOVEMENT:	N/A	N/A	150% of total pilotage rate + applicable fees	N/A	New Charge	New Charge
ANCHORING/ LEAVING ANCHORAGE:	\$100	\$0	\$250	N/A	N/A	N/A
DETENTION:	\$50 per half hour, \$100 after the first half hour	\$500	\$150 per half hour \$300 per half hour after the first half hour	\$1,500	\$1,000	200%
VESSEL LATE ON ETA AT SEA BUOY:	\$50 per half hour, \$100 after the first half hour	\$0	Same as detention fees	N/A	N/A	N/A
CANCELLATION CHARGES:	\$100 after dispatch	\$100	\$500 assessed if cancelled within two hours of arrival or sail time	\$500	\$400	400%
PILOT CARRIED TO SEA:	\$300/day + expenses	\$0	\$1,000/day + first class return transport (per pilot if cross-license coverage is necessary)	N/A	N/A	N/A

Application for change of Pilotage Rates

<u>ADDITIONAL FEES:</u> Cross Licensed Pilot Coverage	N/A	N/A	\$250 per handle	\$26,750	New Charge	New Charge
Port Control	N/A	N/A	\$25 per handle	\$2,675	New Charge	New Charge
3% increase per year on all rates and fees beginning on the one-year anniversary of rate increase implementation.	N/A	N/A	3% increase on all rates	N/A	New Charge	New Charge
Late Payment	N/A	\$0	3% interest per month charged on the unpaid balance of all monies unpaid after 30 days from date of service, compounded monthly	\$317	New Charge	New Charge

10. Detailed explanation of special characteristics, dangers and risks of the port for which the rate change is being requested:

Lengths of Various "Pilotage Waters" Channels: (Include "Average Length" of Pilotage Trip and estimated time to complete pilotage "dock to dock".)

LENGTH (in NM):

Pilot Boarding Area to Caucus Channel (Inbound): 0.5 NM
Caucus Channel: 3.0 NM
Barrancas Channel: 0.9 NM
Barrancas Cutoff: 0.4 NM
Navy Channel: 0.9 NM
[Pickens Channel: 1 NM – for moorings at the Navy Base]
Pensacola Bay Channel Cut 1 & 2: 1.5 NM
Pensacola Bay Channel Cut 3 & 4: 4 NM
East Approach: 1.0 NM

*Average Length of 1 pilotage trip to the Commercial Port is 12.2 NM. Estimated time to complete 1 pilotage transit is 2 hours (plus 30 minutes tightening lines and 45 minute pilot boat trip to Pilot Boarding Area). Total of 3.25 hours.

Widths of Various "Pilotage Waters" Channels:

WIDTH (in feet)

Caucus Channel: 800 ft/500 ft
Barrancas Channel: 500 ft
Barrancas Cutoff: 500 ft
Navy Channel: 800 ft
Pickens Channel: 800 ft
Pensacola Bay Channel Cut 1 & 2: 300 ft
Pensacola Bay Channel Cut 3 & 4: 300 ft
East Approach: 300 ft
West Approach: 300 ft
Inner Harbor: 500 ft

Depths of Various "Pilotage Waters" Channels:

DEPTH (in feet)

Caucus Channel: 35 ft
Barrancas Channel: 35 ft
Barrancas Cutoff: 35 ft
Navy Channel: 35 ft
Pickens Channel: 35 ft
Pensacola Bay Channel Cut 1 & 2: 33 ft
Pensacola Bay Channel Cut 3 & 4: 33 ft
East Approach: 33 ft
West Approach: 33 ft
Inner Harbor: 33 ft
Commercial Port berths: 35 ft

List of Unusual Hazards to Navigation:

- 1) Longshore currents in vicinity of Pensacola Pass approaches
- 2) Proximity of shoaling in Pensacola Pass and its approaches
- 3) Increased wave heights in Pensacola Pass during opposing flow conditions
- 4) Significant shoaling especially in Caucus, Barrancas, and Barrancas Cut Channels
- 5) Heavy currents in Pensacola Bay and especially Pensacola Pass
- 6) Intracoastal waterway traffic crosses shipping channel between Navy Range and Pensacola Bay Channel Cut 1 & 2.
- 7) Nearly year-round pleasure craft traffic
- 8) Navy Range destroyed since 2013
- 9) Unlit aids to navigation, most challengingly on Pensacola Bay Channel but also Caucus and Barrancas Channels

List "Weather-related" Hazards to Navigation:

- 1) Strong tidal currents regularly attain velocities in Pensacola Pass up to 4 kts, especially on an ebb current, Higher velocities are not uncommon, and the Coast Pilot has reported velocities as high as 8 knots.
- 2) Opposing flow, especially SE or S winds and/or swells, moving against strong ebb currents create significant wave heights in Pensacola Pass.
- 3) Occasional rain squalls of considerable intensity occur due to passing thunderstorms.
- 4) Heavy fog especially from October through April.
- 5) Hurricanes and the aftermath, particularly related to shoaling and possible waterway obstructions.

List any limitations imposed by Association as to drafts, lengths, tonnages, beams, types, etc..., of vessels handled within port's pilotage waters and provide reasons for same:

- 1) Maximum draft limitations are in place to maintain a safe minimum under keel clearance (UKC) throughout the primary shipping channels.
- 2) Maximum draft to Navy Base is 32 feet (though military vessels are typically hesitant to push the UKC beyond their navigation drafts).
- 3) Maximum draft to the Port of Pensacola has been 31.5 feet.
- 4) Port of Pensacola depths alongside berths vary from 28-29 feet at berths 1 & 2 and 35 feet at berths 3 through 6.
- 5) Ships over 600 feet, 100 feet or greater breadth, and/or drafts exceeding 29 feet are usually restricted to daylight transits only.

Other Relevant Information

- 1) The Gulf Islands National Seashore encompasses about half of the Pensacola Bay shipping channels.
- 2) Bayou Chico has a concrete obstruction just outside the channel in the vicinity of the overhead power cables. Vessels have hit this obstruction in the past so great care must be exercised.
- 3) Two conventional, twin-screw tugs are typically available. For dead ships, unwieldy or extremely large vessel arrivals/departures, additional tugs may be hired from nearby ports.
- 4) Dredging via the Army Corps of Engineers (ACOE) only occurs every other year. While the ACOE has been very accommodating and helpful, Pensacola's lower cargo volumes compared to Mobile and Panama City will always result in Pensacola being lowest on the regional dredging priority list.

11. Detailed statement explaining how the requested rate change will result in fair, just and reasonable rates, taking into consideration the public interest in promoting and maintaining efficient, reliable, and safe piloting services and further taking into consideration the factors set forth in Section 310.151(5)(b), Florida Statutes.

The Public Interest in Having Qualified Pilots Available to Respond Promptly to Vessels Needing Their Service

Harbor pilots play a critical role as independent experts who place the safety of life, property, and the environment above all other considerations while ensuring trade flows in our nation's maritime commercial ecosystem. Ships continue to grow larger and ports around the globe struggle to accommodate these changes. In fact, many ships are too large or have too deep of a draft to safely transit to the Port of Pensacola. Pensacola Bay's ship channels have the same dimensions as fifty years ago but, with the U.S. Navy's decommissioning of the homeported aircraft carriers, are no longer dredged to the 44-foot depth. While none of the ships using Pensacola's channels can match the size of an aircraft carrier, a number of them challenge the maximum drafts that the channels, as dredged, can safely accommodate. Safe operations obviously make good business sense but there will always be pressure to maximize cargo loads and push safe under keel limits. The local pilot is the principal line of defense to ensure that the safety of the waterway and public is not endangered. If, for any reason, the local pilot determines a ship cannot safely transit the port's channels, the ship will not be allowed to maneuver in or out of Pensacola until the situation improves. Ship agents and the Coast Guard can validate multiple instances when a Pensacola Pilot would not move a ship until severe weather passed, visibility improved, or tug resources arrived on station. These decisions are never taken lightly as delays cost maritime industry time and money. However, the primary objective of Florida's piloting system will always be safety. Consequently, public interest demands qualified pilots available for service. Beyond the local pilot's advanced ship handling and navigation skills, judgment and responsibility are paramount. Ensuring that Pensacola attracts and retains seasoned maritime professionals in the future and enabling current pilots to pass decades of unique local experience to future pilots is also in the public's interest. The proposed tariff accomplishes this by providing competitive pilot compensation for the foreseeable future.

Anticipated Capital Expenses: These are minor for Pensacola Pilots as the major expenses are undertaken by the segregated Pensacola Launch Services LLC (PLS). With Pensacola Pilots serving as half owner of PLS, Pensacola's maritime commerce will be assured that the pilot launch operation will perform at the level necessary to provide the best possible service for vessels calling on the Port of Pensacola.

The Impact Rate Change May Have in Individual Pilot Compensation and Whether Such Change Will Lead to a Shortage of Licensed State Pilots, Certificated Deputy Pilots, or Qualified Pilot Applicants

Florida law recognizes the direct relationship between pilot compensation and the quality of candidates drawn to the profession. ". . . [I]n order to attract to the profession of piloting, and to hold the best and most qualified individuals as pilots, the overall compensation accorded pilots should be equal to or greater than that available to such individuals in comparable maritime employment." § 310.151(5)(b)6, Fla. Stat. (2018). As noted in section 3, Pensacola has always experienced difficulty in appealing to potential deputy pilots. Pensacola Pilots must compete to attract qualified deputy pilot applicants from a limited candidate pool against more active and lucrative ports in Florida, the Gulf Coast, and throughout the nation. The ramifications of being unable to attract the highest caliber deputy pilot candidates are severe. This rate proposal addresses this issue and also includes a rate inflation schedule to ensure that the rates keep pace with expenses and the wider profession's average compensation rates while permitting all entities to properly plan.

Unlike many other state systems, Florida's deputy pilot selection process is purely merit-based. Candidates must meet the licensing and sea service requirements, which take years of seagoing experience, before applying for an open deputy pilot position. If the BOPC approves a candidate's application, he or she then must spend roughly one thousand hours studying and preparing for an examination that requires candidates to draw the port's charts from memory and demonstrate complete mastery of seamanship, aids to navigation, collision regulations, and the laws regulating piloting. To be selected for the deputy pilot appointment, a candidate must score within the top five of all test takers, with the highest score typically receiving the appointment. Many successful candidates take the examination multiple times before they achieve this goal. Many more candidates never qualify and eventually stop testing.

Once appointed, a candidate then begins a minimum 24-month duty pilot training period. At this stage, the principal challenge with Pensacola's deputy pilot training program is obtaining the required familiarization trips, especially at night. This complicates the ability to quickly qualify for the Coast Guard-administered First Class Pilot certification; another round of testing requiring another chart draw and local light list memorization. Successful completion of any pilot training program is not guaranteed. Recent examples of deputy pilots failing to be approved for advancement include Jacksonville, Tampa, and Port Everglades while two West Palm Beach deputy pilots resigned before the end of their first year of training. Toward the end of a deputy pilot's training period, another long period of study awaits, this time for the state pilot license examination. At this final stage, the state pilot candidate need not draw the chart from memory, but the state pilot licensing examination remains as difficult as the deputy pilot examination and requires a significant amount of preparation. At the end of the deputy pilot training program and after obtaining the federal and state pilot licenses, the Pilot is fully-certified and begins working; in this case as the sole harbor pilot in Pensacola.

The time and sacrifice required to gain full entry into the piloting profession in Florida is enormous. The number of seasoned mariners who fail to qualify for the finite deputy pilot positions far exceeds the number who successfully complete the process. Inducing the most qualified and competent individuals to undertake this difficult and uncertain process is necessary in order to ensure that the Port of Pensacola, its customers, the region, and the State of Florida are protected. In Pensacola's case, it took three years to get a deputy pilot candidate to pass and accept the position. The surest way to ensure Pensacola receives high quality deputy pilots is to offer compensation that is reasonably competitive with comparable pilot groups in the region and nationwide. Pilotage rates have the greatest impact on individual pilot compensation, and this current rate proposal would increase the attractiveness of Pensacola for aspiring deputy pilots.

12. Conclusion:

The Port of Pensacola first commercial exports were recorded in 1743 and harbor pilots have long safeguarded the Port and Pensacola Bay with safe and efficient pilotage service. In order to ensure that Pensacola Pilots has the resources necessary to continue delivering this same level of service in the future and improve its attractiveness for deputy pilots, its rate structure requires long-overdue revision. The proposed rate and complementary fees align Pensacola Pilots more closely with other Florida and Gulf Coast Pilots Associations and offers the opportunity for reasonably competitive compensation. Pensacola Pilots respectfully request that the PRRC approve this rate proposal as presented. Thank you for your consideration.

**APPLICATION FOR CHANGE OF RATES OF PILOTAGE
PAGE ELEVEN**

PART C AFFIDAVIT OF APPLICANT (This section must be sworn to in the presence of a Notary Public or an officer authorized to administer oaths)

I hereby certify that I have read the foregoing statements including all attachments and exhibits, and that they are true and correct to the best of my knowledge and belief.

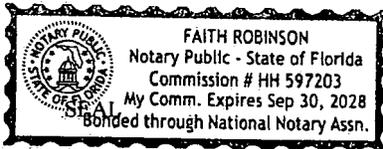
Signature of Applicant



COUNTY OF: Escambia

STATE OF: Florida

SUBSCRIBED AND SWORN TO BEFORE ME THIS 11th DAY OF July, 2025



SIGNATURE OF PERSON ADMINISTERING OATH



MY COMMISSION EXPIRES

09/30/28

PENSACOLA PILOTS, LLC

901 Old Corry Field Rd
Box 4435
Pensacola, FL 32507

June 25, 2025

Scott G. Hamilton, CPA
900 E Avery St.
Pensacola, FL 32503

We are providing this letter in connection with your compilation of the financial statements of Pensacola Pilots, LLC and Pensacola Launch Services, LLC as of December 31, 2023 and 2024 and the projected financial statements of Pensacola Pilots, LLC and Pensacola Launch Services, LLC as of December 31, 2025 and 2026. We confirm that we are responsible for the fair presentation in the financial statements of financial position, results of operations, and cash flow in conformity with generally accepted accounting principles.

