

**SEMINOLE COUNTY PORT AUTHORITY
MINUTES OF THE REGULAR BOARD MEETING
FEBRUARY 20, 2013**

The regular Board Meeting of the Seminole County Port Authority was held in the Board Room of the Administration Building at the Port of Sanford on February 20, 2013.

Chairman Damon Chase called the meeting to order at 4:14 p.m. with the following Directors constituting a quorum: Damon Chase, Chairman; Taylor Pancake, Vice Chairman; William H. Poe, Secretary; Cliff Miller, Treasurer; Matthew T. Brown, Member; Kyle Kilger, Member; Dana McBroom, Member; and Brenda Carey, BCC Member.

Director Absent: Thomas Kuhn, Member.

Staff present: Andrew Van Gaale, Administrator; and Irene Dolgner, Administrative Assistant.

Others present: Linda Landry, Acme Recycling Industries, LLC; and Stephen H. Coover, SCOPA Attorney.

The invocation was given by Bill Poe followed by the pledge to the Flag.

Linda Landry, co-owner of Acme Recycling Industries, LLC introduced herself and the Chairman welcomed her.

The Chairman asked for corrections or additions to the minutes of the January 16, 2013 Board Meeting.

MOTION WAS MADE BY MATTHEW BROWN, SECONDED BY CLIFF MILLER TO APPROVE THE MINUTES OF THE JANUARY 16, 2013 BOARD MEETING, AS PRESENTED.

MOTION CARRIED UNANIMOUSLY.

The Balance Sheet and Budget Statement for the month of January, 2013 were presented to the Board for discussion and approval. The Administrator referred to the revenues and expenditures charts explaining that revenues for the month were over budget by \$4,199, and \$4,023 under budget for the year. Expenditures for the month were under budget by \$42,574 and \$131,909 for the year. Profit totals \$320,105 (56.3%), and occupancy decreased slightly to 87.2%. Commissioner Carey questioned why tenants are leaving and whether it's due to our rental prices, and Mr. Van Gaale replied that it is not because of the rent, but because their business has declined or they are purchasing buildings elsewhere.

Chairman Chase asked Mr. Coover why the financial statement is an action item instead of informational only. He doesn't understand why we need to approve reality. Mr. Coover replied that he will look into it and report back next month.

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MOTION WAS MADE BY MATTHEW BROWN, SECONDED BY CLIFF MILLER TO APPROVE THE BALANCE SHEET AND BUDGET STATEMENT FOR THE MONTH OF JANUARY, 2013, AS PRESENTED.

MOTION CARRIED UNANIMOUSLY.

The Outstanding Bills and Aged Receivables lists were presented to the Board for discussion and approval. The Administrator reviewed the list of bills explaining that the payment to HydroTech Solutions in the amount of \$750.00 is a tenant of ours we used to pressure wash the parking lot at 1511 Kastner Place, and the striping and bumpers were done by TruMark, Inc. in the amount of \$1,170.00. The payment to A-N-R Door Systems, Inc. in the amount of \$1,675.00 is for a roll-up door replacement at 1470 Kastner PL, Suite 124; the payment to McKee Construction Co. in the amount of \$4,972.16 is for replacement of 22 skylights on the 1450 Kastner Place building that were leaking; the payment to Yahn Electric Co., Inc. in the amount of \$2,852.54 is for electrical work in various buildings and the installation of new energy efficient lights on the 1980 Dolgner Place building; the payment to Network Electrical Systems, Inc. in the amount of \$884.58 is for some disconnects in the tank farm prior to demolition; and the payment to GEXPRO in the amount of \$340.72 is for exit lights.

Mr. Brown questioned why we are paying for the electrical disconnect in the tank farm when he feels it should be part of the demolition contract cost, and Mr. Van Gaale replied that he will check and see whether we should be reimbursed.

Mr. Miller suggested providing the building addresses for the payments when applicable.

Commissioner Carey asked how often we go out for bids on our landscaping contract, and Mr. Van Gaale replied that we had a five year contract with our current company and the Board agreed to extend it for another year at the current rate. He stated that he shopped it out and the next closest one was quite a bit higher.

MOTION WAS MADE BY MATTHEW BROWN, SECONDED BY TAYLOR PANCAKE TO APPROVE THE BILLS FOR PAYMENT, AS PRESENTED. THE LIST OF BILLS APPROVED TO BE PAID IS ATTACHED AND MADE A PART OF THESE MINUTES.

