

**SEMINOLE COUNTY PORT AUTHORITY
MINUTES OF THE REGULAR BOARD MEETING
JULY 17, 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 July 17, 2013.

Chairman Damon Chase called the meeting to order at 4:00 p.m. with the following Directors constituting a quorum: Damon Chase, Chairman; Taylor Pancake, Vice Chairman; William H. Poe, Secretary; Cliff Miller, Treasurer; Dana McBroom, Member; and Brenda Carey, BCC Member.

Directors Absent: Matthew T. Brown, Member; Thomas Kuhn, Member; and Kyle Kilger, Member.

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

Other present: Stephen H. Coover, SCOPA Attorney.

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

The Chairman asked for corrections or additions to the minutes of the June 19, 2013 Board Meeting.

MOTION WAS MADE BY BILL POE, SECONDED BY CLIFF MILLER TO APPROVE THE MINUTES OF THE JUNE 19, 2013 BOARD MEETING, AS PRESENTED.

MOTION CARRIED UNANIMOUSLY.

The Balance Sheet and Budget Statement for the month of June, 2013 were presented to the Board. The Administrator referred to the revenues and expenditures charts explaining that revenues for the month were under budget by \$9,169, and over budget by \$23,947 for the year. Expenditures for the month were under budget by \$24,589, and \$210,177 for the year. Profit totals \$714,845 (54.3%), and occupancy increased slightly to 89.4%.

The Outstanding Bills and Aged Receivables lists were presented to the Board for discussion and approval. The Administrator explained that the payment to Public Risk Management in the amount of \$8,008.00 is our quarterly insurance payment; the payment to Sanford Carpet Incorporated in the amount of \$1,133.85 is for carpeting at 1970 Dolgner Place for a new tenant; the payment to Samsula Landfill, Inc. in the amount of \$1,273.81 is for crushed asphalt used to fill potholes and the like on dirt properties; and the payment to HydroTech Solutions in the amount of \$1,100.00 is for pressure washing the 1900 and 1980 Dolgner Place buildings. Mr. Van Gaale mentioned that HydroTech is one of our tenants that we like to use for this purpose. The payment to Ferguson Enterprises, Inc. in the amount of \$727.00 is for several downspout replacements on the 1500 Dolgner Place building.

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MOTION WAS MADE BY BILL POE, SECONDED BY CLIFF MILLER 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 Acme Recycling Industries, LLC brought us a payment yesterday and promised another half month's payment by the end of the month. He stated that they have not quite met their previous commitment which would have had them caught up by this time; however, they made an arrangement with the Tax Collector to pay taxes that are owed over the next 6 months. He would like to keep working with them and encouraging them to catch up and not get any further behind.

Mr. Van Gaale explained that he met with TreeTop Concept, LLC the other day and their business has run into a bit of a slowdown. Therefore, they would like to downsize to a 1,500 s.f. unit. Mr. Van Gaale stated that he will be working with them and bring a plan back to the Board next month.

Mr. Van Gaale informed the Board that he will be going to Small Claims Court next Tuesday in hopes of obtaining a Judgment against William J. Leon for the maximum amount of \$5,000.00.

He further explained that the amount of \$672.50 billed to La Mesa RV is for reimbursement of legal fees for the parking agreement; and we received a \$2,000.00 payment from Odd Rodz, LLC today, and they promise to bring us more this week. Edvardo Rojas is chipping away at his outstanding balance.

ATTORNEY'S REPORT

a) Ryan & Reed, Inc. - Mr. Coover reported that at the last meeting the Board instructed him to get a Judgment against Ryan & Reed, and since then they made another \$500.00 payment, but they're still woefully in arrears. Therefore, he proceeded with preparing the paperwork for the Judgment which is sitting on the Judge's desk. He stated that he also included attorney's fees.

