

**SEMINOLE COUNTY PORT AUTHORITY
MINUTES OF THE REGULAR BOARD MEETING
MAY 15, 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 May 15, 2013.

Vice Chairman Taylor Pancake called the meeting to order at 4:01 p.m. with the following Directors constituting a quorum: Taylor Pancake, Vice Chairman; Cliff Miller, Treasurer; Matthew T. Brown, Member; Thomas Kuhn, Member; and Dana McBroom, Member.

Directors Absent: Damon Chase, Chairman; William H. Poe, Secretary; Kyle Kilger, Member; and Brenda Carey, BCC Member.

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

Others present: Bob Williams, Office Manager, Millennium Luxury Coaches; and Stephen H. Coover, SCOPA Attorney.

The invocation was given by Thomas Kuhn followed by the pledge to the Flag.

Vice Chairman Pancake welcomed Bob Williams from Millennium Luxury Coaches.

The Vice Chairman asked for corrections or additions to the minutes of the April 17, 2013 Board Meeting.

MOTION WAS MADE BY MATTHEW BROWN, SECONDED BY CLIFF MILLER TO APPROVE THE MINUTES OF THE APRIL 17, 2013 BOARD MEETING, AS PRESENTED.

MOTION CARRIED UNANIMOUSLY.

The Balance Sheet and Budget Statement for the month of April, 2013 were presented to the Board. The Administrator referred to the revenues and expenditures charts explaining that revenues for the month were over budget by \$22,974, and \$20,408 for the year. Expenditures for the month were under budget by \$17,907, and \$177,440 for the year. Profit totals \$555,989 (54.3%), and occupancy decreased slightly to 87%.

The Outstanding Bills and Aged Receivables lists were presented to the Board for discussion and approval. The Administrator explained that the payment to McKee Construction Co. in the amount of \$14,725.00 is the first draw on Project #164. The payment to Samsula Demolition in the amount of \$15,994.90 is the final payment for the tank farm project, which will be held until we have the lien releases from the subcontractors and the lien release letter from Samsula Demolition.

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Mr. Miller questioned the payment to Exact Plumbing, Inc. in the amount of \$2,003.00, and the Administrator replied that this covered three different services, two were for concessions he made for new tenants who wanted water in their units. One was a hose line and another was installation of a drain for a utility sink.

Mr. Coover asked if our Engineers scope includes approving the job, and the Administrator replied that he met with the Engineer and Contractor yesterday and they approved it for final payment. They will get the final lien releases, and they received the test results which showed only minimal traces of petroleum, well under the threshold. The close-out reports have been completed and sent to DEP. We are waiting for a "no further action" letter. All the contract work has been completed.

MOTION WAS MADE BY CLIFF MILLER, SECONDED BY TOM KUHN TO APPROVE THE BILLS FOR PAYMENT, AS PRESENTED, AND TO AUTHORIZE THE ADMINISTRATOR TO HOLD THE CHECK TO SAMSULA DEMOLITION UNTIL THE LIEN RELEASES ARE CLEARED. THE LIST OF BILLS APPROVED TO BE PAID IS ATTACHED AND MADE A PART OF THESE MINUTES.

MOTION CARRIED UNANIMOUSLY.

The Administrator mentioned that last month there was a question about McKee Construction and their suppliers giving them a "notice to owners". He stated that he talked to McKee and they informed him that their suppliers haven't furnished them with a "notice to owners" for several years, but we are still covered by the bond.

The Administrator referred to the Aged Receivables list explaining that Acme Recycling Industries, LLC has paid what they owe to-date, but they have issued a letter to extend their payment plan, which we will cover later.

Referring to the account of Allstar Concrete Cutting & Coring, Inc., Mr. Van Gaale reminded the Board that at our last meeting he was directed to take this account to Small Claims Court. The process suggests that you try and settle with the client, and he was able to speak with Daimon McNamara, President and guarantor of the company, and he has offered \$1,000 to settle his account. Mr. Van Gaale stated that the cost of going to Small Claims Court is \$300-\$400, and he recommends accepting Mr. McNamara's offer.

MOTION WAS MADE BY MATTHEW BROWN, SECONDED BY CLIFF MILLER TO ACCEPT DAIMON MCNAMARA'S OFFER OF \$1,000.00 TO SETTLE HIS ACCOUNT, AS RECOMMENDED BY THE ADMINISTRATOR.

Under discussion, Mr. Miller questioned what we would report about this tenant if we were asked, and Mr. Van Gaale replied that we will write off the balance of his account after the \$1,000

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is paid. He further explained that Mr. McNamara had moved to a few different warehouses throughout the Port in the past and the last time he moved he was under the assumption that his previous termination clause carried over to the new Lease. Therefore, his argument was that he believed he had a way out of the Lease, although he never exercised the option and presented a termination letter.