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement 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.

We confirm, to the best of our knowledge and belief, the following representations made to you during your review:

1. The financial statements referred to above are fairly presented in conformity with generally accepted accounting principles.
2. We have made available to you all –
 - a. Financial records and related data.
 - b. Minutes of the meetings of stockholders, directors, and committees of directors, or summaries of actions of recent meetings for which minutes have not been prepared.
3. There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
4. There are no material transactions that have not been properly reflected in the financial statements.
5. We acknowledge our responsibility to prevent and detect fraud.

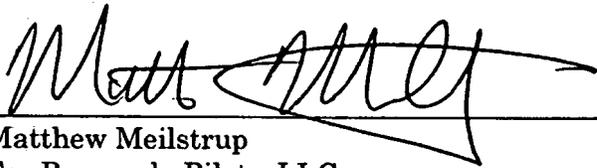
6. We have no knowledge of any fraud or suspected fraud affecting the entity involving management or others.
7. We have no knowledge of any allegations of fraud or suspected fraud affecting the entity received in communications from employees, former employees, or others.
8. We have no plans or intentions that may materially affect the carrying value or classification of assets and liabilities.
9. There are no material losses (such as from obsolete inventory or purchase or sales commitments) that have not been properly accrued or disclosed in the financial statements.
10. There are no:
 - a. Unasserted claims or assessments that our lawyer has advised us are probable of assertion that must be disclosed in accordance with Statement of Financial Accounting Standards No. 5.
 - b. Other material liabilities or gain or loss contingencies that are required to be accrued or disclosed by FASB.
11. The Company has satisfactory title of all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral except as made known to you.
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. The following have been properly recorded or disclosed in the financial statements:
 - a. Related party transactions and related accounts receivable or payable, including sales, purchases, loans, transfers, leasing arrangements and guarantees.
 - b. Guarantees, whether written or oral, under which the Company is contingently liable.

Scott Hamilton, CPA

June 25, 2025

Page 3

14. There are no estimates that may be subject to material change in the near-term that have not been properly disclosed in the financial statements. We understand that near-term means the period within one year of the date of the financial statements. In addition, we have no knowledge of concentrations existing at the date of the financial statements that make the company vulnerable to the risk of a near-term severe impact that have not been properly disclosed in the financial statements.
15. No events have occurred subsequent to the balance sheet date and through the date of this letter that would require adjustment to, or disclosure in, the financial statements.
16. We have responded fully and truthfully to all inquiries made to us during your review.

A handwritten signature in black ink, appearing to read "Matt Meilstrup", is written over a horizontal line. The signature is stylized and somewhat cursive.

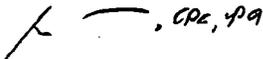
Matthew Meilstrup
For Pensacola Pilots, LLC

Accountant's Compilation Report

To the Directors and Management

Pensacola Pilots, LLC and Pensacola Launch Services, LLC

Management is responsible for the accompanying financial statements of Pensacola Pilots, LLC and Pensacola Launch Services, LLC, which comprise the balance sheets as of December 31, 2023 and 2024 and the related statements of income, and cash flows for the years then ended, and the related notes to the financial statements in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.



Scott G Hamilton, CPA, PA
Pensacola, FL
06/25/2025

Pensacola Pilots, LLC & Pensacola Launch Services, LLC
Combined Balance Sheets
As of December 31, 2023

	<u>Pilot Service</u>	<u>Launch Service</u>	<u>Combined</u>
	<u>Dec 31, 2023</u>	<u>(2)</u>	<u>Dec 31, 23</u>
ASSETS			
Current Assets			
Checking/Savings	32,758		32,758
Accounts Receivable	17,498		17,498
Prepaid Expenses	<u>0</u>		<u>0</u>
Total Current Assets	50,256	0	50,256
Fixed Assets			
Watercraft	0	0	0
Equipment	0	0	0
Less Accumulated Depreciation	<u>0</u>	<u>0</u>	<u>0</u>
Total Fixed Assets	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL ASSETS	<u>50,256</u>	<u>0</u>	<u>50,256</u>
LIABILITIES & EQUITY			
Liabilities			
Current Liabilities			
Accounts Payable	0	0	0
Accrued Expenses	8,886	0	8,886
Current Portion of Notes Payable	<u>0</u>	<u>0</u>	<u>0</u>
Total Current Liabilities	8,886	0	8,886
Long Term Liabilities			
Loans from partners	0	0	0
Current Portion of Long Term Debt	<u>0</u>	<u>0</u>	<u>0</u>
Total Long Term Liabilities	<u>0</u>	<u>0</u>	<u>0</u>
Total Liabilities	8,886	0	8,886
Equity			
Owner/Partners Capital	<u>41,370</u>	<u>0</u>	<u>41,370</u>
Total Capital	<u>41,370</u>	<u>0</u>	<u>41,370</u>
TOTAL LIABILITIES & EQUITY	<u>50,256</u>	<u>0</u>	<u>50,256</u>

(1)

(2)

(1) The Pilot Service is 100% owned by M. Mellstrup. The Pilot Service began service in July 2023.

(2) The Launch Service is owned 50% by M. Mellstrup. The Launch Service was formed in 2024.

Pensacola Pilots, LLC & Pensacola Launch Services, LLC
Combined Balance Sheets
As of December 31, 2024

	<u>Pilot Service</u>	<u>Launch Service</u>	<u>Combined</u>
	<u>Dec 31, 24</u>	<u>Dec 31, 24</u>	<u>Dec 31, 24</u>
ASSETS			
Current Assets			
Checking/Savings	5,023	5,341	10,364
Accounts Receivable	12,462	5,700	18,162
Prepaid Expenses	0	12,128	12,128
Total Current Assets	<u>17,485</u>	<u>23,169</u>	<u>40,654</u>
Fixed Assets			
Watercraft	0	132,699	132,699
Equipment	0	17,000	17,000
Less Accumulated Depreciation	0	(7,788)	(7,788)
Total Fixed Assets	<u>0</u>	<u>141,911</u>	<u>141,911</u>
TOTAL ASSETS	<u><u>17,485</u></u>	<u><u>165,080</u></u>	<u><u>183,565</u></u>
LIABILITIES & EQUITY			
Liabilities			
Current Liabilities			
Accounts Payable	0	0	0
Accrued Expenses	32,463	0	32,463
Current Portion of Notes Payable	0	20,459	20,459
Total Current Liabilities	<u>32,463</u>	<u>20,459</u>	<u>52,922</u>
Long Term Liabilities			
Loans from partners	0	121,918	121,918
Current Portion of Long Term Debt	0	(20,459)	(20,459)
Total Long Term Liabilities	<u>0</u>	<u>101,459</u>	<u>101,459</u>
Total Liabilities	<u>32,463</u>	<u>121,918</u>	<u>154,381</u>
Equity			
Owner/Partners Capital	(14,515)	43,162	28,647
Total Capital	<u>(14,515)</u>	<u>43,162</u>	<u>28,647</u>
TOTAL LIABILITIES & EQUITY	<u><u>17,948</u></u>	<u><u>165,080</u></u>	<u><u>183,028</u></u>

(1)

(2)

(1) The Pilot Service is 100% owned by M. Meilstrup. The Pilot Service began service in July 2023.

(2) The Launch Service is owned 50% by M. Meilstrup. The Launch Service was formed in 2024.

Pensacola Pilots, LLC & Pensacola Launch Services, LLC
Combined Statement of Income & Expenses
For the Year Ended December 31, 2023

	Pilot Service	Launch Service	Combined
	Jul - Dec 23	(2)	Jul - Dec 23
Ordinary Income/Expense			
Income			
Pilot Income	\$60,618		\$60,618
Launch Service Income	0	\$0	0
Total Income	60,618	0	60,618
Expense			
Advertising and Marketing	951	0	951
Automotive Expense	5,544	0	5,544
Benefits - Retirement Plan	8,886	0	8,886
Contract Labor	1,803	0	1,803
Computer and Website	0	0	0
Credentialing and Education	1,550	0	1,550
Depreciation Expense	0	0	0
Dues and Subscriptions	1,648	0	1,648
Fees	0	0	0
Fuel	0	0	0
Insurance	389	0	389
Interest Expense	0	0	0
Licenses and Permits	0	0	0
Meals	617	0	617
Miscellaneous	0	0	0
Office Expense	1,785	0	1,785
Professional Fees	0	0	0
Slip Rental	0	0	0
Supplies	389	0	389
Taxes and Licenses	2,682	0	2,682
Training	0	0	0
Travel	200	0	200
Total Expense	26,444	0	26,444
Net Income	\$34,174	\$0	\$34,174
	(1)	(2)	

(1) The Pilot Service is 100% owned by M. Meistrup. The Pilot Service began service in July 2023.

(2) The Launch Service is owned 50% by M. Meistrup. The Launch Service was formed in 2024.

Pensacola Pilots, LLC & Pensacola Launch Services, LLC
Combined Statement of Income & Expenses
For the Year Ended December 31, 2024

	Pilot Service	Launch Service	Combined
	Jan - Dec 24	Jan - Dec 24	Jan - Dec 24
Ordinary Income/Expense			
Income			
Pilot Income	\$196,591		\$196,591
Launch Service Income	0	\$85,234	85,234
Total Income	<u>196,591</u>	<u>85,234</u>	<u>281,825</u>
Expense			
Advertising and Marketing	2,603	0	2,603
Automotive Expense	8,453	0	8,453
Benefits - Retirement Plan	32,463	0	32,463
Contract Labor	12,350	12,800	25,150
Computer and Website	0	484	484
Credentialing and Education	150	0	150
Depreciation Expense	0	7,788	7,788
Dues and Subscriptions	4,304	0	4,304
Fees	0	183	183
Fuel	0	7,172	7,172
Insurance	984	5,730	6,694
Interest Expense	0	4,310	4,310
Licenses and Permits	0	0	0
Meals	1,152	0	1,152
Miscellaneous	0	0	0
Office Expense	1,468	0	1,468
Professional Fees	1,750	750	2,500
Slip Rental	0	6,002	6,002
Supplies	0	2,578	2,578
Taxes and Licenses	404	121	525
Training	3,391	0	3,391
Travel	1,733	524	2,257
Total Expense	<u>69,185</u>	<u>48,442</u>	<u>117,627</u>
Net Income	<u><u>\$127,406</u></u>	<u><u>\$36,792</u></u>	<u><u>\$164,198</u></u>

(1)

(2)

- (1) The Pilot Service is 100% owned by M. Meistrup. The Pilot Service began service in July 2023.
(2) The Launch Service is owned 50% by M. Meistrup. The Launch Service was formed in 2024.

NOTES TO FINANCIAL STATEMENTS

1. Organization

Pensacola Pilots, LLC, (“Pensacola Pilots”), a Florida Limited Liability Corporation, was formed on June 7, 2021 and 100% owned by Captain Matt Meilstrup. Pensacola Launch Services, LLC, (“PLS”), a Florida Limited Liability Corporation/Partnership, was formed on January 3, 2024 with a 50% ownership/management position by Captain Matt Meilstrup.

Pensacola Pilots serve the Port of Pensacola, Florida as the sole state and federally licensed Harbor Pilot. Pensacola Pilots maintain close cooperation with the City and Port of Pensacola, the U.S. Coast Guard, the U.S. Navy, and federal and local law enforcement agencies to provide for the safe, secure and efficient management of ship traffic in the Port of Pensacola by boarding all inbound and outbound foreign-flagged ocean-going vessels, as well as U.S. flagged vessels on foreign and domestic voyages, and directing the movement of the vessels through Pensacola Bay and its approaches.

PLS operates as a launch service for waterways around Pensacola Bay. While its principal client is Pensacola Pilots, PLS has provided services to other waterway users. It is organized as a two-person partnership; one of whom is unaffiliated with Pensacola Pilots or its operations. The majority (88%) of PLS’ operations directly supported Pensacola Pilots.

2. Summary of significant accounting policies

Basis of accounting

The accompanying combined financial statements include the accounts of Pensacola Pilots and PLS which are related through common ownership and management by the sole Harbor Pilot. They are prepared using the accrual basis of accounting consistent with accounting principles generally accepted in the United State of America (“U.S. GAAP”). The U.S. GAAP accounting will differ from the annual tax basis.

Basis of presentation

The combined financial statements include the accounts of Pensacola Pilots and PLS. These financial statements were combined as the Pensacola Pilot also exercised 50% ownership and management of PLS as of December 31, 2024. All material intercompany transactions have been eliminated in combinations.

See Accountant’s Report

Estimates

The preparation of combined financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the combined financial statements and accompanying notes. Actual results could differ from those estimates.

Economic concentration

Pensacola Pilots provide harbor pilot services in Pensacola, Florida. PLS provides transport harbor to and from vessels requiring pilot services. Future operations could be affected by changes in economic conditions, City of Pensacola decisions, or by changes in the demand for harbor pilot services in the area.

Concentration of credit risk

The Companies maintain cash in depository accounts which, at times, may exceed federally insured limits. The Companies have not experienced any losses in such accounts. The Companies believe they are not exposed to any significant credit risk on cash and cash equivalents.

Concentrations

Based on current rates, one customer accounted for 56% of Pensacola Pilots' revenue for the year ending December 31, 2023. This one customer plus one additional customer accounted for 50% of the combined revenues for the year ending on December 31, 2024.

Cash

Cash includes all cash balances on deposit with financial institutions and highly liquid investments with a maturity of three months or less from the date of acquisition.

Accounts receivable

Accounts receivables are recorded at net realizable value. Management estimates the allowance based upon factors including the credit risk and activity of specific customers, the age of past due accounts, historical trends, market conditions and consideration of any other current circumstances that could affect the collectability of amounts. The allowance is reviewed periodically and adjusted for accounts deemed uncollectible by management. In the opinion of management, no such allowances were deemed necessary as of December 31, 2023 and 2024.

