

**SEMINOLE COUNTY PORT AUTHORITY
MINUTES OF THE REGULAR BOARD MEETING
SEPTEMBER 18, 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 September 18, 2013.

Chairman Damon Chase called the meeting to order at 4:02 p.m. with the following Directors constituting a quorum: Damon Chase, Chairman; Taylor Pancake, Vice Chairman; William H. Poe, Secretary; Cliff Miller, Treasurer; Thomas Kuhn, Member; Kyle Kilger, Member; and Brenda Carey, BCC Member.

Directors Absent: Dana McBroom, Member; and Matthew T. Brown, Member.

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

Others present: Monica Cole; and Stephen H. Coover, SCOPA Attorney.

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

The Chairman introduced Monica Cole, announcing that she is a candidate for the Administrative Aide position.

The Chairman asked for corrections or additions to the minutes of the August 21, 2013 Board Meeting.

MOTION WAS MADE BY BILL POE, SECONDED BY CLIFF MILLER TO APPROVE THE MINUTES OF THE AUGUST 21, 2013 BOARD MEETING, AS PRESENTED.

MOTION CARRIED UNANIMOUSLY.

The Balance Sheet and Budget Statement for the month of August, 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 \$7,150, and \$38,550 for the year. Expenditures for the month were under budget by \$13,706, and \$274,612 for the year. Profit totals \$898,710 (55.4%), and occupancy remained at 90.1%.

The Outstanding Bills and Aged Receivables lists were presented to the Board for discussion and approval. The Administrator explained that the payment to Mike Smith Electric, LLC in the amount of \$3,229.00 is for an electrical breaker in the 1461 Kastner Place building; the payments to McKee Construction Co. in the amounts of \$14,939.00 and \$19,140.00 are final payments for projects #165 and #163; the payment to J. L. Pandolfi Painting Contracting, Inc. in the amount of \$840.00 is for painting the interior of 1932 Dolgner Place and 1980 Dolgner Place, Suite 1036; and the payment to Roger Pinkerton in the amount of \$5,823.43 is for Port maintenance and the renovation of 1470 Kastner Place, Suite 108.

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Chairman Chase questioned Mr. Coover on his rate of pay from the Authority, and Mr. Coover replied that he gets \$200.00 per hour plus \$400.00 retainer for the Board meetings. The Chairman asked how long he has been at that rate, and Mr. Coover replied that he thinks it's been a couple years but he'd have to research it. The Chairman stated that he doesn't remember an increase in his rate since he's been here, and asked the Administrator to put some rate comparisons together for the next meeting.

MOTION WAS MADE BY CLIFF MILLER, SECONDED BY THOMAS KUHN 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 we received \$10,000.00 from Acme Recycling Industries, LLC yesterday and they have committed to paying the balance of July in the amount of \$7,166.12 by the end of the month. Mr. Coover stated that we've confirmed that their main lender has sued them under all the Notes that they have, and they haven't levied, bonded or done anything that would allow them to come in and take any of the assets yet, but they're definitely trying to bring things to a head. There is several hundred thousand dollars owed, and we knew that when they were in trouble the last time, and we had a strategy for how we were going to try to get paid out of some of the assets that are over there.

Mr. Pancake asked if there is any opportunity to race to the front of the line or has that ship sailed. Mr. Coover stated that there is a point when we might want to intervene, but he's not sure whether we want to get involved in it yet and spend the money. He would like to monitor it for awhile and if it looks like the banks are actually going to do something serious, then we could intervene and assert our claim to certain assets. The best thing to do is for the Administrator, Chairman and himself have a discussion about things off the record, because discussing strategy in a Board meeting is difficult. If the Chairman believes we should bring a recommendation back to the Board, then we'll handle it that way.

Commissioner Carey asked if it is time sensitive, should we give the Chairman and Administrator the authority to move forward in the best interest of the Authority before the next Board meeting. She asked if there is a single asset that they can give us title to as collateral, and Mr. Coover replied that there really is nothing that is not encumbered because the bank has a blanket lien. There are some exceptional rules when it comes to our landlord's lien that relates to the date that the property and tenant came to the Port. The bank's lien is a subsequent lien that's a blanket, so there would have to be a lot of fact finding to try and establish what our lien is attached to.

Mr. Pancake asked if we've ever signed a subordination for their current lender, and Mr. Coover replied not that he's aware of. Discussion ensued.