Mr. Coover stated that unless there was a specific agreement between the Administrator and Mr. McNamara, then we would accept his \$1,000 and be prohibited from pursuing him further. We didn't agree to anything except to compromise his debt, so we can furnish his records to anyone who might ask about his credit.

MOTION CARRIED UNANIMOUSLY.

The Administrator continued by saying that he was also directed to take the account of William J. Leon to Small Claims Court, but we realized that he is still under Lease and we are still billing him since we haven't re-leased his unit; therefore, we don't have a final tally to go to Court with, so we are either going to wait until we re-lease the unit or his term expires in August.

Vice Chairman Pancake asked if it would get stale and less collectible as time goes on, and Mr. Van Gaale replied that we could accelerate the rent, and then back it out if we re-lease the unit. He stated that Mr. Leon had medical problems and other issues, and he feels chances of collecting are slim. Mr. Coover stated that the rent can be accelerated and you can file for that amount, but they will only give you a maximum of \$5,000. Mr. Van Gaale suggested waiting until June to file, and the Vice Chairman agreed.

Referring to the Aged Receivables list, Mr. Van Gaale stated that we received payment today from Maintenance Management Group, Inc. in the amount of \$858.00 that is not reflected on the list. He informed the Board that we are starting to have problems collecting from Ryan & Reed, Inc. The last payment we received from them was April 1st which covered the January, 2013 payment. Mr. Coover stated that we have a Stipulation and the last time this happened he sent them a letter. He suggested that the Administrator visit their facility in Volusia County to see what they have, and we will report on this next month.

The Administrator reported that he filed suit against Cup-A-Coffee and Kenneth Gogue in Small Claims Court as directed, and the hearing is scheduled for June 11, 2013 at 9:00 a.m. if Mr. Gogue receives service.

ATTORNEY'S REPORT

a) Attorney General's Opinion - Mr. Coover reported that he has not received an opinion yet on the Administrator's severance pay.

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b) *Administrator's Performance Evaluation - Mr. Coover reported that there were two errors on the compilation he prepared last month that didn't change the outcome, which have been corrected. He distributed the corrected version to the Board.*

ADMINISTRATOR'S REPORT

a) *Tank Farm Project Update - The Administrator reported, once again, that the soil samplings showed a minimal amount of petroleum, well under the threshold; and once the releases are done, the project will be complete.*

b) *Project #163-Re-Roofing/Roof-Over 4,000 s.f. Metal Roof-Update; c) Project #164-Re-Roofing 14,000 s.f. Metal Roof-Update; d) Project #165-Re-Roofing/Roof-Over 16,000 s.f. Metal Roof-Update - The Administrator reported that Project #164 is halfway done, and should be complete in about a week, then the Contractor will begin Project #165 and then Project #163.*

e) *Auditor General - The Administrator reported that he received a letter from the Auditor General requesting more information regarding our annual audits. Our Auditors, Greene, Dycus & Co., P.A. provided a letter explaining our internal control process that they are concerned about, since we only have two employees.*

Mr. Van Gaale further reported that he will be out of town in two weeks for a week.

OLD BUSINESS

a) *Millennium Luxury Coaches - The Administrator reported that both the Millennium auditor and our auditor were contacted regarding the sales tax issue on the rent abatement, and our auditor does not have much of a concern unless it was something we are doing habitually. Essentially, we are giving Millennium a one month rent abatement under the following conditions: Millennium signs a six month Lease extension or addendum to their current Lease, completes the capital improvements beneficial to the Port equaling or exceeding \$21,000 (one month's base rent), inspection of the expense records by the Administrator, and the Lease extension or addendum includes language that makes Millennium liable for any sales tax that may be assessed by the Department of Revenue in the future on the rent abatement. Mr. Van Gaale asked Mr. Williams if these conditions are acceptable, and Mr. Williams replied that he wants to clarify the following improvements: maintenance of the existing road behind the building is quoted at approximately \$10,000, painting the front of the building including filling the holes and cleaning the rust off the doors is \$5,700, and remodeling one of the storage offices is \$7,320. He stated that if any of the costs come in significantly under the quote, it will be applied toward irrigation in the front of the building.*

MOTION WAS MADE BY MATTHEW BROWN, SECONDED BY DANA MCBROOM TO APPROVE A ONE MONTH RENT ABATEMENT IN THE

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**AMOUNT OF \$21,000.00 FOR MILLENNIUM LUXURY COACHES UNDER
THE CONDITIONS DESCRIBED BY THE ADMINISTRATOR.**

MOTION CARRIED UNANIMOUSLY.