See Accountant's Report

Property and equipment

Property and equipment are stated at cost, less accumulated depreciation. Depreciation is recorded to expense using the straight-line method over the estimated useful life of the depreciable asset and begins when the depreciable asset is placed into service.

Expenditures for maintenance and repairs are charged to expense as incurred, while major replacements and improvements are capitalized as additions to the related depreciable asset. Upon retirement, sale, or disposition of property and equipment, the cost and accumulated depreciation are removed from the accounts and the related gain or loss, if any, is reflected in the year of disposal. Asset depreciation expenses were limited to PLS and for the year ending December 31, 2024 totaled \$7,788.

Impairment of long-lived assets

The Companies review their long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying value of the assets may not be recoverable. Recoverability is measured by a comparison of the carrying amount of the asset or asset group to the future net undiscounted cash flow expected to be generated and any estimated proceeds from the eventual disposition. If the long-lived assets are considered impaired, the impairment to be recognized is measured at the amount by which the carrying amount of the asset exceeds the fair value as determined from an appraisal, discounted cash flows analysis, or other valuation technique. In the opinion of management, no such impairment losses were deemed necessary as of December 31, 2023 and 2024.

See Accountant's Report

Revenue recognition

The Companies have adopted Accounting Standards Codification (“ASC”) 606, *Revenues from Contracts with Customers*, and the related amendments. Under ASC 606, a performance obligation is a promise within a contract to transfer a distinct good or service, or a series of distinct goods and services, to a customer. Revenue is recognized when performance obligations are satisfied and the customer obtains control of promised goods or services, which is generally upon the completion of piloting services performed by Pensacola Pilots. The amount of revenue recognized reflects the consideration to which the Company expects to be entitled to receive in exchange for goods or services. Under the standard, a contract’s transaction price is allocated to each distinct performance obligation. To determine revenue recognition for arrangement that the Company determines are within the scope of ASC 606, the Company performs the following five step: (i) identifies the contracts with a customer, (ii) identifies the performance obligations with the contract, including whether they are distinct and capable of being distinct in the context of the contract, (iii) determines the transaction price, (iv) allocates the transaction price to the performance obligations in the contract; and (v) recognizes revenue when, or as, the Company satisfies each performance obligation.

Additionally, Pensacola Pilots is party to a unique revenue guarantee with the City of Pensacola. To maintain a highly skilled harbor pilot despite low volume and unpredictable shipping traffic and the correlated low compensation relative to other pilot organizations, the City of Pensacola, Pensacola Pilots LLC, and the Florida Harbor Pilots Association updated the preexisting contract on 24 January 2024. The revenue guarantee within this contract provides up to \$10,000 per month with a declining payment option adjusted around monthly pilotage revenues. For the years ending December 31, 2023 and 2024, the total revenues received from the city of Pensacola under this contract were \$18,036.52 and \$46,714.37. This amounted to 30% and 24% of the total Pensacola Pilots revenues respectively.

See Accountant’s Report

Income Taxes

Both Pensacola Pilots and PLS elected to be taxed as Limited Liability Companies. They are unincorporated for federal and state income tax purposes and accordingly do not pay income taxes. Under these provisions, the owner(s) are liable for individual federal income taxes on the Companies' taxable income. Therefore, no provisions or liability for federal income taxes have been included in the combined financial statements.

The preparation of combined financial statements in accordance with U.S. GAAP requires the Companies to report information regarding its exposure to various tax positions taken by the Companies. Management has determined whether any tax positions have met the recognition threshold and has measured the Companies' exposure to those tax positions. Management believes that the Companies have adequately addressed all relevant tax positions and that there are no unrecorded tax liabilities. Federal and state tax authorities generally have the right to examine and audit the previous three years of tax returns filed. Any interest or penalties assessed onto the Companies is recorded in operating expenses. No interest or penalties from federal or state tax authorities were recorded in the accompanying combined financial statements.

Recent and pending accounting pronouncements

In February 2013, the FASB issued Accounting Standards Updated ("ASU") 2016-02, *Leases (Topic 842)*, which supersedes FASB ASC Topic 840, *Leases*, and makes other conforming amendments to U.S. GAAP. ASU 2016-02 requires, among other changes to the lease accounting guidance, lessees to recognize most leases on-balance sheet via the right of use asset and lease liability, and additional qualitative and quantitative disclosures. The standard will be effective for annual periods beginning after December 15, 2021, permits early adoption, and mandates a modified retrospective transition method. In the opinion of management, no such financial statement adjustments were deemed applicable as of December 31, 2023 and 2024.

See Accountant's Report

Subsequent events

Subsequent events have been evaluated through the report date, which is the date the combined financial statements were available to be issued. There are no subsequent events requiring disclosure.

3. Property and equipment

Pensacola Pilots have no appreciable property or equipment.

The following is a summary of Pensacola Launch Service's property and equipment as of December 31, 2024.

	2023	2024
Pilot boat and equipment	\$0	\$149,699
Accumulated depreciation	<u>0</u>	<u>(7,788)</u>
Property and equipment, net	<u>\$0</u>	<u>\$141,911</u>

4. Loans payable

In January 2024, PLS was established a loan from its two partner owners. The loan payable agreement was for \$135,000 over a six-year period. Interest accrues at 5% per annum, on the outstanding balance, with payments to commence once PLS was in a financial position to make payments without causing undue hardships to PLS. As of December 31, 2024, the outstanding balance was \$121,918. For the year ending December 31, 2024, interest expense was \$4,310.

The following is a summary of principal maturities of long-term notes during the next five years ending on December 31:

2025	\$ 20,459
2026	21,505
2027	22,606
2028	23,762
2029	24,978

See Accountant's Report

Commitment and contingencies

The sole Harbor Pilot in Pensacola Pilots contributes annually to a discretionary Simplified Employee Pension plan. The contributions for the years ending December 31, 2023 and 2024 were \$8,886 and \$32,463, respectively, and are included on the Combined Statements of Operation.

See Accountant's Report

Accountant's Compilation Report

To the Directors and Management

Pensacola Pilots, LLC and Pensacola Launch Services, LLC

Management is responsible for the accompanying projections of Pensacola Pilots, LLC and Pensacola Launch Services, LLC (the Companies), which comprise the projected combined balance sheets (current rate and requested rate) as of December 31, 2025 and 2026 and the related projected statements of income, and cash flows (current rate and requested rate) for the years then ending, and the related summaries of significant assumptions and accounting policies in accordance with guidelines for the presentation of a projection established by the American Institute of Certified Public Accountants (AICPA). We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not examine or review the projection nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on this projection.

The projected results may not be achieved, as there will usually be differences between the projected and actual results because events and circumstances frequently do not occur as expected, and these differences may be material. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

The accompanying combined financial projections and this report are intended solely for the information and use of Pensacola Pilots, LLC and Pensacola Launch Services, LLC, the Florida Department of Business and Professional Regulation and Board of Pilot Commissioners and are not intended to be and should not be used by anyone other than these specified parties.



Scott G Hamilton, CPA, PA
Pensacola, FL
06/25/2025

Pensacola Pilots, LLC & Pensacola Launch Services, LLC
Projected Balance Sheets

As of December 31, 2025

Current Rate

	<u>Pilot Service</u>	<u>Launch Service</u>	<u>Combined</u>
	<u>Dec 31, 25</u>	<u>Dec 31, 25</u>	<u>Dec 31, 25</u>
ASSETS			
Current Assets			
Checking/Savings	5,000	5,000	10,000
Accounts Receivable	15,000	5,700	20,700
Prepaid Expenses	0	13,159	13,159
Total Current Assets	<u>20,000</u>	<u>23,859</u>	<u>43,859</u>
Fixed Assets			
Watercraft	0	132,699	132,699
Equipment	0	17,000	17,000
Less Accumulated Depreciation	0	(17,768)	(17,768)
Total Fixed Assets	<u>0</u>	<u>131,931</u>	<u>131,931</u>
TOTAL ASSETS	<u><u>20,000</u></u>	<u><u>155,790</u></u>	<u><u>175,790</u></u>
LIABILITIES & EQUITY			
Liabilities			
Current Liabilities			
Accounts Payable	0	0	0
Accrued Expenses	28,000	0	28,000
Current Portion of Notes Payable	0	21,505	21,505
Total Current Liabilities	<u>28,000</u>	<u>21,505</u>	<u>49,505</u>
Long Term Liabilities			
Loans from partners	0	101,459	101,459
Current Portion of Long Term Debt	0	(21,505)	(21,505)
Total Long Term Liabilities	<u>0</u>	<u>79,954</u>	<u>79,954</u>
Total Liabilities	<u>28,000</u>	<u>101,459</u>	<u>129,459</u>
Equity			
Owner/Partners Capital	(8,000)	54,331	48,331
Total Capital	<u>(8,000)</u>	<u>54,331</u>	<u>48,331</u>
TOTAL LIABILITIES & EQUITY	<u><u>20,000</u></u>	<u><u>155,790</u></u>	<u><u>175,790</u></u>

(1)

(2)

(1) The Pilot Service is 100% owned by M. Mellstrup. The Pilot Service began service in July 2023.

(2) The Launch Service is owned 50% by M. Mellstrup. The Launch Service was formed in 2024.

Pensacola Pilots, LLC & Pensacola Launch Services, LLC
Projected Balance Sheets
As of December 31, 2026
Current Rate

	Pilot Service Dec 31, 26	Launch Service Dec 31, 26	Combined Dec 31, 26
ASSETS			
Current Assets			
Checking/Savings	5,000	5,000	10,000
Accounts Receivable	15,000	5,700	20,700
Prepaid Expenses	0	13,685	13,685
Total Current Assets	20,000	24,385	44,385
Fixed Assets			
Watercraft	0	142,699	142,699
Equipment	0	17,000	17,000
Less Accumulated Depreciation	0	(28,081)	(28,081)
Total Fixed Assets	0	131,618	131,618
TOTAL ASSETS	20,000	156,003	176,003
LIABILITIES & EQUITY			
Liabilities			
Current Liabilities			
Accounts Payable	0	0	0
Accrued Expenses	30,000	0	30,000
Current Portion of Notes Payable	0	22,606	22,606
Total Current Liabilities	30,000	22,606	52,606
Long Term Liabilities			
Loans from partners	0	79,954	79,954
Current Portion of Long Term Debt	0	(22,606)	(22,606)
Total Long Term Liabilities	0	57,348	57,348
Total Liabilities	30,000	79,954	109,954
Equity			
Owner/Partners Capital	(10,000)	76,049	66,049
Total Capital	(10,000)	76,049	66,049
TOTAL LIABILITIES & EQUITY	20,000	156,003	176,003

(1)

(2)

(1) The Pilot Service is 100% owned by M. Mellstrup. The Pilot Service began service in July 2023.

(2) The Launch Service is owned 50% by M. Mellstrup. The Launch Service was formed in 2024.

Pensacola Pilots, LLC & Pensacola Launch Services, LLC
Projected Statement of Income & Expenses
For the Year Ended December 31, 2025
Current Rate

	Pilot Service	Launch Service	Combined
	Jan - Dec 25	Jan - Dec 25	Jan - Dec 25
Ordinary Income/Expense			
Income			
Pilot Income	\$193,654		\$193,654
Launch Service Income	0	\$82,883	82,883
Total Income	<u>193,654</u>	<u>82,883</u>	<u>276,537</u>
Expense			
Advertising and Marketing	1,911	0	1,911
Automotive Expense	6,529	0	6,529
Benefits - Retirement Plan	28,000	0	28,000
Contract Labor	0	14,100	14,100
Computer and Website	0	528	528
Credentialing and Education	150	0	150
Depreciation Expense	0	9,980	9,980
Dues and Subscriptions	3,695	0	3,695
Fees	0	190	190
Fuel	0	7,149	7,149
Insurance	964	6,525	7,489
Interest Expense	0	5,631	5,631
Meals	1,466	0	1,466
Office Expense	1,527	0	1,527
Professional Fees	5,000	1,260	6,260
Slip Rental	0	6,128	6,128
Supplies	0	2,681	2,681
Taxes and Licenses	241	288	529
Training	670	0	670
Travel	331	545	876
Total Expense	<u>50,484</u>	<u>55,005</u>	<u>105,489</u>
Net Income	<u>\$143,170</u>	<u>\$27,878</u>	<u>\$171,048</u>

See Accountant's Report

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Pensacola Pilots, LLC & Pensacola Launch Services, LLC
Projected Statement of Income & Expenses
For the Year Ended December 31, 2026
Current Rate

	Pilot Service	Launch Service	Combined
	<u>Jan - Dec 26</u>	<u>Jan - Dec 26</u>	<u>Jan - Dec 26</u>
Ordinary Income/Expense			
Income			
Pilot Income	\$198,658		\$198,658
Launch Service Income	0	\$88,583	88,583
Total Income	<u>198,658</u>	<u>88,583</u>	<u>287,241</u>
Expense			
Advertising and Marketing	1,897	0	1,897
Automotive Expense	6,529	0	6,529
Benefits - Retirement Plan	30,000	0	30,000
Contract Labor	0	14,100	14,100
Computer and Website	0	549	549
Credentialing and Education	156	0	156
Depreciation Expense	0	10,313	10,313
Dues and Subscriptions	3,678	0	3,678
Fees	0	198	198
Fuel	0	7,697	7,697
Insurance	1,003	6,786	7,789
Interest Expense	0	4,585	4,585
Meals	1,525	0	1,525
Office Expense	1,588	0	1,588
Professional Fees	2,000	1,020	3,020
Slip Rental	0	6,373	6,373
Supplies	0	2,788	2,788
Taxes and Licenses	251	300	551
Training	0	0	0
Travel	5,344	567	5,911
Total Expense	<u>53,971</u>	<u>55,276</u>	<u>109,247</u>
Net Income	<u>\$144,687</u>	<u>\$33,307</u>	<u>\$177,994</u>

See Accountant's Report

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Pensacola Pilots, LLC & Pensacola Launch Services, LLC
Projected Statement of Cash Flows
For the Years Ended December 31, 2025 & 2026
Current Rate

	<u>Combined</u>	<u>Combined</u>
	<u>Jan - Dec 25</u>	<u>Jan - Dec 26</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	\$171,048	\$177,994
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation	9,980	10,313
Amortization		
(Gain) loss on sale of property	0	0
Decrease (increase) in:		
Accounts receivable	(3,162)	0
Prepaid expenses	(1,031)	(526)
Other assets	0	0
Increase (decrease) in:		
Accounts payable	0	0
Accrued expenses	(4,463)	2,000
Taxes payable	0	0
	<u>0</u>	<u>0</u>
Net cash provided by operating activities	172,372	189,781
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital asset purchases	0	(10,000)
Sale of capital assets	0	0
Decrease (increase) in notes receivable	0	0
	<u>0</u>	<u>0</u>
Net cash used by investing activities	0	(10,000)
CASH FLOWS FROM FINANCING ACTIVITIES		
Paid-in capital	0	0
New borrowings		
Long-term	0	0
Short-term	0	0
Long-term	0	0
Debt reduction		
Short-term	0	0
Long-term	(20,459)	(21,505)
Increase (decrease) in deferred revenue	0	0
Return of capital	(152,277)	(158,276)
	<u>(172,736)</u>	<u>(179,781)</u>
Net cash used by financing activities	(172,736)	(179,781)
Net increase in cash	<u>(364)</u>	<u>0</u>
CASH AT BEGINNING OF YEAR	<u>10,364</u>	<u>10,000</u>
CASH AT END OF YEAR	<u>\$10,000</u>	<u>\$10,000</u>
	(1)	(2)

(1) The Pilot Service is 100% owned by M. Mellstrup. The Pilot Service began service in July 2023.