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MOTION WAS MADE BY COMMISSIONER CAREY, SECONDED BY KYLE KILGER TO AUTHORIZE THE ATTORNEY TO TAKE WHATEVER ACTION HE DEEMS NECESSARY AGAINST ACME RECYCLING INDUSTRIES, LLC TO PROTECT THE AUTHORITY'S INTEREST, AFTER CONFERRING WITH THE CHAIRMAN AND ADMINISTRATOR.

MOTION CARRIED UNANIMOUSLY.

Commissioner Carey asked if Acme gives us copies of their manifests when they dispose of hazardous materials such as gasoline from old equipment, and Mr. Van Gaale replied that they do not, but they have to register with the State so there's an environmental oversight on it. Commissioner Carey stated that we need to make sure that they are up to date with all their reporting to the State.

The Administrator reported that Integrity Management Solutions, LLC recently terminated their warehouse Lease, but still has a small Land Lease in effect. They indicated that they hope to catch up on their balance of \$743.53 by the end of the month. Mr. Van Gaale stated that we received \$500.00 from Ryan & Reed, Inc. today, and Edvarado Rojas has been issued a Three Day Notice.

Mr. Van Gaale explained that Odd Rodz, LLC is in the car business and has been struggling. He asked them for a payment plan before he issued a Three Day Notice. He referred to letters they submitted from their CPA, bank, and themselves explaining a Line of Credit that will be available on October 15th, allowing them to catch up on their rent.

Chairman Chase stated that he is not in favor of allowing them to continue for possibly another month when they may get a Line of Credit. He asked when the last time was that we received any rent, and Mr. Van Gaale replied just before the last Board meeting. Mr. Coover stated that we can do a Distress for Rent and secure our position. He stated that the letter from their CPA's says that they have \$200,000 in assets, so we can tell them if they don't pay, we will secure their assets. Discussion ensued.

Mr. Coover stated that the other way to go is to give them a Three Day Notice. Usually, when you do a Distress for Rent you are expecting them to move out on you. Chairman Chase felt that the Distress Writ would encourage them to get their rent paid.

Mr. Kilger asked if it would be a problem leasing their space, and Mr. Van Gaale replied that it would not be a problem, it is one of our better warehouses with good visibility to Orange Boulevard, and it will just need some cleaning up.

MOTION WAS MADE BY BILL POE, SECONDED BY THOMAS KUHN TO INSTRUCT THE ATTORNEY TO PROCEED WITH THE DISTRESS WRIT FOR ODD RODZ, LLC, AND TO PROCEED WITH THE EVICTION.

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MOTION CARRIED UNANIMOUSLY.

ATTORNEY'S REPORT

Referring to prior discussion, Mr. Coover stated that he thinks what you will find is that legal fees for attorneys for agencies are lower, but that has a lot to do with volume, and we haven't had much volume here for several years. He stated that he's happy to work for the Port, and anything the Board would like to do would be appreciated.

a) Ryan & Reed, Inc. - Mr. Coover reported that Ryan & Reed is making their payments more regularly now, and they wrote him a letter that basically says that they haven't gotten everything together yet as required by the Judge's Order as far as financial disclosures, and asked for an extension. They have the tax returns and will get them over to him. Therefore, he gave them another 30 days, and informed them that if they don't provide what is required, we will take action. He also told them that they would have to reimburse attorney's fees.

b) William J. Leon - Mr. Coover reported that the property where the Administrator tried to have him served is owned by Mr. Leon, his wife and a relative, and is financially underwater. He stated that he also found some property in Volusia County that his wife owns, but it also looked to be underwater. They are claiming homestead on the property where the Administrator tried to serve him, but he's not sure whether he lives there. They did some refinancing and were the subject of a couple foreclosures. The Chairman asked Mr. Coover if he felt it would be throwing good money after bad to continue to pursue this debt, and Mr. Coover replied that he did.

**MOTION WAS MADE BY CLIFF MILLER, SECONDED BY KYLE KILGER
TO WRITE-OFF THE OUTSTANDING BALANCE OF WILLIAM J. LEON IN
THE AMOUNT OF \$5,417.00.**

MOTION CARRIED UNANIMOUSLY.