Mr. Williams thanked the Board for entertaining them stating that he feels it will be beneficial for everyone.

b) Policy Review Committee Report - The Administrator reported that the meeting was canceled today.

c) Acme Recycling Industries, LLC - The Administrator referred to the letter from Acme Recycling requesting a change to their rental payment schedule. He stated that the balance owed for the month of April was received last week, and in the original agreement they were to make two payments this month which would bring them up to date. They are now requesting that they be able to pay the April rent in May, and the May and June rents in June. If possible, they will pay 1½ months rent in May and 1½ months rent in June. Mr. Coover informed the Board that he told the Administrator to tell them to modify their agreement so that it can be presented to the Board before they default again. They are being proactive because they don't think they'll be able to make the double payment this month.

**MOTION WAS MADE BY CLIFF MILLER, SECONDED BY MATTHEW
BROWN TO APPROVE THE MODIFICATION OF THE PAYMENT
AGREEMENT WITH ACME RECYCLING INDUSTRIES, LLC, AS
REQUESTED.**

MOTION CARRIED UNANIMOUSLY.

NEW BUSINESS

The Administrator rearranged the agenda as follows:

b) Leases - The following Leases were presented for approval:

- 1. Lease Renewal - Daniel E. Wurl, 1450 Kastner Place, Suites 124 & 128, beginning May 1, 2013 through April 30, 2014, at the monthly rate of \$1,695.00 (2,328 s.f. warehouse, 672 s.f. offices @ a blended rate of \$6.95/s.f.), a 2.5% increase.*
- 2. Lease Renewal - Dynamic Aspects, Inc., 1980 Dolgner Place, Suite 1008, beginning June 1, 2013 through May 31, 2014, at the budgeted monthly rate of \$1,838.00 (2,712 s.f. warehouse, 288 s.f. offices @ a blended rate of \$7.35/s.f.), a 5% increase. Personal guarantee.*

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3. *Lease Renewal - D. T. Diesel, Inc., 1980 Dolgner Place, Suite 1040, beginning June 1, 2013 through May 31, 2014, at the budgeted monthly rate of \$814.00 (1,500 s.f. warehouse @ \$6.51/s.f.), a 5% increase. Personal guarantee.*
4. *Land Lease Renewal - Integrity Management Solutions, LLC, 4417 Schilke Way (.4553 acre m.o.l.), beginning June 1, 2013 through May 31, 2014, at the budgeted monthly rate of \$338.00 (\$8,908/acre/yr.). Personal guarantee.*
5. *Lease Renewal - Odd Rodz, LLC, 1451 Kastner Place, Suites 113-125, beginning June 1, 2013 through May 31, 2014, at the budgeted monthly rate of \$2,600.00 (8,000 s.f. warehouse @ \$3.90/s.f.). Personal guarantees.*
6. *Lease Renewal - J. L. Pandolfi Painting Contracting, Inc., 1928 Dolgner Place, beginning June 1, 2013 through May 31, 2014, at the budgeted monthly rate of \$834.00 (1,500 s.f. warehouse @ \$6.67/s.f.), a 5% increase. Personal guarantee.*
7. *Lease Renewal - We're Organized, Inc., FL, 1441 Kastner Place, Suite 111, beginning June 1, 2013 through May 31, 2014, at the budgeted monthly rate of \$2,106.00 (4,685 s.f. warehouse, 315 s.f. office @ a blended rate of \$5.05/s.f.). Personal guarantee.*
8. *New Lease - Kevin B. Hays Fire Consulting, LLC, 1470 Kastner Place, Suites 112 & 116, beginning June 1, 2013 through May 31, 2014, at the monthly rate of \$1,400.00 (2,907 s.f. warehouse @ \$5.78/s.f.). Personal guarantee.*
9. *New Lease - Filtration Direct, Inc., 1539 Dolgner Place, beginning June 1, 2013 through May 31, 2014, at the monthly rate of \$800.00 (2,000 s.f. warehouse @ \$4.80/s.f.). Personal guarantee.*
10. *New Lease - F4W, Inc., 1481 Kastner Place, Suite 101, beginning June 1, 2013 through May 31, 2014, at the monthly rate of \$1,200.00 (2,500 s.f. offices/warehouse @ a blended rate of \$5.76/s.f.). Personal guarantee.*

The Administrator reviewed the list of Leases explaining that Dan Wurl (item 1) agreed to option 1 that was approved at our last meeting increasing their rent by 2.5%, Kevin B. Hays Fire Consulting, LLC (item 8) is the new tenant that we agreed to install the water line for, and F4W, Inc. is a new tenant who builds satellite units for R.V.'s and medical emergency vehicles.