(2) The Launch Service is owned 50% by M. Mellstrup. The Launch Service was formed in 2024.

REQUESTED RATE

Pensacola Pilots, LLC & Pensacola Launch Services, LLC

Projected Balance Sheets

As of December 31, 2025

Requested Rate

	Pilot Service	Launch Service	Combined
	Dec 31, 25	Dec 31, 25	Dec 31, 25
ASSETS			
Current Assets			
Checking/Savings	5,000	5,000	10,000
Accounts Receivable	15,000	5,700	20,700
Prepaid Expenses	0	13,159	13,159
Total Current Assets	<u>20,000</u>	<u>23,859</u>	<u>43,859</u>
Fixed Assets			
Watercraft	0	132,699	132,699
Equipment	0	17,000	17,000
Less Accumulated Depreciation	0	(17,768)	(17,768)
Total Fixed Assets	<u>0</u>	<u>131,931</u>	<u>131,931</u>
TOTAL ASSETS	<u><u>20,000</u></u>	<u><u>155,790</u></u>	<u><u>175,790</u></u>
LIABILITIES & EQUITY			
Liabilities			
Current Liabilities			
Accounts Payable	0	0	0
Accrued Expenses	70,000	0	70,000
Current Portion of Notes Payable	0	21,505	21,505
Total Current Liabilities	<u>70,000</u>	<u>21,505</u>	<u>91,505</u>
Long Term Liabilities			
Loans from partners	0	101,459	101,459
Current Portion of Long Term Debt	0	(21,505)	(21,505)
Total Long Term Liabilities	<u>0</u>	<u>79,954</u>	<u>79,954</u>
Total Liabilities	<u>70,000</u>	<u>101,459</u>	<u>171,459</u>
Equity			
Owner/Partners Capital	(50,000)	54,331	4,331
Total Capital	<u>(50,000)</u>	<u>54,331</u>	<u>4,331</u>
TOTAL LIABILITIES & EQUITY	<u><u>20,000</u></u>	<u><u>155,790</u></u>	<u><u>175,790</u></u>

(1)

(2)

(1) The Pilot Service is 100% owned by M. Meistrup. The Pilot Service began service in July 2023.

(2) The Launch Service is owned 50% by M. Meistrup. The Launch Service was formed in 2024.

Pensacola Pilots, LLC & Pensacola Launch Services, LLC

Projected Balance Sheets

As of December 31, 2026

Requested Rate

	Pilot Service	Launch Service	Combined
	Dec 31, 26	Dec 31, 26	Dec 31, 26
ASSETS			
Current Assets			
Checking/Savings	5,000	5,000	10,000
Accounts Receivable	15,000	5,700	20,700
Prepaid Expenses	0	13,685	13,685
Total Current Assets	<u>20,000</u>	<u>24,385</u>	<u>44,385</u>
Fixed Assets			
Watercraft	0	142,699	142,699
Equipment	0	17,000	17,000
Less Accumulated Depreciation	0	(28,081)	(28,081)
Total Fixed Assets	<u>0</u>	<u>131,618</u>	<u>131,618</u>
TOTAL ASSETS	<u><u>20,000</u></u>	<u><u>156,003</u></u>	<u><u>176,003</u></u>
LIABILITIES & EQUITY			
Liabilities			
Current Liabilities			
Accounts Payable	0	0	0
Accrued Expenses	70,000	0	70,000
Current Portion of Notes Payable	0	22,606	22,606
Total Current Liabilities	<u>70,000</u>	<u>22,606</u>	<u>92,606</u>
Long Term Liabilities			
Loans from partners	0	79,954	79,954
Current Portion of Long Term Debt	0	(22,606)	(22,606)
Total Long Term Liabilities	<u>0</u>	<u>57,348</u>	<u>57,348</u>
Total Liabilities	<u>70,000</u>	<u>79,954</u>	<u>149,954</u>
Equity			
Owner/Partners Capital	(50,000)	76,049	26,049
Total Capital	<u>(50,000)</u>	<u>76,049</u>	<u>26,049</u>
TOTAL LIABILITIES & EQUITY	<u><u>20,000</u></u>	<u><u>156,003</u></u>	<u><u>176,003</u></u>

(1)

(2)

(1) The Pilot Service is 100% owned by M. Mellstrup. The Pilot Service began service in July 2023.

(2) The Launch Service is owned 50% by M. Mellstrup. The Launch Service was formed in 2024.

Pensacola Pilots, LLC & Pensacola Launch Services, LLC
Projected Statement of Income & Expenses
For the Year Ended December 31, 2025
Requested Rate

	Pilot Service	Launch Service	Combined
	<u>Jan - Dec 25</u>	<u>Jan - Dec 25</u>	<u>Jan - Dec 25</u>
Ordinary Income/Expense			
Income			
Pilot Income	\$424,568		\$424,568
Launch Service Income	0	\$82,883	82,883
Total Income	<u>424,568</u>	<u>82,883</u>	<u>507,451</u>
Expense			
Advertising and Marketing	1,911	0	1,911
Automotive Expense	6,529	0	6,529
Benefits - Retirement Plan	70,000	0	70,000
Contract Labor	0	14,100	14,100
Computer and Website	0	528	528
Credentialing and Education	150	0	150
Depreciation Expense	0	9,980	9,980
Dues and Subscriptions	3,695	0	3,695
Fees	0	190	190
Fuel	0	7,149	7,149
Insurance	964	6,525	7,489
Interest Expense	0	5,631	5,631
Meals	1,466	0	1,466
Office Expense	1,527	0	1,527
Professional Fees	5,000	1,260	6,260
Slip Rental	0	6,128	6,128
Supplies	0	2,681	2,681
Taxes and Licenses	241	288	529
Training	670	0	670
Travel	331	545	876
Total Expense	<u>92,484</u>	<u>55,005</u>	<u>147,489</u>
Net Income	<u>\$332,084</u>	<u>\$27,878</u>	<u>\$359,962</u>

See Accountant's Report

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Pensacola Pilots, LLC & Pensacola Launch Services, LLC
Projected Statement of Income & Expenses

For the Year Ended December 31, 2026

Requested Rate

	<u>Pilot Service</u>	<u>Launch Service</u>	<u>Combined</u>
	<u>Jan - Dec 26</u>	<u>Jan - Dec 26</u>	<u>Jan - Dec 26</u>
Ordinary Income/Expense			
Income			
Pilot Income	\$419,467		\$419,467
Launch Service Income	0	\$88,583	88,583
Total Income	<u>419,467</u>	<u>88,583</u>	<u>508,050</u>
Expense			
Advertising and Marketing	1,897	0	1,897
Automotive Expense	6,529	0	6,529
Benefits - Retirement Plan	70,000	0	70,000
Contract Labor	0	14,100	14,100
Computer and Website	0	549	549
Credentialing and Education	156	0	156
Depreciation Expense	0	10,313	10,313
Dues and Subscriptions	3,678	0	3,678
Fees	0	198	198
Fuel	0	7,697	7,697
Insurance	1,003	6,786	7,789
Interest Expense	0	4,585	4,585
Meals	1,525	0	1,525
Office Expense	1,588	0	1,588
Professional Fees	2,000	1,020	3,020
Slip Rental	0	6,373	6,373
Supplies	0	2,788	2,788
Taxes and Licenses	251	300	551
Training	0	0	0
Travel	5,344	567	5,911
Total Expense	<u>93,971</u>	<u>55,276</u>	<u>149,247</u>
Net Income	<u><u>\$325,496</u></u>	<u><u>\$33,307</u></u>	<u><u>\$358,803</u></u>

Pensacola Pilots, LLC & Pensacola Launch Services, LLC

Projected Statement of Cash Flows

For the Years Ended December 31, 2025 & 2026

Requested Rate

	<u>Combined</u> <u>Jan - Dec 25</u>	<u>Combined</u> <u>Jan - Dec 26</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	\$359,962	\$358,803
Adjustments to reconcile net income to net cash provided		
by operating activities		
Depreciation	9,980	10,313
Amortization		
(Gain) loss on sale of property	0	0
Decrease (increase) in:		
Accounts receivable	(3,162)	0
Prepaid expenses	(1,031)	(526)
Other assets	0	0
Increase (decrease) in:		
Accounts payable	0	0
Accrued expenses	37,537	0
Taxes payable	0	0
	<hr/>	<hr/>
Net cash provided by operating activities	403,286	368,590
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital asset purchases	0	(10,000)
Sale of capital assets	0	0
Decrease (increase) in notes receivable	0	0
	<hr/>	<hr/>
Net cash used by investing activities	0	(10,000)
CASH FLOWS FROM FINANCING ACTIVITIES		
Paid-in capital	0	0
New borrowings		
Long-term	0	0
Short-term	0	0
Long-term	0	0
Debt reduction		
Short-term	0	0
Long-term	(20,459)	(21,505)
Increase (decrease) in deferred revenue	0	0
Return of capital	(383,191)	(337,085)
	<hr/>	<hr/>
Net cash used by financing activities	(403,650)	(358,590)
Net increase in cash	<hr/> (364) <hr/>	<hr/> 0 <hr/>
CASH AT BEGINNING OF YEAR	<hr/> 10,364 <hr/>	<hr/> 10,000 <hr/>
CASH AT END OF YEAR	<hr/> <u>\$10,000</u> <hr/>	<hr/> <u>\$10,000</u> <hr/>

(1)

(2)

(1) The Pilot Service is 100% owned by M. Mellstrup. The Pilot Service began service in July 2023.

(2) The Launch Service is owned 50% by M. Mellstrup. The Launch Service was formed in 2024.

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1. Nature and limitations of projections

These combined financial projections of Pensacola Pilots, LLC (“Pensacola Pilots”) and Pensacola Launch Services, LLC (“PLS”) (collectively, the “Company”) present, to the best of management's knowledge and belief, the Company’s expected combined financial position as of December 31, 2025 and 2026, and the related combined results and cash flows for the years then ended. Accordingly, these projections reflect management's judgements as of the report date, the date of these projections, expected conditions, and expected course of action given the assumptions.

The presentation is designed to assist the Company in its application for a pilotage rate increase to be filed with the Florida Department of Business and Professional Regulation, Board of Pilot Commissioners in accordance with Chapter 310 of the Florida Statutes, specifically section 310.151(2)(2). As such, these projections may not be useful for other purposes. The assumptions disclosed herein are those that management believes are significant to the projections. Even if the pilot rate increase is granted, there will be differences between projected and actual results because events and circumstances rarely match expectations and those differences may be material.

2. Nature of business and significant accounting policies and assumptions

Nature of business

Pensacola Pilots serve the Port of Pensacola, Florida as the sole state and federally licensed Harbor Pilot. Pensacola Pilots maintain close cooperation with the City and Port of Pensacola, the U.S. Coast Guard, the U.S. Navy, and federal and local law enforcement agencies to provide for the safe, secure and efficient management of ship traffic in the Port of Pensacola by boarding all inbound and outbound foreign-flagged ocean-going vessels, as well as U.S. flagged vessels on foreign and domestic voyages, and directing the movement of the vessels through Pensacola Bay and its approaches.

PLS operates as a launch service for waterways around Pensacola Bay. While its principal client is Pensacola Pilots, PLS has provided services to other waterway users. It is organized as a two-person partnership; one of whom is unaffiliated with Pensacola Pilots or its operations. The majority (88%) of PLS’ operations directly supported Pensacola Pilots.

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Significant accounting policies and assumptions

Basis of accounting

The accompanying combined financial statements include the accounts of Pensacola Pilots and PLS which are related through common ownership and management by the sole Harbor Pilot. They are prepared using the accrual basis of accounting consistent with accounting principles generally accepted in the United States of America ("U.S. GAAP"). The U.S. GAAP accounting will differ from the annual tax basis.

Basis of presentation

The accompanying combined financial statements include the accounts of Pensacola Pilots and PLS which are related through common ownership and management by the sole Harbor Pilot. They are prepared using the accrual basis of accounting consistent with accounting principles generally accepted in the United State of America ("U.S. GAAP"). The U.S. GAAP accounting will differ from the annual tax basis.