ADMINISTRATOR'S REPORT

a) Tank Farm-Phase 2-Bid Results - The Administrator reported that bonding is in the works by Samsula Demolition, and he hopes to get this project done in the next couple weeks.

b) 2013/2014 Insurance Renewal - The Administrator presented an insurance proposal from our current carrier, Public Risk Management (PRM), in the amount of \$66,974, an 11% increase over last year. He stated that the other prices that had previously been quoted were from Florida League of Cities in the amount of \$71,000 and from the private market of \$82,000 for the property alone. He stated that Mr. Miller has reviewed the proposal, and they both recommend renewing our current policy with PRM.

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MOTION WAS MADE BY TAYLOR PANCAKE, SECONDED BY BILL POE TO APPROVE THE INSURANCE RENEWAL QUOTE FOR FISCAL YEAR 2013/2014 IN THE AMOUNT OF \$66,974.00 FROM PUBLIC RISK MANAGEMENT.

MOTION CARRIED UNANIMOUSLY.

OLD BUSINESS

There was no old business.

NEW BUSINESS

1. *Lease Renewal - Wayne Stephen Edwards, 1904 Dolgner Place, beginning October 1, 2013 through September 30, 2014, at the budgeted monthly rate of \$794.00 (1,500 s.f. warehouse @ \$6.35/s.f.), a 5% increase.*
2. *Lease Renewal - Seminole State College, 1433-1453 Dolgner Place, beginning October 1, 2013 through September 30, 2014, at the budgeted monthly rate of \$3,280.00 (10,500 s.f. offices @ \$3.75/s.f.).*
3. *Lease Renewal - Kurt D. Shirley d/b/a Shirley Motor Sports, 1470 Kastner Place, Suite 120, beginning October 1, 2013 through September 30, 2014, at the budgeted monthly rate of \$761.00 (1,500 s.f. warehouse @ \$6.09/s.f.).*
4. *Lease Renewal - Danny Lee Staats and Jay Alan Priest d/b/a Ultimate Woodworks, 1551 & 1555 Dolgner Place, beginning October 1, 2013 through September 30, 2014, at the budgeted monthly rate of \$1,449.00 (4,000 s.f. warehouse @ \$4.35/s.f.).*
5. *New Lease - Legacy Glass & Supply, Inc., 1980 Dolgner Place, Suite 1060, beginning October 1, 2013 through September 30, 2014, at the monthly rate of \$1,400.00 (2,712 s.f. warehouse, 288 s.f. offices @ a blended rate of \$5.60/s.f.). Personal guarantee.*
6. *New Lease - Radios OEM, Inc., 1470 Kastner Place, Suite 108, beginning October 1, 2013 through September 30, 2014, at the monthly rate of \$850.00 (1,300 s.f. warehouse, 200 s.f. office @ a blended rate of \$6.80). Personal guarantee.*

The Administrator reviewed the list of Leases explaining that Legacy Glass & Supply, Inc. (Item 5) is expanding their warehouse to the warehouse Treetop Concept, LLC vacated last month in order to downsize to a smaller warehouse. Legacy now leases 1980 Dolgner Place, Suites 1060 and 1068, a total of 6,000 sq. ft. Radios OEM, Inc. (Item 6) has completed the application as required by our new Leasing Policy and they provided solid financial statements. They are in a high-tech business manufacturing micro-chips and radio transmitters for different industries.

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MOTION WAS MADE BY TOM KUHN, SECONDED BY CLIFF MILLER TO APPROVE THE LIST OF LEASES, AS PRESENTED.

MOTION CARRIED UNANIMOUSLY.

b) Election of Officers for FY 2013/2014 - Mr. Miller, Chairman of the Nominating Committee, reported that the Committee met and unanimously agreed to present the following slate of officers for FY 2013/2014.

*Taylor Pancake - Chairman
Dana McBroom - Vice Chairman
Matthew Brown - Secretary
Kyle Kilger - Treasurer*

MOTION WAS MADE BY COMMISSIONER CAREY, SECONDED BY BILL POE THAT THE NOMINATIONS BE CLOSED AND THAT A UNANIMOUS BALLOT OF THE SLATE OF OFFICERS BE CAST.

MOTION CARRIED UNANIMOUSLY.

Chairman Chase passed the gavel to his successor, Mr. Pancake. He stated that his legacy with the Port Authority is that we don't approve reality, referring to the financial statements.

There being no further business, the meeting was adjourned at 4:45 p.m. by Chairman Chase.

Damon Chase, Chairman

William H. Poe, Secretary