MOTION CARRIED UNANIMOUSLY.

The Administrator referred to the Aged Receivables list explaining that Allstar Concrete Cutting & Coring, Inc. has vacated their leasehold, and after discussions with the owner, he indicated that he will bring us half the rent owed this Friday and the other half in two weeks. Mr. Van Gaale stated that we have a prospect for his unit. Commissioner Carey asked if we have something in writing from him, and Mr. Van Gaale replied that we do not other than a certified letter we sent him initially when he vacated. Mr. Coover suggested we drop him a note confirming

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what he told us.

Mr. Van Gaale proceeded stating that Bandit Performance gave us a thousand dollars a couple weeks ago and he would like to work with him a little longer. Commissioner Carey stated that, philosophically, if we have something in writing from tenants who are behind in rent, it makes the Board more comfortable and it may make the tenant take it more seriously.

Mr. Van Gaale explained that we have received all certified communications back in the mail from U. S. Hydraulics, LLC, we have re-leased the unit, and we are turning the account over to Mr. Coover to file suit and get a Judgment against him.

MOTION WAS MADE BY COMMISSIONER CAREY, SECONDED BY WILLIAM POE, TO FILE SUIT AGAINST NICHOLAS KEEN, NABIL DIB AND U. S. HYDRAULICS, LLC, IN SMALL CLAIMS COURT.

Under discussion, Chairman Chase asked Mr. Coover what he thinks the cost will be, and Mr. Coover replied approximately \$1,000+. Mr. Miller asked what happens if we cannot locate the principals, and Mr. Coover replied that there is a standard principle of law that you can't get a Judgment against a person unless you actually serve them. He will first try to locate the owners and report back next month.

MOTION CARRIED UNANIMOUSLY.

The Administrator explained that Acme Recycling Industries, LLC has been a tenant at the Port for a long time and is one of our top three. They will be reducing some of their exposure in the next month or two. He and Mr. Coover met with Acme a few weeks ago and asked for a written payment plan as directed by the Board. There was a month's rent due on February 15th that was not honored; therefore, he invited Ms. Landry to the meeting today to present a new plan. There were circumstances beyond their control with equipment, shipping, etc. that prevented them from making that payment. After their meeting today, prior to this Board meeting, they presented a new plan, as follows: March 8, 2013 they will pay the December, 2012 rent; at the end of March, they will pay their January, 2013 rent; in April they will pay the February and March, 2013 rents; and in May they will pay the April and May, 2013 rents.

Ms. Landry introduced herself once again, stating that the other part of their business is ARI Electronics, which is not on the Leases. She stated that ARI is the exciting part of their business and she thinks that no matter what the scrap metal business does, electronics is going to be their future. They have totally dedicated the 1500 Dolgner Place building to create one of the best electronics recycling facilities in the Southeast.

Commissioner Carey stated that her experience in the commercial business has been that you really need to understand your tenant's business, which we have to rely on the Administrator to do.

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After talking with Ms. Landry and her partner (Mike Hagley), they hope to have their equipment problems resolved by the end of the week. They need the equipment running in order to get their orders shipped, which will generate cash flow and give them an opportunity to get caught up. They've been a tenant here for about 20 years, and the 10 years she served on this Board, prior to the last 8, she does not recall ever having an issue with them as a tenant other than they were continuing to grow. We don't want to put anybody out of business, that has never been the mind set of this Board, we do try to work with people and we all understand the commodities business. She feels it's a workable plan, which was mainly what she wanted to hear from Ms. Landry, and it's something she believes she can do. She thought she could do the other plan, but then the equipment went down. While it is our responsibility to watch the financials in this Port, at the same time we have to have flexibility to be able to work with our tenants to help them stay in business, which keeps us in business. She thinks it's a reasonable recommendation.

The Chairman asked Mr. Coover to put their plan in writing, and Mr. Coover replied that he would and will send it to Ms. Landry.

MOTION WAS MADE BY COMMISSIONER CAREY, SECONDED BY MATTHEW BROWN TO ACCEPT THE PAYMENT PLAN FROM LINDA LANDRY, ACME RECYCLING INDUSTRIES, LLC., AS PRESENTED.

MOTION CARRIED UNANIMOUSLY.

_____ *Ms. Landry thanked the Board and left the meeting.*

ATTORNEY'S REPORT

Mr. Coover had nothing to report.