Estimates

The combined financial statements include the accounts of Pensacola Pilots and PLS. These financial statements were combined as the Pensacola Pilot also exercised 50% ownership and management of PLS as of December 31, 2024. All material intercompany transactions have been eliminated in combinations.

Economic concentrations

Pensacola Pilots provide harbor pilot services in Pensacola, Florida. PLS provides transport harbor to and from vessels requiring pilot services. Future operations could be affected by changes in economic conditions, City of Pensacola decisions, or by changes in the demand for harbor pilot services in the area.

Concentration of credit risk

The Company maintains cash in depository accounts which, at times, may exceed federally insured limits. The Company has not experienced any losses in such accounts. The Company believes it is not exposed to any significant credit risk on cash and cash equivalents.

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Concentrations

Based on current rates, one customer accounted for 56% of Pensacola Pilots' revenue for the year ending December 31, 2023. This one customer plus one additional accounted for 29% and 21% of the combined revenues for the year ending on December 31, 2024. The Company expects the 2024 concentrations to continue through the years ending December 31, 2025 and 2026.

Cash

Cash includes all cash balances on deposit with financial institutions and highly liquid investments with a maturity of three months or less from the date of acquisition.

Accounts receivable

Accounts receivables are recorded at net realizable value. Management estimates the allowance based upon factors including the credit risk and activity of specific customers, the age of past due accounts, historical factors including the credit risk and activity of specific customers, the age of past due accounts, historical trends, market conditions, and consideration of any other current circumstances that could affect the collectability of amounts. The allowance is reviewed periodically and adjusted for accounts deemed uncollectable by management. In the opinion of management, no such allowance is expected in the years ending December 31, 2025 and 2026.

Property and equipment

Property and equipment is stated at cost, less accumulated depreciation. Depreciation is recorded to expense using the straight-line method over the estimated useful life of the depreciable asset, and begins when the depreciable asset is placed in service. Expenditures for maintenance and repairs are charged to expense as incurred, while major replacements and improvements are capitalized as additions to the related depreciable asset. Upon retirement, sale or disposition of property and equipment, the cost and accumulated depreciation are removed from the accounts and the related gain or loss, if any, is reflected in the year of disposal. Asset depreciation expense was limited to PLS for the year ending December 31, 2024. In the estimation of management, upgrades to PLS equipment will be necessary in 2026.

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Impairment of long-lived assets

The Companies review their long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying value of the assets may not be recoverable. Recoverability is measured by a comparison of the carrying amount of the asset or asset group to the future net undiscounted cash flow expected to be generated and any estimated proceeds from the eventual disposition. If the long-lived assets are considered to be impaired, the impairment to be recognized is measured at the amount by which the carrying amount of the asset exceeds the fair value as determined from an appraisal, discounted cash flows analysis, or other valuation technique. No impairment loss was recognized during the year ending December 31, 2024. In the estimation of management, no impairment loss is expected for the years ending December 31, 2025 and 2026.

Revenue recognition

The Companies have adopted Accounting Standards Codification (".ASC") 606, *Revenues from Contracts with Customers*, and the related amendments. Under ASC 606, a performance obligation is a promise within a contract to transfer a distinct good or service, or a series of distinct goods and services, to a customer. Revenue is recognized when performance obligations are satisfied and the customer obtains control of promised goods or services, which is generally upon the completion of piloting services performed by the Company. The amount of revenue recognized reflects the consideration to which the Company expects to be entitled to receive in exchange for goods or services. Under the standard, a contract's transaction price is allocated to each distinct performance obligation. To determine revenue recognition for arrangement that the Company determines are within the scope of ASC 606, the Company performs the following five steps: (i) identifies the contracts with a customer, (ii) identifies the performance obligations with the contract, including whether they are distinct and capable of being distinct in the context of the contract, (iii) determines the transaction price, (iv) allocates the transaction price to the performance obligations in the contract; and (v) recognizes revenue when, or as, the Company satisfies each performance obligation.

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Additionally, Pensacola Pilots is party to a unique revenue guarantee with the City of Pensacola. To maintain a highly skilled harbor pilot despite low volume and unpredictable shipping traffic and the correlated low compensation relative to other pilot organizations, the City of Pensacola, Pensacola Pilots LLC, and the Florida Harbor Pilots Association updated the preexisting contract on 24 January 2024. The revenue guarantee within this contract provides up to \$10,000 per month with a declining payment option adjusted around monthly pilotage revenues. For the years ending December 31, 2023 and 2024, the total revenues received from the City of Pensacola under this contract were \$18,036.52 and \$46,714.37. This amounted to 42% and 24% of the total Pensacola Pilots' revenues respectively. Based on these historical percentages and expected vessel traffic, projections would equate to 25-30% of total revenue. Assuming similar vessel traffic, a rate increase should reduce the percentage of revenues under the City's revenue guarantee.

Projections, based on current rates, depict a slightly declining rate of revenue. The assumption was derived from current approved rates and known changes in vessel traffic volume. Projections based on requested rates assume the rate increase requested was granted effective January 1, 2025.

Operating expenses

The 2024 compiled operating expenses have been used as a base line for projecting expenses for 2025 and beyond. The historical data was adjusted for known or expected events. Expenses projected based on current rates and based on proposed rates are consistent; the proposed rate change does not impact projected expenses, other than those described below.

The following discussions reflect significant assumptions where operating expenses do not approximate 2024 operating expenses, with nominal cost of living increases.

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Pilot compensation

Pilot compensation is projected to increase in correlation with the rates requested.

Professional fees

Professional fees expected to be incurred during 2025 include those required for the application and rate hearing process before the Pilotage Rate Committee.

Boat expenses and maintenance

Boat expenses include fuel, which is projected to remain approximately consistent in correlation with a decrease in traffic volume but slightly higher fuel costs in keeping with cost of living expenses. Barring an unexpected casualty, boat maintenance is expected to reduce in the immediate future years.

Income taxes

Both Pensacola Pilots and PLS were formed as Limited Liability Companies. They are unincorporated for federal and state income tax purposes and accordingly do not pay income taxes. Under these provisions, the owner(s) are liable for individual federal income taxes on the Companies' taxable income. Therefore, no provisions or liability for federal income taxes have been included in the combined financial statements.

The preparation of combined financial statements in accordance with U.S. GAAP requires the Companies to report information regarding its exposure to various tax positions taken by the Companies. Management has determined whether any tax positions have met the recognition threshold and have measured the Companies' exposure to those tax positions. Management believes that the Companies have adequately addressed all relevant tax positions and that there are no unrecorded tax liabilities. Federal and state tax authorities generally have the right to examine and audit the previous three years of tax returns filed. Any interest or penalties assessed onto the Companies is recorded in operating expenses. No interest or penalties from federal or state tax authorities were recorded in the accompanying combined financial statements.

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3. Property and equipment

The following is a summary of Pensacola Launch Service's property and equipment projections for the years ending December 31, 2025 and 2026.

	2025	2026
Pilot boat and equipment	\$149,699	\$159,699
Accumulated depreciation	<u>(17,768)</u>	<u>(28,081)</u>
Property and equipment, net	<u>\$131,931</u>	<u>\$131,618</u>

4. Loans payable

In January 2024, PLS was established a loan from its two partner owners. The loan payable agreement was for \$135,000 over a six-year period. Interest accrues at 5% per annum, on the outstanding balance, with payments to commence once PLS was in a financial position to make payments without causing undue hardships to PLS. As of December 31, 2024, the outstanding balance was \$121,918. For the year ending December 31, 2024, interest expense was \$4,310.

The following is a summary of principal maturities of long-term notes during the next five years ending on December 31:

2026	\$ 21,505
2027	22,606
2028	23,762
2029	24,978
2030	5,608

5. Cash Flow Information

Cash to be paid for interest and income taxes for the years ending December 31, 2025 and 2026 is projected as follows.

2025 Interest	\$5,631
2025 Income Taxes	\$0
2026 Interest	\$4,585
2026 Income Taxes	\$0

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6. Commitment and contingencies

The sole Harbor Pilot in Pensacola Pilots contributed to a discretionary Simplified Employee Pension plan. The contributions for the years ending December 31, 2023 and 2024 were \$8,886 and \$32,463, respectively. Commensurate with an approved rate increase, the Company projects higher contributions for the years ending December 31, 2025 and 2026. The 2025 maximum SEP contribution limit is \$70,000. The 2026 maximum contribution limit has not been announced by the IRS as of the report date.

7. Related Party Transactions

As noted previously, PLS has a debtor/debtee relationship with the owners of PLS.

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PENSACOLA PILOTS, LLC

901 S. OLD CORRY FIELD DR.
BOX 4435
PENSACOLA, FL 32507-9998

1056

68-7497/2560

DATE 28 Oct 2025

CHECK AMOUNT

PAY TO THE ORDER OF

DBPR

\$ 125.00

One hundred twenty five and

XXV/100

05 DOLLARS

Photo Safe Deposit® Details on back

NAVY FEDERAL

Credit Union

FOR RATE REVIEW - PENSACOLA

[Handwritten Signature]

⑈001056⑈ ⑆256074974⑆

⑆124362554⑈001

120-145435

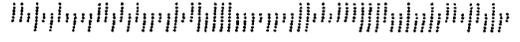
Professionals
Talent agents.

PENSACOLA FL 325
29 OCT 2025 AM 1 L



DBPR
ATTN: STACEY BUCCIERI
2601 BLAKESTONE RD
TALLAHASSEE, FL 32379

32389-075088





CPI

U.S. Inflation Rate by Year (1914–2026) — Historical Data

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Ave
1914	2.0	1.0	1.0	0.0	2.1	1.0	1.0	3.0	2.0	1.0	1.0	1.0	1.0
1915	1.0	1.0	0.0	2.0	2.0	2.0	1.0	-1.0	-1.0	1.0	1.0	2.0	1.0
1916	3.0	4.0	6.1	6.0	5.9	6.9	6.9	7.9	9.9	10.8	11.7	12.6	7.9
1917	12.5	15.4	14.3	18.9	19.6	20.4	18.5	19.3	19.8	19.5	17.4	18.1	17.4
1918	19.7	17.5	16.7	12.7	13.3	13.1	18.0	18.5	18.0	18.5	20.7	20.4	18.0
1919	17.9	14.9	17.1	17.6	16.6	15.0	15.2	14.9	13.4	13.1	13.5	14.5	14.6
1920	17.0	20.4	20.1	21.6	21.9	23.7	19.5	14.7	12.4	9.9	7.0	2.6	15.6
1921	-1.6	-5.6	-7.1	-10.8	-14.1	-15.8	-14.9	-12.8	-12.5	-12.1	-12.1	-10.8	-10.5
1922	-11.1	-8.2	-8.7	-7.7	-5.6	-5.1	-5.1	-6.2	-5.1	-4.6	-3.4	-2.3	-6.1
1923	-0.6	-0.6	0.6	1.2	1.2	1.8	2.4	3.0	3.6	3.6	3.0	2.4	1.8
1924	3.0	2.4	1.8	0.6	0.6	0.0	-0.6	-0.6	-0.6	-0.6	-0.6	0.0	0.0
1925	0.0	0.0	1.2	1.2	1.8	2.9	3.5	4.1	3.5	2.9	4.7	3.5	2.3
1926	3.5	4.1	2.9	4.1	2.9	1.1	-1.1	-1.7	-1.1	-0.6	-1.7	-1.1	1.1
1927	-2.2	-2.8	-2.8	-3.4	-2.2	-0.6	-1.1	-1.1	-1.1	-1.1	-2.3	-2.3	-1.7
1928	-1.1	-1.7	-1.2	-1.2	-1.1	-2.8	-1.2	-0.6	0.0	-1.1	-0.6	-1.2	-1.7
1929	-1.2	0.0	-0.6	-1.2	-1.2	0.0	1.2	1.2	0.0	0.6	0.6	0.6	0.0
1930	0.0	-0.6	-0.6	0.6	-0.6	-1.8	-4.0	-4.6	-4.0	-4.6	-5.2	-6.4	-2.3
1931	-7.0	-7.6	-7.7	-8.8	-9.5	-10.1	-9.0	-8.5	-9.6	-9.7	-10.4	-9.3	-9.0
1932	-10.1	-10.2	-10.3	-10.3	-10.5	-9.9	-9.9	-10.6	-10.7	-10.7	-10.2	-10.3	-9.9
1933	-9.8	-9.9	-10.0	-9.4	-8.0	-6.6	-3.7	-2.2	-1.5	-0.8	0.0	0.8	-5.1
1934	2.3	4.7	5.6	5.6	5.6	5.5	2.3	1.5	3.0	2.3	2.3	1.5	3.1
1935	3.0	3.0	3.0	3.8	3.8	2.2	2.2	2.2	0.7	1.5	2.2	3.0	2.2
1936	1.5	0.7	0.0	-0.7	-0.7	0.7	1.5	2.2	2.2	2.2	1.4	1.4	1.5
1937	2.2	2.2	3.6	4.4	5.1	4.3	4.3	3.6	4.3	4.3	3.6	2.9	3.6
1938	0.7	0.0	-0.7	-0.7	-2.1	-2.1	-2.8	-2.8	-3.4	-4.1	-3.4	-2.8	-2.1
1939	-1.4	-1.4	-1.4	-2.8	-2.1	-2.1	-2.1	-2.1	0.0	0.0	0.0	0.0	-1.4