ADMINISTRATOR'S REPORT

*a) Project #163-Re-Roofing/Roof-Over 4,000 s.f. Metal Roof-Update, and
b) Project #165-Re-Roofing/Roof-Over 16,000 s.f. Metal Roof-Update - The Administrator reported that he spoke with McKee Construction who has the contract for the two jobs, and they indicated that the projects should be complete by the end of August.*

c) Tank Farm-Phase 2 - The Administrator reported that the pre-bid meeting is scheduled for August 1st and bid opening will be August 15th; therefore, the contract to finish the site work should be awarded at our next Board meeting.

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d) 2013/2014 Budget Memo to County - The Administrator reported that the Board was sent a copy of the budget memo sent to the County Commissioners, and the budget hearing is set for August 13th. He asked Commissioner Carey if she had any questions regarding the budget memo and she replied that since occupancy has increased since the budget was prepared, she expects the "last 6 months revenues" to increase as well. He replied that we will have a few vacancies the end of this month again, so it may not change much. She questioned whether he still does a Five Year Plan, and Mr. Van Gaale replied that he does. She stated that in the past the plan showed where the buildings would be paid for and the contribution to the County increased to a million dollars, and now that keeps sliding backwards. Mr. Van Gaale replied that next year we have significant road work and the tank farm site will be ready to build on. It's advantageous to have money to pursue those projects. He invited the Chairman and/or Vice Chairman to attend the budget hearing with him.

e) Daniel E. Wurl - The Administrator reported that Mr. Wurl, a tenant of ours, approached him a couple weeks ago asking to re-negotiate his Lease. He's requesting a three year Lease with 1% increases each year retroactive back to May 1st. Mr. Van Gaale referred to Mr. Wurl's letter dated July 17, 2013. He explained that when Mr. Wurl's Lease was up for renewal in April he agreed to a 2½% increase after being given three options by the Board (see April, 2013 minutes). Mr. Van Gaale stated that the difference is a \$288.00 annual decrease in rent. Mr. Wurl is interested in improving the leasehold by installing a bathroom. Discussion ensued.

It was the consensus of the Board that the Administrator negotiate a new Lease with Mr. Wurl for a three year term with 1% increases each year, as long as the bathroom improvement is made.

Mr. Coover stated that he knows Mr. Wurl and he suggests that the Administrator write a letter back to him because he's trying to create things in his letter that don't exist. The letter should correct the record, and then he can start negotiating with him, and end it by saying that the Board authorized him to negotiate the Lease.

OLD BUSINESS

a) Policy Review Committee Report - Commissioner Carey, Chairman of the Committee, reported that the Board received a red-lined copy of the Leasing Policy in their agenda packet (copy of said Policy is attached and made a part of these minutes). She stated that the Committee met several times and developed what they felt was more in line with today's standards while keeping the mission of the Port in mind. Chairman Chase stated that he likes the changes and feels it's something he could support, and he entertained a motion.

MOTION WAS MADE BY CLIFF MILLER, SECONDED BY COMMISSIONER CAREY TO ADOPT THE LEASING POLICY, AS PRESENTED.

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Under discussion, the Administrator stated that he talked to Equifax regarding the credit checks, and there is a \$500 set-up fee which takes a couple weeks, \$100 per month minimum, plus \$30 for each commercial review. Chairman Chase felt that is a lot of money and asked Commissioner Carey if she was aware of the fees. Commissioner Carey replied that she knows that they charge, but if you look at what we spend in legal fees trying to chase the tenant down, it's certainly worth it. Discussion ensued.

Chairman Chase stated that he will bet that 6 out of 10 people have a foreclosure on their credit report. Commissioner Carey argued that the Port has a responsibility to make sure we aren't leasing public property to someone who can't pay and then we have to spend more public funds to get the property back. Chairman Chase replied that the reason some people only lease a small space is because they haven't been successful yet, and haven't had the ability to establish a sparkling record. If we set up something where we are looking into them with that much detail into their history and use that as a guide to whether or not we rent to them, a lot of those people aren't going to qualify and we're going to have a lot of empty space. Commissioner Carey stated that the credit application gives you the ability to run their credit, whether we do it or not. We have a responsibility to make sure that we don't just rent to anybody that comes through the door just because they have a pulse. Chairman Chase agreed, and asked if there is a way to only require the application since the credit report is so expensive.