The Administrator presented an outline of rental rates for Metro Orlando received from a realtor, and stated that our rates are about average.

Mr. Coover disclosed that he represented Mr. Harry Timmons, President of F4W, Inc., in the past.

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MOTION WAS MADE BY MATTHEW BROWN, SECONDED BY CLIFF MILLER TO APPROVE ITEMS 1-10, AS PRESENTED.

Under discussion, Mrs. McBroom asked if the three new leases are at budgeted rates, and Mr. Van Gaale replied that they are.

MOTION CARRIED UNANIMOUSLY.

a) 2013/2014 Budget Presentation - Mrs. McBroom, Chairman of the Budget Committee, reported that the Committee approved all the line items included in the budget that the Board received. She distributed a spreadsheet which will be included in future budget packages that compares the current year's budgeted actual amounts to the next year's budgeted amounts, side by side for easier review.

The Administrator referred to Memorandum #2197 explaining that the actual operational revenues for the first six months of the current fiscal year are \$862,467, and the projected operational revenues for the last six months of the current fiscal year are \$839,426, totaling \$1,701,893. Actual operational expenses for the first six months of the current fiscal year are \$385,903, and the projected operational expenses for the last six months of the current fiscal year are \$537,294, totaling \$923,197. Therefore, the projected 2012/2013 operational profit is \$778,696 (46%). Mr. Van Gaale stated that we budgeted \$450,000 to Seminole County General Fund, and if we meet our target at the end of the fiscal year, it's up to the Board whether they want to increase that amount.

The Administrator explained that projected operational revenue for fiscal year 2013/2014 totals \$1,696,546 (not including the projected cash carried forward of \$1,843,991). This is a decrease of \$31,400 over the current year's budget of \$1,727,946 due to lower occupancy and reduced rates. Projected operational expenditures for fiscal year 2013/2014 total \$1,137,941, an increase of \$48,213 over the current year's budget of \$1,089,728.

The Administrator stated that the Budget Committee recommends a salary of \$45,000 for a new Administrative Aide beginning October 1, 2013. The "maintenance and repair-property" projects are standard maintenance improvements such as new roofs, road paving and landscaping.

The Administrator announced that the 2013/2014 Budget totals \$3,540,537. The cash in-cash out profit calculation totals \$558,605 (33%). The Committee recommends a transfer of \$500,000 to the General Fund of Seminole County in September, 2014, with \$150,000 of that dedicated to the Small Business Services Department of Seminole State College.

The Administrator explained that the Cash Balance Sheet for F.Y. 2013/2014 would be as follows:

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CASH BALANCE - 10/01/13 \$1,843,991

OPERATIONAL:

Revenues \$1,696,546
Expenses (1,137,941)

NON-OPERATIONAL:

Transfer to Seminole County (500,000)

CASH BALANCE - 09/30/14 \$1,902,596

Vice Chairman Pancake stated that we received some late-breaking news of a potential increase in the retirement costs. Mr. Van Gaale added that if the Governor approves the proposal, it will increase the Authority's contribution into the Florida Retirement System for all employees. The Administrator will increase from 9.3% to 21.31% (of which the Administrator pays 3%), the Administrative Assistant's drop program increases from 5.44% to 12.84%, and the new employee would increase from 5.18% to 9.95% (of which the employee pays 3%). The Governor has until May 25, 2013 to act on the bill. Discussion ensued.

MOTION WAS MADE BY THOMAS KUHN, SECONDED BY MATTHEW BROWN TO APPROVE THE 2013/2014 BUDGET, AS PRESENTED.

Under discussion, Mr. Miller asked what criteria was used to come up with a \$45,000 salary for the Administrative Aide. Mrs. McBroom replied that it was originally set at \$37,500 according to the Personnel Manual, and in looking at what the Administrative Assistant makes and at the average salary of what employees make doing a lot of the same duties, they felt it might be low. The Committee felt like it would be better to increase the amount to find someone with more qualifications. She stated that the Personnel Manual will have to be updated at the next Personnel Committee meeting to reflect the increase. Chairman Pancake added that the approval of the budgeted line item doesn't pre-approve the salary that will be determined for that slot, it just gives them a more conservative estimate in terms of what it will actually cost.

MOTION CARRIED UNANIMOUSLY.

The Administrator thanked the Budget Committee.

There being no further business, the meeting was adjourned at 4:50 p.m. by Vice Chairman Pancake.

Taylor Pancake, Vice Chairman

William H. Poe, Secretary