1940	-0.7	0.7	0.7	1.4	1.4	2.2	1.4	1.4	-0.7	0.0	0.0	0.7	0.7
1941	1.4	0.7	1.4	2.1	2.9	4.3	5.0	6.4	7.9	9.3	10.0	9.9	5.0
1942	11.3	12.1	12.7	12.6	13.2	10.9	11.6	10.7	9.3	9.2	9.1	9.0	10.9
1943	7.6	7.0	7.5	8.1	7.4	7.4	6.1	4.8	5.5	4.2	3.6	3.0	6.1
1944	3.0	3.0	1.2	0.6	0.0	0.6	1.7	2.3	1.7	1.7	1.7	2.3	1.7
1945	2.3	2.3	2.3	1.7	2.3	2.8	2.3	2.3	2.3	2.3	2.3	2.2	2.3
1946	2.2	1.7	2.8	3.4	3.4	3.3	9.4	11.6	12.7	14.9	17.7	18.1	8.3
1947	18.1	18.8	19.7	19.0	18.4	17.6	12.1	11.4	12.7	10.6	8.5	8.8	14.4
1948	10.2	9.3	6.8	8.7	9.1	9.5	9.9	8.9	6.5	6.1	4.8	3.0	8.1
1949	1.3	1.3	1.7	0.4	-0.4	-0.8	-2.9	-2.9	-2.4	-2.9	-1.7	-2.1	-1.2
1950	-2.1	-1.3	-0.8	-1.3	-0.4	-0.4	1.7	2.1	2.1	3.8	3.8	5.9	1.3
1951	8.1	9.4	9.3	9.3	9.3	8.8	7.5	6.6	7.0	6.5	6.9	6.0	7.9
1952	4.3	2.3	1.9	2.3	1.9	2.3	3.1	3.1	2.3	1.9	1.1	0.8	1.9
1953	0.4	0.8	1.1	0.8	1.1	1.1	0.4	0.7	0.7	1.1	0.7	0.7	0.8
1954	1.1	1.5	1.1	0.8	0.7	0.4	0.4	0.0	-0.4	-0.7	-0.4	-0.7	0.7
1955	-0.7	-0.7	-0.7	-0.4	-0.7	-0.7	-0.4	-0.4	0.4	0.4	0.4	0.4	-0.4
1956	0.4	0.4	0.4	0.7	1.1	1.9	2.2	1.9	1.9	2.2	2.2	3.0	1.5
1957	3.0	3.4	3.7	3.7	3.7	3.3	3.3	3.7	3.3	2.9	3.3	2.9	3.3
1958	3.6	3.2	3.6	3.6	3.2	2.8	2.5	2.1	2.1	2.1	2.1	1.8	2.8
1959	1.4	1.0	0.3	0.3	0.3	0.7	0.7	1.0	1.4	1.7	1.4	1.7	0.7
1960	1.0	1.7	1.7	1.7	1.7	1.7	1.4	1.4	1.0	1.4	1.4	1.4	1.7
1961	1.7	1.4	1.4	1.0	1.0	0.7	1.4	1.0	1.4	0.7	0.7	0.7	1.0
1962	0.7	1.0	1.0	1.3	1.3	1.3	1.0	1.3	1.3	1.3	1.3	1.3	1.0
1963	1.3	1.0	1.3	1.0	1.0	1.3	1.3	1.3	1.0	1.3	1.3	1.6	1.3
1964	1.6	1.6	1.3	1.3	1.3	1.3	1.3	1.0	1.3	1.0	1.3	1.0	1.3
1965	1.0	1.0	1.3	1.6	1.6	1.9	1.6	1.9	1.6	1.9	1.6	1.9	1.6
1966	1.9	2.6	2.6	2.9	2.9	2.5	2.8	3.5	3.5	3.8	3.8	3.5	2.9
1967	3.5	2.8	2.8	2.5	2.8	2.8	2.8	2.4	2.8	2.4	2.7	3.0	3.1
1968	3.6	4.0	3.9	3.9	3.9	4.2	4.5	4.5	4.5	4.7	4.7	4.7	4.2
1969	4.4	4.7	5.2	5.5	5.5	5.5	5.4	5.7	5.7	5.7	5.9	6.2	5.5

1970	6.2	6.1	5.8	6.1	6.0	6.0	6.0	5.4	5.7	5.6	5.6	5.6	5.7
1971	5.3	5.0	4.7	4.2	4.4	4.6	4.4	4.6	4.1	3.8	3.3	3.3	4.4
1972	3.3	3.5	3.5	3.5	3.2	2.7	2.9	2.9	3.2	3.4	3.7	3.4	3.2
1973	3.6	3.9	4.6	5.1	5.5	6.0	5.7	7.4	7.4	7.8	8.3	8.7	6.2
1974	9.4	10.0	10.4	10.1	10.7	10.9	11.5	10.9	11.9	12.1	12.2	12.3	11.0
1975	11.8	11.2	10.3	10.2	9.5	9.4	9.7	8.6	7.9	7.4	7.4	6.9	9.1
1976	6.7	6.3	6.1	6.0	6.2	6.0	5.4	5.7	5.5	5.5	4.9	4.9	5.8
1977	5.2	5.9	6.4	7.0	6.7	6.9	6.8	6.6	6.6	6.4	6.7	6.7	6.5
1978	6.8	6.4	6.6	6.5	7.0	7.4	7.7	7.8	8.3	8.9	8.9	9.0	7.6
1979	9.3	9.9	10.1	10.5	10.9	10.9	11.3	11.8	12.2	12.1	12.6	13.3	11.3
1980	13.9	14.2	14.8	14.7	14.4	14.4	13.1	12.9	12.6	12.8	12.6	12.5	13.5
1981	11.8	11.4	10.5	10.0	9.8	9.6	10.8	10.8	11.0	10.1	9.6	8.9	10.3
1982	8.4	7.6	6.8	6.5	6.7	7.1	6.4	5.9	5.0	5.1	4.6	3.8	6.2
1983	3.7	3.5	3.6	3.9	3.5	2.6	2.5	2.6	2.9	2.9	3.3	3.8	3.2
1984	4.2	4.6	4.8	4.6	4.2	4.2	4.2	4.3	4.3	4.3	4.1	3.9	4.3
1985	3.5	3.5	3.7	3.7	3.8	3.8	3.6	3.3	3.1	3.2	3.5	3.8	3.6
1986	3.9	3.1	2.3	1.6	1.5	1.8	1.6	1.6	1.8	1.5	1.3	1.1	1.9
1987	1.5	2.1	3.0	3.8	3.9	3.7	3.9	4.3	4.4	4.5	4.5	4.4	3.6
1988	4.0	3.9	3.9	3.9	3.9	4.0	4.1	4.0	4.2	4.2	4.2	4.4	4.1
1989	4.7	4.8	5.0	5.1	5.4	5.2	5.0	4.7	4.3	4.5	4.7	4.6	4.8
1990	5.2	5.3	5.2	4.7	4.4	4.7	4.8	5.6	6.2	6.3	6.3	6.1	5.4
1991	5.7	5.3	4.9	4.9	5.0	4.7	4.4	3.8	3.4	2.9	3.0	3.1	4.2
1992	2.6	2.8	3.2	3.2	3.0	3.1	3.2	3.1	3.0	3.2	3.0	2.9	3.0
1993	3.3	3.2	3.1	3.2	3.2	3.0	2.8	2.8	2.7	2.8	2.7	2.7	3.0
1994	2.5	2.5	2.5	2.4	2.3	2.5	2.8	2.9	3.0	2.6	2.7	2.7	2.6
1995	2.8	2.9	2.9	3.1	3.2	3.0	2.8	2.6	2.5	2.8	2.6	2.5	2.8
1996	2.7	2.7	2.8	2.9	2.9	2.8	3.0	2.9	3.0	3.0	3.3	3.3	3.0
1997	3.0	3.0	2.8	2.5	2.2	2.3	2.2	2.2	2.2	2.1	1.8	1.7	2.3
1998	1.6	1.4	1.4	1.4	1.7	1.7	1.7	1.6	1.5	1.5	1.5	1.6	1.6
1999	1.7	1.6	1.7	2.3	2.1	2.0	2.1	2.3	2.6	2.6	2.6	2.7	2.2

2000	2.7	3.2	3.8	3.1	3.2	3.7	3.7	3.4	3.5	3.4	3.4	3.4	3.4
2001	3.7	3.5	2.9	3.3	3.6	3.2	2.7	2.7	2.6	2.1	1.9	1.6	2.8
2002	1.1	1.1	1.5	1.6	1.2	1.1	1.5	1.8	1.5	2.0	2.2	2.4	1.6
2003	2.6	3.0	3.0	2.2	2.1	2.1	2.1	2.2	2.3	2.0	1.8	1.9	2.3
2004	1.9	1.7	1.7	2.3	3.1	3.3	3.0	2.7	2.5	3.2	3.5	3.3	2.7
2005	3.0	3.0	3.1	3.5	2.8	2.5	3.2	3.6	4.7	4.3	3.5	3.4	3.4
2006	4.0	3.6	3.4	3.5	4.2	4.3	4.1	3.8	2.1	1.3	2.0	2.5	3.2
2007	2.1	2.4	2.8	2.6	2.7	2.7	2.4	2.0	2.8	3.5	4.3	4.1	2.8
2008	4.3	4.0	4.0	3.9	4.2	5.0	5.6	5.4	4.9	3.7	1.1	0.1	3.8
2009	0.0	0.2	-0.4	-0.7	-1.3	-1.4	-2.1	-1.5	-1.3	-0.2	1.8	2.7	-0.4
2010	2.6	2.1	2.3	2.2	2.0	1.1	1.2	1.1	1.1	1.2	1.1	1.5	1.6
2011	1.6	2.1	2.7	3.2	3.6	3.6	3.6	3.8	3.9	3.5	3.4	3.0	3.2
2012	2.9	2.9	2.7	2.3	1.7	1.7	1.4	1.7	2.0	2.2	1.8	1.7	2.1
2013	1.6	2.0	1.5	1.1	1.4	1.8	2.0	1.5	1.2	1.0	1.2	1.5	1.5
2014	1.6	1.1	1.5	2.0	2.1	2.1	2.0	1.7	1.7	1.7	1.3	0.8	1.6
2015	-0.1	0.0	-0.1	-0.2	0.0	0.1	0.2	0.2	0.0	0.2	0.5	0.7	0.1
2016	1.4	1.0	0.9	1.1	1.0	1.0	0.8	1.1	1.5	1.6	1.7	2.1	1.3
2017	2.5	2.7	2.4	2.2	1.9	1.6	1.7	1.9	2.2	2.0	2.2	2.1	2.1
2018	2.1	2.2	2.4	2.5	2.8	2.9	2.9	2.7	2.3	2.5	2.2	1.9	2.4
2019	1.6	1.5	1.9	2.0	1.8	1.6	1.8	1.7	1.7	1.8	2.1	2.3	1.8
2020	2.5	2.3	1.5	0.3	0.1	0.6	1.0	1.3	1.4	1.2	1.2	1.4	1.2
2021	1.4	1.7	2.6	4.2	5.0	5.4	5.4	5.3	5.4	6.2	6.8	7.0	4.7
2022	7.5	7.9	8.5	8.3	8.6	9.1	8.5	8.3	8.2	7.7	7.1	6.5	8.0
2023	6.4	6.0	5.0	4.9	4.0	3.0	3.2	3.7	3.7	3.2	3.1	3.4	4.1
2024	3.1	3.2	3.5	3.4	3.3	3.0	2.9	2.5	2.4	2.6	2.7	2.9	2.9
2025	3.0	2.8	2.4	2.3	2.4	2.7	2.7	2.9	3.0	– (*)	2.7	2.7	2.6
2026	2.4	2.4	<i>Avail. April 10</i>										

*October 2025 data was unavailable due to the 2025 lapse in appropriations.

000091

Executed Contract Between the City and Pensacola Pilots

Contract Approval

Contract ID:

Date:

Department:

Enterprise:

Account Code:

Contract Cost:

Vendor:

Description:

Submitted By:

Responsible Person:

Date Approved by Mayor:

Date Approved by Council:

Check List

Mayor's Memo:

City Council Memo:

Debarment Check:

SunBiz Check:

Insurance Certificate:

Bid Packet:

Associated Grant:

**CONTRACT FOR CONSULTING SERVICES
BETWEEN AND AMONG
CITY OF PENSACOLA, PENSACOLA PILOTS, LLC, AND
FLORIDA HARBOR PILOT ASSOCIATION, INC.**

2024

THIS CONTRACT (“Contract”) is made this 24th day of January, ~~2023~~, by and among the **City of Pensacola** (“City”), a Florida municipal corporation created and existing under the laws of the State of Florida, located at 222 W. Main Street, Pensacola, Florida 32502, **Pensacola Pilots, LLC** (“Consultant”), a limited liability company authorized to do business in Florida, located at 901 S. Old Corry Field Rd. P.O. Box 4435, Pensacola, Florida 32507, and for the limited purpose described herein, **Florida Harbor Pilot Association, Inc.** (“FHPA”), a not-for-profit corporation existing under the laws of the State of Florida, with a mailing address of P.O. Box 38294, Tallahassee, Florida 32315. The City, Consultant, and, solely in the context of the limited purpose stated herein, FHPA, will be referred to herein individually as a “Party” and collectively as “Parties.”

WITNESSETH:

WHEREAS, the City desires specific consulting services relating to ship pilotage in order to ensure the availability of a resident state-licensed pilot to serve vessels calling on the Port of Pensacola; and

WHEREAS, the principal of the Consultant, Captain Matthew Meilstrup, has completed all required training and has obtained the required license from the State of Florida to provide piloting services to the Port of Pensacola; and

WHEREAS, the sole principal of Pensacola Bay Pilots, previously under contract to serve as pilot for the Port of Pensacola, has retired, and the City wishes Consultant to continue to provide piloting services and forego other business opportunities in conflict therewith; and

WHEREAS, Florida Harbor Pilots Association, Inc., (“FHPA”) agrees to support further training of a backup pilot to the extent detailed herein; and

WHEREAS, the Parties desire to enter into this Contract to reflect these developments, to include the Proposal attached hereto as Exhibit A and incorporated herein by reference;

NOW, THEREFORE, in consideration of the work to be performed and the payment for the performance of that work, and in consideration of the mutual covenants and benefits contained herein, and for other good and valuable consideration, the Parties agree as follows:

Section 1. Recitals.

The recitals contained above are true and correct and are incorporated into this Contract.

Section 2. Consultant's Obligations.