ADMINISTRATOR'S REPORT

a) Tank Farm Project Update - The Administrator reported that the first tank has been taken down, and there are four left to go with associated piping.

b) Project #162-Re-Roofing 10,000 s.f. Metal Building - The Administrator referred to Memorandum #2191 showing the bid results on February 15, 2013 at 3:00 p.m., as follows:

McKee Construction Co., 790 Monroe Road, Sanford, FL 32771

Bid Amount: \$28,583.72

COMELCO, 410 North Street, Suite 130, Longwood, FL 32750

Bid Amount: \$85,038.07

Mr. Van Gaale recommended accepting the low bid from McKee Construction Co.

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MOTION WAS MADE BY COMMISSIONER CAREY, SECONDED BY TAYLOR PANCAKE TO ACCEPT THE LOW BID FROM MCKEE CONSTRUCTION CO. IN THE AMOUNT OF \$28,583.72 FOR PROJECT NO. 162 RE-ROOFING 10,000 S.F. METAL BUILDING.

MOTION CARRIED UNANIMOUSLY.

c) Project #163-Re-Roofing/Roof-Over 4,000 s.f. Metal Roof - The Administrator reported that there was an issue with our advertisement, therefore, he recommends we reject all bids and re-bid the project at a later date. He explained that we had bid opening scheduled at 3:30 on Friday, February 15th, and the ad read 3:00 instead. Discussion ensued for clarifications purposes.

MOTION WAS MADE BY TAYLOR PANCAKE, SECONDED BY KYLE KILGER TO ACCEPT THE ADMINISTRATOR'S RECOMMENDATION TO REJECT ALL BIDS ON PROJECT NO. 163-RE-ROOFING/ROOF-OVER 4,000 S.F. METAL ROOF, AND RE-BID IT AT ANOTHER TIME, DUE TO THE ADVERTISEMENT DISCREPANCY.

MOTION CARRIED UNANIMOUSLY.

OLD BUSINESS

a) Administrator's Employment Contract Review Committee Report - Cliff Miller, Chairman of the Committee, asked if everyone read the minutes from the Committee meeting. For those who did not, some time was given for them to read them. Chairman Chase stated that the Committee is making a recommendation to increase the Administrator's salary to \$106,000, under the same terms and conditions of the current contract. Mr. Van Gaale accepted that offer.

Mr. Brown questioned if the Committee discussed Mr. Van Gaale's request for more vacation time, and Mr. Pancake, Member of the Committee, replied that the problem they had with big adjustments to the benefits package is that the Port deals with those mostly by policy and not in Mr. Van Gaale's contract. Mr. Kilger stated that it's in line with the management of Seminole County.

Chairman Chase stated that there was an issue that the Committee deferred to the Board, which is a bonus if occupancy reaches 95%. Mr. Coover added that the Authority is hiring Andrew under a written contract, and a bonus can be part of it. Commissioner Carey stated that the County Manager and County Attorney have contracts with three or four month severance package. Mr. Brown replied that the Administrator has a six months severance package, and Commissioner Carey added that she doesn't think six months is at the market today. She stated that he received a 3% pay increase in October, 2012 and now another increase with the new contract, so he's benefitting from both, as an employee and from the contract. She will not support a contract with six months severance.

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Chairman Chase stated that Commissioner Carey's arguments is well put, but personally he would depart from her conclusion. The Committee got together and spent a lot of time reviewing it and provided a pretty good analysis, and he doesn't see any reason to depart from their recommendation. He turned the discussion back to the bonus. Commissioner Carey stated that whenever bonuses were given in the past, which they were to the prior Administrator, they were given year to year based on annual analysis. We certainly have the ability to do that, but it doesn't have to be part of the contract.

Mr. Miller stated that they weren't looking to take anything away from Mr. Van Gaale. The raise he received in October was based on the COLA (Cost of Living), and the one they are recommending now is simply a step up, which they felt was due.