Mr. Miller stated that in the last 15 years we've had "golden dogs" bite us. They were gold coming in and cold going out. Commissioner Carey replied that the policy says that if we have an existing tenant who has been in default during the course of their Lease, we have the right to do a financial review. Mr. Miller stated that not many of those who are on the "receivables" list renew their Lease because they're waiting to "hit the road". He feels that we're just "painting rust", and he doesn't approve of it.

It was the consensus of the Board that the requirement of a credit check be eliminated from the Policy, and that the application be required giving the Authority authorization to do a credit check at its discretion.

MOTION WAS WITHDRAWN BY CLIFF MILLER, AND THE SECOND WAS WITHDRAWN BY COMMISSIONER CAREY.

Mrs. McBroom was concerned about giving Dan Wurl a three year Lease when the Policy states a maximum of two years, and Commissioner Carey replied that the Board can override the Policy.

Mr. Coover agreed to amend the Policy and present it next month for approval, and Chairman Chase stated that the application requirement can be put into effect immediately.

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NEW BUSINESS

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

1. Lease Renewal - B & N Fabricating, Inc., 1525 & 1529 Dolgner Place, beginning August 1, 2013 through July 31, 2014, at the budgeted monthly rate of \$1,720.00 (3,576 s.f. warehouse, 424 s.f. office @ a blended rate of \$5.16/s.f.). Personal guarantee.
2. New Lease - G & C Welding Specialists, LLC, 1417 Dolgner Place, beginning July 1, 2013 through June 30, 2014, at the monthly rate of \$850.00 (1,204 s.f. warehouse, 192 s.f. office @ a blended rate of \$6.80/s.f.). Personal guarantees.
3. Lease Termination - Network Electrical Systems, Inc., 1932 & 1958 Dolgner Place, beginning May 1, 2013 through April 30, 2014, effective June 30, 2013.
4. New Lease - Network Electrical Systems, Inc., 1958 Dolgner Place, beginning July 1, 2013 through June 30, 2014, at the monthly rate of \$900.00 (1,212 s.f. warehouse, 288 s.f. offices @ a blended rate of \$7.20/s.f.). Personal guarantee.
5. New Lease - General Maintenance & Contracting, Inc., 1970 Dolgner Place, beginning July 1, 2013 through June 30, 2014, at the budgeted monthly rate of \$1,500.00 (2,568 s.f. warehouse, 432 s.f. offices @ a blended rate of \$6.00/s.f.). Personal guarantees.

Commissioner Carey questioned if B & N Fabricating, Inc. (Item 1) has an increase, and Mr. Van Gaale replied that they do not because they had a 5% increase last year. He explained that Network Electrical Systems, Inc. currently has a Lease on 1932 & 1958 Dolgner Place. They wish to upsize from 3,000 sq. ft. to 4,500 sq. ft. by giving up the 1932 Dolgner Place unit (1,500 sq. ft.) in exchange for the 1970 Dolgner Place unit (3,000 sq. ft.). The Leases are separated between their two companies, Network Electrical Systems, Inc. (Item 4) and General Maintenance & Contracting, Inc. (Item 5).

MOTION WAS MADE BY TAYLOR PANCAKE, SECONDED BY BILL POE TO APPROVE THE LIST OF LEASES, AS PRESENTED.

MOTION CARRIED UNANIMOUSLY.

There being no further business, the meeting was adjourned at 4:42 p.m. by Chairman Chase.

Damon Chase, Chairman

William H. Poe, Secretary