The Consultant shall perform all work and services described in, and in accordance with, the Contract. The Consultant warrants that all services and materials utilized will comply with the Contract requirements and any City specifications provided. Services provided by the Consultant shall be consistent with the practices and standards of the Consultant's profession. The City or its duly authorized representative shall at all times have full opportunity to inspect any materials to be furnished and the work to be done under this Contract. The Consultant shall comply with all applicable federal, state, and local laws, ordinances, rules, and regulations pertaining to the performance of this Contract. The Consultant shall be responsible for and shall indemnify the City against all damages or loss caused by fire, theft, or other casualty to materials, tools, equipment, and consumables left on City property by the Consultant, as provided in Exhibit B.

Section 3. Term of Contract.

As noted in Exhibit A, the term of this Contract shall be three (3) years from the day and year first above written. Extensions shall be requested in writing ninety (90) days prior to the expiration by the Consultant.

Section 4. Payment.

The Consultant agrees to perform all work and services in Section 2 at the rates, costs, and any not-to-exceed amount provided for in the attached Proposal Payment Schedule in consideration of a MONTHLY REVENUE GUARANTEE not to exceed TEN THOUSAND DOLLARS (\$10,000) PER MONTH. The Monthly Revenue Guarantee will be paid by the City based on invoices submitted by Consultant and payments approved by the City, only after written acceptance by the City pursuant to the Contract. Such payment shall be in accordance with the Florida Prompt Payment Act. In the event that the Consultant does not fully perform its obligations under the Contract, the City reserves the right to withhold payments for work not performed, to engage an alternative Consultant to complete work not performed, and to withhold such amounts as may be required to hold the City harmless from any claims or damages, direct, indirect or consequential, that may be sustained on account of the Consultant's acts or omissions in the performance of this Contract.

Section 5. Bond.

Is a bond required? () Yes () No

Section 6. Performance Schedule.

Consultant shall commence and complete all work and services pursuant to the Contract.

Section 7. Necessary Approvals.

Consultant shall procure and maintain all permits, licenses, and certificates and any approvals in performance and completion of this Contract as may be required by federal, state, and local laws, ordinances, rules, and regulations, and in accordance with the Contract.

Section 8. No Waiver.

No waiver, alterations, consent or modification of any of the provisions of the Contract shall be binding unless in writing and signed by the Mayor or his/her designee.

Section 9. Governing Law.

This Contract is governed and construed in accordance with the laws of the State of Florida. The law of the State of Florida shall be the law applied in the resolution of any claim, actions, or proceedings arising out of this Contract.

Section 10. Venue.

Venue for any claim, actions, or proceedings arising out of this Contract shall be Escambia County, Florida.

Section 11. No Discrimination.

Consultant shall not discriminate on the basis of any class protected by federal, state, or local law in the performance of this Contract.

Section 12. Assignment.

The rights and privileges conferred by this Contract shall not be assigned or transferred without the written consent of the City, which consent shall not be unreasonably withheld.

Section 13. No Other Agreements.

The Parties agree the Contract contains all the terms and conditions agreed upon by the Parties. No other agreements, oral or otherwise, regarding the subject matter of this Contract shall be deemed to exist or to bind any Party. Upon the signature of all Parties, the Contract does hereby supersede and replace the Original Proposal, Original Contract, and MOU, each of which shall have no further legal effect.

Section 14. Remedies for Failure to Perform or Breach of Contract.

Each Party reserves the right to seek all remedies available under law in the event of a failure to perform or other breach of this Contract by any other Party, and the failure of a Party to employ a particular remedy shall not be regarded as a waiver of that or any other available remedy.

Section 15. Reserved

Section 16. Public Records Act.

The parties acknowledge and agree to fulfill all obligations respecting required contract provisions in any contract entered into or amended after July 1, 2016, in full compliance pursuant to Section 119.0701, *Florida Statutes*, and obligations respecting termination of a contract for failure to provide public access to public records. The parties expressly agree specifically that the contracting parties hereto shall comply with the requirements within Attachment "A" attached hereto and incorporated by reference.

Section 17. Mandatory Use of E-Verify System.

In compliance with the provisions of F.S. 448.095, the parties to this contract and any subcontractors engaged in the performance of this contract hereby certify that they have registered with and shall use the E-Verify system of the United States Department of Homeland Security to verify the work authorization status of all newly hired employees, within the meaning of the statute.

IN WITNESS WHEREOF, the parties hereto have caused this Contract to be executed and sealed the day and year first above written.

CONSULTANT

CITY OF PENSACOLA, FLORIDA

PENSACOLA PILOTS, LLC

1/24/2024 10:51:30 AM

Mayor, D. C. Reeves

Ericka L. Burnett

1/24/2024 12:28:35 PM

Attest:

City Clerk, Ericka L. Burnett



By MATTHEW T. MEILSTRUP
President

Matthew T. Meilstrup 10 JAN 2024
Matthew T. Meilstrup

Approved as to Substance:

M. Clark Merritt M. Clark Merritt
2024.01.12 08:49:
37-06'00'
11.2.7

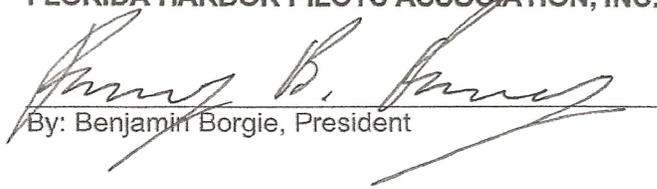
Port Director

Legal in form and execution:

Heather F. Lindsay, Assistant City Attorney
1/22/2024 5:14:00 AM

City Attorney

FLORIDA HARBOR PILOTS ASSOCIATION, INC.


By: Benjamin Borgie, President

1/11/2024

Attachment "A"

PUBLIC RECORDS: Consultant shall comply with Chapter 119, Florida Statutes. Specifically, Consultant shall:

- A. Keep and maintain public records required by the City to perform the service.
- B. Upon request from the City's custodian of public records, provide the City with a copy of the requested records or allow the records to be inspected or copied within a reasonable time at a cost that does not exceed the cost provided in Chapter 119, Florida Statutes, or as otherwise provided by law.
- C. Ensure that public records that are exempt or confidential and exempt from public records disclosure requirements are not disclosed except as authorized by law for the duration of the Contract term and following the completion of the Contract if Consultant does not transfer the records to the City.
- D. Upon completion of the Contract, transfer, at no cost, to the City, all public records in possession of Consultant or keep and maintain public records required by the City to perform the service. If Consultant transfers all public records to the City upon completion of the Contract, Consultant shall destroy any duplicate public records that are exempt or confidential and exempt from public records disclosure requirements. If Consultant keeps and maintains public records upon completion of the Contract, Consultant shall meet all applicable requirements for retaining public records. All records stored electronically must be provided to the City, upon request of the City's custodian of public records, in a format that is compatible with the information technology systems of the City.

Failure by Consultant to comply with Chapter 119, Florida Statutes, shall be grounds for immediate unilateral cancellation of this Contract by the City.

IF CONTRACTOR HAS QUESTIONS REGARDING THE APPLICATION OF CHAPTER 119, FLORIDA STATUTES, TO THE CONTRACTOR'S DUTY TO PROVIDE PUBLIC RECORDS RELATING TO THIS CONTRACT, CONTACT THE PUBLIC RECORDS COORDINATOR AT:

THE OFFICE OF THE CITY CLERK, (850) 435-1715

PUBLICRECORDS@CITYOFPENSACOLA.COM

222 WEST MAIN STREET, PENSACOLA, FL 32502

EXHIBIT A PROPOSAL

Pensacola Pilots, LLC (“Consultant”) Proposal and Revenue Guarantee

Accounting Procedure

- Reporting Periods for calculation of Revenue Guarantee payments will commence on the 22nd day of the month and end on the 21st day of the next month.
- No later than 5 p.m. on the 21st of each month, Consultant will report its total actual gross revenue from all sources for the Reporting Period by providing the Port Director with copies of all invoices for services rendered issued during the Reporting Period.
- The City of Pensacola issues checks for Accounts Payable on the 10th of each month. If the above submission deadline is met, Consultant will receive any Revenue Guarantee payment due for the completed Reporting Period by the 10th of the following month.

Revenue Guarantee

- The City agrees to provide Consultant with a Revenue Guarantee of up to \$10,000 per Reporting Period as follows:
 - If Consultant’s actual gross revenue is \$0 to \$5,000, a Revenue Guarantee payment of \$10,000 will be paid.
 - If Consultant’s actual gross revenue is from \$5,001 to \$14,999, the Revenue Guarantee payment will be the amount required to bring the total gross revenue for Consultant up to \$15,000. (For example, if actual gross is \$6,300, then the Revenue Guarantee payment would be \$8,700 because $\$6,300 + \$8,700 = \$15,000$)
 - If Consultant’s actual gross revenue is \$15,000, no Revenue Guarantee payment will be owed.
- This Revenue Guarantee shall take effect upon the date of the last signature of a Party on the Contract, continuing the revenue guarantee established in the Original Contract without pause.

Training of Deputy Pilots

- Should the need to train another deputy pilot (to replace the current Consultant) arise during the term of this Contract, the City and FHPA agree to collaboratively fund the deputy pilot’s training compensation, on a monthly basis, as was conducted during the Consultant’s deputy pilot training from 2021-2023.

Training of Cross-Licensure Pilots

- To ensure the Port of Pensacola has a backup pilot in case the Consultant is incapacitated, FHPA will seek at least two state licensed pilots for cross-licensure in the Port of Pensacola. The cost of travel for the state-licensed pilots to obtain the required trips in the Port to receive a federal pilot’s license will be split equally

by the City (50%) and FHPA (50%). Prior authorization by the Port Director is necessary for all travel expenses before the procurement process.

Performance of Obligations, Default and Abandonment

- During the term of this Contract, Consultant agrees to fulfill all obligations under the Contract including, but not limited to, remaining in Pensacola and performing for-hire harbor pilotage services, including operation of all business systems necessary to the provision of those services.
 - In the event Consultant becomes unable to fulfill these obligations due to illness, injury or other emergency, any such issue would be addressed in coordination with the Florida Board of Pilot Commissioners (BOPC) using their existing emergency protocols. Consultant may also avail itself of standard relief protocols at any time should scheduled time off be required during the term of this Contract.
 - In such case, the Revenue Guarantee will remain in effect and any payments will continue to be processed between Consultant and the City.
 - Consultant will be responsible for compensating its relief pilot(s) and the Port will not be responsible for or required to make any payments directly to any relief pilot(s) unless agreed to in writing in advance.
- In the event Consultant defaults on this Contract by failing or refusing to provide such services or failing or refusing to make itself available to provide such services for any reason other than illness, injury, other emergency, or scheduled absence covered by a qualified relief pilot (such as voluntarily forfeiting license prior to the conclusion of this Contract, accepting other employment prior to the conclusion of this Contract, etc.), without making proper arrangements for relief coverage and without providing the Port a minimum of 60-days advance notice, Consultant shall not be entitled to receive the Revenue Guarantee, and Consultant will be subject to a financial penalty in the amount of a one-time payment to the City of \$10,000 to be used by the City as needed to secure pilot coverage.
- If the City takes action during the Contract term that would have the effect of reducing commercial vessel traffic in the Port of Pensacola by more than 50% below 2022 levels, the City shall provide a minimum of two (2) years prior written notice to the Consultant before such actions take effect, to the extent reasonably practicable. If the City fails to provide this written notice, the City shall pay Consultant as liquidated damages, and not as a penalty, a one-time payment equal to one (1) full year of the Revenue Guarantee, the Parties recognizing that Consultant's damages in this event are not readily ascertainable.

Additional Terms

- Pilot Boat:-The City and Pensacola Pilots, LLC will collaboratively determine the operational procedures for a pilot boat throughout the contract's duration. Once the Consultant is able to establish a pilot boat service, the City's use of the 2021 metalcraft Security Patrol Boat will transition from primary pilot boat to the secondary pilot boat when necessary. The City will continue to ensure that the City crew of the Security Patrol Boat is proficient in the boat handling skills necessary to safely board/disembark pilots to/from the vessels

arriving/departing the Port of Pensacola. The costs of operation will be funded through the revenue generated from tariff charges associated with the vessel's operation and maintenance.

- All Parties support periodic increases in pilotage rates for the Port of Pensacola sufficient to attract and retain a pilot in the Port long-term, while mindful of the need to keep the Port's pilotage rates competitive with competing ports.

EXHIBIT B: INSURANCE AND INDEMNIFICATION

GENERAL

The term City, as is used in this section, is defined to mean the City of Pensacola, itself, any subsidiaries or affiliates, elected and appointed officials, employees, volunteers, representatives, and agents. The term CONSULTANT shall mean Pensacola Pilots, LLC.

COVERAGE

CONSULTANT acknowledges that the City maintains coverage to protect the City and that the City has secured a pilot activity endorsement. CONSULTANT affirms it is exempt from Worker's Compensation and that the City has no duty to provide medical benefits or wage indemnity in the event of injury to CONSULTANT. CONSULTANT must provide proof of exemption of workers' compensation as provided by the Florida Division of Workers Compensation.

LOSS CONTROL AND SAFETY

CONSULTANT shall retain control over its employees, agents, volunteers, servants, and subconsultants, if any, as well as control over its invitees, if any. The CONSULTANT shall not be deemed to be an employee or agent of the City. Precaution shall be exercised at all times by the CONSULTANT for the protection of all persons, including employees and property (onshore, offshore, and submerged). The CONSULTANT shall make special effort to detect hazards and shall take prompt action where loss control/safety measures should reasonably be expected.