Mr. Brown asked Commissioner Carey what the policy is with the County regarding vacation time, and Commissioner Carey replied that they go from two to three weeks after 10 years, and the Airport is the same. Discussion ensued regarding the Authority's contributions to the County, and the recent history of the County giving raises. Chairman Chase explained that the reason we do not give as much to the County in recent years is because we wanted to build up our reserves due to the poor economy. Mr. Brown added that Mr. Van Gaale has been proactive on rehab of the buildings. Mr. Miller further stated that back in the day when we gave the County a million dollars, we didn't realize what the cost would be to rehab buildings. He stated that we've tried, and we're keeping the place afloat and he's proud of what we have. Commissioner Carey stated that the Commissioners rely on reports back from the representing Board member; which, unfortunately, never happened. Therefore, the Commissioners only remember that there was a long range plan that the contributions would accelerate until it reached a million dollars and then flatten off.

Mr. Brown stated that he is personally opposed to a bonus tied to the occupancy percentage because there is the possibility of lowering the rent just to get someone in here, and then we would become less competitive in the community. He feels the bonus could be up to the Board on an annual basis. Commissioner Carey felt that normally when a bonus is involved, the base pay is lower.

Chairman Chase stated that he likes the argument that Mr. Miller made which is if you take away something that is in his current contract, he's actually getting penalized for having done a great job. Commissioner Carey stated that she is not going to support the recommendation because of the severance package, and they didn't support it at the County and it's not what the public market is today; but she thinks Mr. Van Gaale is doing a great job. Mr. Brown suggested possibly giving Mr. Van Gaale an extra week of vacation if he's willing to cut his severance package to three months. Mr. Van Gaale replied that he is happy with the contract as it is.

MOTION WAS MADE BY MATTHEW BROWN, SECONDED BY WILLIAM POE, TO APPROVE THE RECOMMENDATION OF THE COMMITTEE TO KEEP THE ADMINISTRATOR'S EMPLOYMENT AGREEMENT UNDER THE SAME TERMS AND CONDITIONS, AND INCREASING HIS SALARY TO

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\$106,000.00.

MOTION CARRIED, WITH COMMISSIONER CAREY OPPOSING.

NEW BUSINESS

a) *Leases - The following Leases were presented for approval:*

1. *Lease Renewal - Etched-In-Stone Designs, LLC, 1980 Dolgner Place, Suite 1028, beginning March 1, 2013 through February 28, 2014, at the budgeted monthly rate of \$814.00 (1,212 s.f. warehouse, 288 s.f. office @ a blended rate of \$6.51/s.f.), a 5% increase. Personal guarantee.*
2. *Lease Renewal - Ruby Martin d/b/a Ruby Martin's RubiMac, beginning March 1, 2013 through February 28, 2014, at the budgeted monthly rate of \$814.00 (2,000 s.f. warehouse @ \$4.88/s.f.), a 5% increase. Tenant requests a 60 day termination clause because she may be moving out of State later in the year.*
3. *Lease Termination - Acme Industrial Surplus, Inc., 1471 Kastner Place, Suite 105, beginning November 1, 2012 through October 31, 2013, effective February 14, 2013.*
4. *New Lease - Acme Industrial Surplus, Inc., 1451 Kastner Place, Suites 101-109, beginning March 1, 2013 through February 28, 2014, at the monthly rate of \$2,100.00 (5,040 s.f. warehouse, 960 s.f. office/showroom @ a blended rate of \$4.20/s.f.). Personal guarantee.*
5. *New Lease - Ozkan Batmaca, 1954 Dolgner Place, beginning March 1, 2013 through February 28, 2014, at the monthly rate of \$800.00 (1,068 s.f. warehouse, 432 s.f. offices @ the blended rate of \$6.40/s.f.).*

The Administrator reviewed the list of Leases explaining that Acme Industrial Surplus, Inc. is moving from a 2,000 s.f. unit (item #3) to a 6,000 s.f. unit (item #4). Ozkan Batmaca (item #5) works on machinery for different construction industries, and is taking the unit previously leased to U. S. Hydraulics, LLC. He has also requested a 60 day termination clause. Discussion ensued regarding termination clauses and screening prospects.

MOTION WAS MADE BY TAYLOR PANCAKE, SECONDED BY KYLE KILGER, TO APPROVE ITEMS 1-5, AS PRESENTED, AND TO APPROVE A 60 DAY TERMINATION CLAUSE FOR OZKAN BATMACA.

MOTION CARRIED UNANIMOUSLY.

b) *Policy Review Committee - The Administrator informed the Board that the Committee will meet on March 20, 2013 at 3:30 p.m., a half hour before our next Board Meeting.*

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There being no further business, the meeting was adjourned at 5:25 p.m. by Chairman Chase.

Damon Chase, Chairman

William H. Poe, Secretary