HOLD HARMLESS/INDEMNIFICATION/WAIVER OF SUBROGATION

CONSULTANT agrees to hold the City harmless from any and all liability arising out of the acts or omissions of the CONSULTANT, to the extent liability for such acts or omissions is not covered through insurance maintained by commercial vessels or the insurance maintained by the City. The City agrees to hold CONSULTANT harmless from any liability arising out of the negligence of any City employee. Should a third-party claim not be resolved by insurance being maintained by the parties to this agreement, or the insurance of commercial vessels piloted to port by CONSULTANT, then each party agrees to meet in good faith to cooperate on the resolution of any third-party claim against either party arising from the activities associated with this agreement. Both parties waive their right of subrogation against the other from third-party claims arising from this agreement. Nothing in this agreement shall waive the City's sovereign immunity limits or defenses as defined in Florida Statutes 768.28. CONSULTANT acknowledges that the CITY shall not be responsible to pay any claim of any kind in any amount beyond sovereign immunity limits or insurance limits and, as such, CONSULTANT acknowledges that it has been advised to secure appropriate insurance to protect themselves from third-party claims.

MEMORANDUM

TO: D.C. Reeves, Mayor
FROM: Clark Merritt, Port Director
DATE: January 16, 2024
SUBJECT: Contract with Pensacola Pilots, LLC

SUMMARY:

Since 2016, the Port of Pensacola has had a contractual relationship with the Pensacola Pilots in order to secure and ensure the availability of a resident state-licensed harbor pilot to serve vessels calling on the Port of Pensacola. That contract has expired, and a new contract needs to be executed.

It should be noted that the Florida State Board of Pilot Commissioners is the governing authority over issuance of harbor pilot licenses in the state of Florida. That commission has authorized one (1) license for Port of Pensacola. Captain Matt Meilstrup, President of Pensacola Pilots, is the state licensed provider of these statutorily required services within the Port of Pensacola's jurisdiction. Therefore, the contract was not bid and was instead negotiated directly between the Port and Capt. Meilstrup.

Under the contract, the Port provides Pensacola Bay Pilots a minimum monthly revenue guarantee of not to exceed \$10,000 per month based on the contractor's actual monthly gross receipts when applied to a revenue guarantee calculation formula agreed upon by the parties and contained in the Contracting Documents.

The term of this Contract is for three (3) years terminating September 30, 2026.

It should be noted that the Contract does not contain the City's standard "Termination for Convenience" language. Instead, the Contract allows for cancelation with 30 days written notice in accordance with the terms of the Proposal, which is the negotiated revenue guarantee document. This language was reviewed by Assistant City Attorney Lindsay and approved by Deputy City Administrator Amy Miller following discussion of the need for the departure from the norm given the unique circumstances this Contract addresses.

PRIOR ACTION:

Original contract executed on August 3, 2016. Amendment No. 1 was executed on July 13, 2017; Amendment No. 2 was executed on September 24, 2018; and Amendment No. 3 was executed on October 25, 2019.

FUNDING:

The port's proportional share of these costs has been budgeted within the Port's current FY 24 budget. Between 50% and 75% of the total cost of this contract will be offset through the proportional cost-sharing participation of port tenants.

FINANCIAL IMPACT:

Budget: FY24 – Not to exceed \$60,000(*)

Actual: FY 24 – Not to exceed \$60,000(*)

(*) with recovery of 50%-75% of cost through tenant participation in contract cost-sharing

ATTACHMENTS:

(1) Contract



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Florida Limited Liability Company
PENSACOLA PILOTS, LLC

Filing Information

Document Number L21000263060
FEI/EIN Number 87-1077261
Date Filed 06/07/2021
State FL
Status ACTIVE

Principal Address

32861 Donovan Circle
Seminole, AL 36574

Changed: 01/22/2023

Mailing Address

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Registered Agent Name & Address

MEILSTRUP, MATTHEW T
32861 Donovan Circle
Seminole, FL 36574

Address Changed: 01/22/2023

Authorized Person(s) Detail

Name & Address

Title PRES

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Florida Department of State, Division of Corporations

LANCER INSURANCE COMPANY

370 W PARK AVE, P.O. BOX 9004, LONG BEACH, N.Y. 11561-9004

(516) 431-4441

PMA37642#1

Certificate No

712594

Customer No

MERCHANT OFFICERS PROTECTIVE SYNDICATE

NEW

Renewal of No

MARINE LICENSE INSURANCE

DECLARATIONS

CERTIFICATE OF INSURANCE

996

Producer No

Under Master Policy No. PMA IL1000 Issued to the
Professional Mariners Alliance of Illinois, Inc.

Item 1. ORIGINAL NAMED INSURED:

The members of the Professional Mariners Alliance of Illinois, Inc.

Item 2. CERTIFICATEHOLDER'S NAME & ADDRESS:

Matt Meilstrup
707 E. Cervantes St.
Suite B 154
Pensacola, FL 32501

Item 3. CERTIFICATE PERIOD: From 02-01-2022 To 02-01-2023
12:01 am Eastern Standard Time.

Item 4. ACTUAL SAILING GRADE: MASTER/CAPTAIN
U.S. COAST GUARD LIC NO: 8447659 **STATE PILOT LIC NO:** _____

Item 5. AVERAGE MONTHLY RATE OF COMPENSATION: 0.00

Item 6. COVERAGE	AMOUNT OF INSURANCE	PREMIUM
1. Comprehensive License Defense		\$
2. Basic License Defense	INCLUDED	\$ 389.00
3. Loss of Income		\$
4. Subsistence Allowance	\$	\$
5. Professional Equipment/Instruments	\$ 3,000	\$ Included
6. Additional Professional Equipment	\$	\$
7. Civil Legal Defense	\$	\$
8. Civil Penalties Legal Defense	\$	\$
9. Professional/Civil Liability	\$	\$
10. Criminal Acts Defense	\$	\$
	TOTAL PREMIUM	\$ 389.00

* Up to 12 months of the monthly compensation declared above

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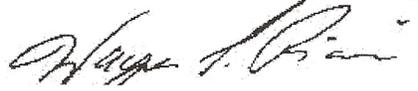
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This certificate of Insurance shall not be valid unless countersigned by a duly authorized representative of the Company.

Countersigned at Long Beach , NEW YORK this 20th day of JAN , 2022

BY: 
Authorized Signature



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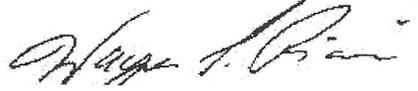
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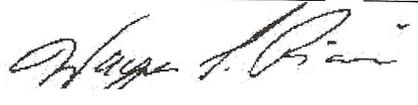
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BY: 
Authorized Signature

City of Pensacola Response

6 March 2026

Board of Pilot Commissioners/
Pilotage Rate Review Committee
2601 Blair Stone Road
Tallahassee, FL 32399

Re: Application for a Change in Rate of Pilotage filed by Pensacola Pilots LLC on November 6, 2025

Dear Committee Members:

As invited in the Committee’s published notice of its March 26, 2026 hearing to consider the above-referenced application, the Port of Pensacola files this response.

The Port of Pensacola acknowledges that current pilotage fees for Pensacola are based on the last adjusted rate structure in 2011 with no annual increase allowed to account for inflation. That said, it is noted that the submitted Application for a Change in Rate of Pilotage filed on 6 November 2025 proposes a new fee structure (page 9) that on average, would equate to a 278 – 309 percent increase to vessel operators calling on the Port of Pensacola. That type of increase is completely unaligned with an approximately 2.6 percent core Consumer Price Index adjusted inflation rate over the previous 15 years, essentially a ~47 percent increase since 2011.

Furthermore, if the proposed rate fee structure were adopted as submitted, it would place the Port of Pensacola at the highest end of pilotage fees with surrounding operating ports negatively impacting what is already a low volume of shipping traffic to the port and be prohibitive to seeking competitive growth based on pricing.

Additionally, the Port of Pensacola respectfully requests, at a minimum, the Committee consider a modification to the tonnage tiers in the application proposal as follows:

Vessel Size	Application	Proposed Modification
Small	Less than 5,000 GRT	Less than 10,000 GRT
Medium	5,000 – 20,000 GRT	10,000 – 30,000 GRT
Large	Greater than 20,000 GRT	Greater than 30,000 GRT

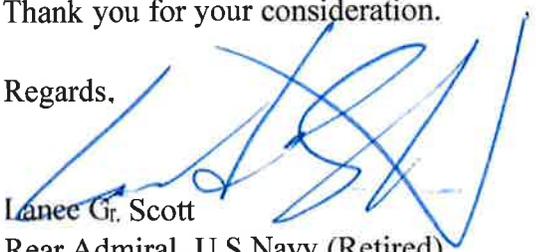
This proposed modification, should a rate increase be approved for any amount, would help preserve the Port of Pensacola’s competitiveness with other ports and reduce the impact of the proposed increase in pilotage rates on several of our current customers, including two of the vessels highlighted in the application – *Grit Cement IV* and *Bahama Spirit*. The proposed modification would move the *Grit Cement IV* from a Medium vessel to a Small vessel and the *Bahama Spirit* from a Large vessel to a Medium vessel for any new pilotage rate calculations. This proposed modification also seems to better comport with the applicant’s intent as reflected on page 9 of the application, in which the *Grit Cement IV* is listed as a Small vessel and the *Bahama Spirit* is listed as a Medium vessel.



In summary, the Port of Pensacola supports the Pensacola Harbor Pilot's request for a rate increase based on the last adjusted rate being 2011, but does not concur with the application's proposed fee structure as submitted.

Thank you for your consideration.

Regards,



Lane G. Scott
Rear Admiral, U.S Navy (Retired)
Director, Port of Pensacola

Response to City of Pensacola Letter



901 S. Old Corry Field Rd.
P.O. Box 4435
Pensacola, Florida 32507
540-848-4524

11 March 2026

To: Board of Pilot Commissioners/
Pilotage Rate Review Committee
2601 Blair Stone Road
Tallahassee, FL 32399

From: Captain Matthew Meilstrup
Pensacola Pilots, LLC

Subject: Port of Pensacola's Response to Application for a Change in Rates of Pilotage – Data on the Impact of the Port's Suggested Tonnage Tiers

Dear Committee Members:

The Port of Pensacola provided me with a copy of its recently filed response to my Application for a Change in Rates of Pilotage. In that response, dated March 6, 2026, the Port asked the Committee to consider an alternative set of tonnage tiers to define what is considered a small, medium, or large vessel for the purpose of calculating pilotage fees.

While I am not prepared to take a position on the alternative tonnage tiers at this time and do not intend to revise my application, if the Committee chooses to consider the Port's suggestion, I anticipate that the Committee would need to understand the effect of those alternative tonnage tiers on pilotage rates and pilot revenue. To that end, I offer the following information for your consideration in the spirit of full transparency and to afford time for you and your CPA to review it in advance of the Committee's March 26 hearing.

The Port's suggested change in tonnage tiers, as compared to page 2 of the original application, would be as follows (with deletions in strike-through and new language in bold type):¹

Vessels of GT:	Less than 5,000 GT Less than 10,000 GT	5,001-20,000 GT 10,000 to 30,000 GT	Greater than 20,000 GT Greater than 30,000 GT
LOA Rate	\$1.25	\$1.75	\$2.25
Beam Rate	\$5	\$10	\$15
Draft Rate	\$45	\$60	\$75
GT Rate	\$0.02	\$0.025	\$0.03

Tracking this suggested change in tonnage tiers through the more pertinent data points in the application regarding pilotage rates and pilot revenue (using the original Application's projections for vessel traffic, launch service revenue, and expenses) produces the following, which are reflected in the format of my original application for ease of comparison:

1. Vessel pilotage rate comparisons in Table 5 (page 9).

Port	Standard Vessel Fee (Roundtrip and normalized to Pensacola-equivalent drafts)		
	Small Cargo Vessel	Medium Cargo Vessel	Large Cargo Vessel
	<i>Grit Cement IV</i>	<i>Bahama Spirit</i>	<i>Bahri Jeddah</i>
Pensacola (2011 rate)	\$ 2,655	\$ 4,313	\$ 4,939
Pensacola (Proposed)	\$ 7,394 \$5,509	\$12,970 \$10,214	\$15,273

2. Pilot revenue and income in Table 4 (page 8).

	PROJECTED YEAR I 2025 Requested Rates	PROJECTED YEAR II 2026 Requested Rates
Total Number of Pilots	1	1
Gross Pilotage Revenue	\$424,568 \$369,849	\$419,467 \$366,297
Gross Income from Revenue Guarantee #	\$0	\$0
Gross Launch Service Revenue	\$82,883	\$88,583
Operating Expenses	\$147,489	\$149,247
Net Income (pilotage)	\$359,962 \$305,243	\$358,803 \$305,633
Less PLS non-pilot partner share of income ###	\$13,939	\$16,654
Total Income for Pilot	\$346,023 \$291,304	\$342,150 \$288,979

3. Compensation comparisons on Page 13.

The average pilot compensation exceeded the Pensacola Pilots' 2024 total income by 405%. Using the 2025 projected total income, this difference reduces to just ~~113%~~ **149%** higher.

The compensation for an MMP unlimited master exceeded the Pensacola Pilots 2024 total income by 178%. Using the 2025 projected total income, this difference reduces to just ~~17%~~ **39%** higher.

In sum, the net effect of the Port's alternative tonnage tiers would be to reduce pilotage fees for the Small and Medium vessels calling on the Port of Pensacola and, correspondingly, to reduce pilot revenue.

I am happy to discuss this data with your CPA in advance of the March 26 hearing. Thank you for your consideration.


M. T. Meilstrup

¹ Please note that, while the Port's response refers to tonnage measured in "GRT" (gross registered tons), GRT has largely been abandoned in the maritime industry in favor of "GT" (gross tons), so GT is reflected in the table above. Both are measures of a ship's total internal volume, not weight, but they differ in calculation. GRT measures the total permanently enclosed capacity of a vessel in units of 100 cubic feet, while modern GT is a formula-based index calculated from the total molded volume of all enclosed spaces, resulting in more accurate and standardized figures. GT was introduced by the International Convention on Tonnage Measurement of Ships in 1969, became mandatory for most vessels by 1994, and is now typically used to determine a ship's regulation, safety, manning, and port fees. The differences between GRT and GT, however, will not affect the calculation of pilotage fees for the model vessels referenced in my Application.