

**SEMINOLE COUNTY PORT AUTHORITY
MINUTES OF THE REGULAR BOARD MEETING
OCTOBER 16, 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 October 16, 2013.

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

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

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

Others present: Jennifer Parker, incoming Administrative Aide; and Stephen H. Coover, SCOPA Attorney.

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

The Chairman introduced and welcomed Jennifer Parker who was recently hired as the Administrative Aide starting November 1, 2013.

The Chairman asked for corrections or additions to the minutes of the September 18, 2013 Board Meeting.

MOTION WAS MADE BY DAMON CHASE, SECONDED BY CLIFF MILLER TO APPROVE THE MINUTES OF THE SEPTEMBER 18, 2013 BOARD MEETING, AS PRESENTED.

MOTION CARRIED UNANIMOUSLY.

The Balance Sheet and Budget Statement for the month of September, 2013 and year end were presented to the Board. The Administrator referred to the revenues and expenditures charts explaining that revenues for the month were over budget by \$15,098, and \$53,648 for the year. Expenditures for the month were under budget by \$7,750, and \$282,063 for the year. Profit totals \$973,929 (54.7%), and occupancy increased to 91.8%.

Mr. Van Gaale announced that our year end audit is complete, and will be presented at our November, 2013 Board meeting. He stated that we collected 98.8% of our revenues, profits are up by about \$75,000, and revenues increased about \$100,000 over last year.

Referring to the budgeted expenditures, Mr. Miller asked what projects were carried over from last year, and Mr. Van Gaale replied some of the tank farm project, and we were also pretty

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frugal on our expenditures, plus some of the projects came in under budget.

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 \$40,184.00 is our first quarterly insurance installment; the payment to Air Control Heating & Air Conditioning, Inc. in the amount of \$2,970.00 is for a new air conditioning unit at 1501 Dolgner Place and service at 1470 Kastner Place, Suite 108 and 1920 Dolgner Place; the payment to Seminole County General Fund in the amount of \$450,000.00 is the transfer of funds.

Mr. Van Gaale explained that Roger Pinkerton, our independent contractor, has been levied for some back taxes owed the Internal Revenue Service; therefore, the payment to the Internal Revenue Service (United States Treasury) in the amount of \$3,034.22 has been deducted from his pay and will go toward those taxes.

MOTION WAS MADE BY CLIFF MILLER, SECONDED BY WILLIAM POE 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 \$17,171.43 from Acme Recycling Industries, LLC today, which paid for August, 2013. Wayne Edwards indicated that he would make a payment this week; Integrity Management Solutions, LLC has been slowly working off their debt; Ocean State Event Services, Inc. indicated that they are waiting for some money from one of their international customers and promised to be caught up soon; Odd Rodz, LLC will be discussed under the Attorney's report; and Edvardo Rojas is a chronic late payer but brought us his August payment today.

Mrs. McBroom asked if Ryan & Reed made a payment and Mr. Coover replied that their last payment was made on September 18. Mrs. Dolgner added that they will probably make a payment before the end of the month.

The Administrator explained that we have a Small Claims Judgment against Cup-A-Coffee for their Note Receivable, and our auditor recommended writing it off to clean up the books.

MOTION WAS MADE BY DAMON CHASE, SECONDED BY COMMISSIONER CAREY TO WRITE-OFF THE NOTE RECEIVABLE OF CUP-A-COFFEE IN THE AMOUNT OF \$1,801.80, FOR DISCUSSION PURPOSES.

Commissioner Carey asked how we are going to keep track of these liens and Judgments when they are due to renew if we write them off. When it shows as a receivable, it serves as a reminder.

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MOTION WAS WITHDRAWN BY DAMON CHASE, AND THE SECOND WAS WITHDRAWN BY COMMISSIONER CAREY.

MOTION WAS MADE BY DAMON CHASE, SECONDED BY WILLIAM POE TO TABLE THE ISSUE UNTIL THEY RECEIVE FURTHER EXPLANATION FROM THE AUDITORS.

MOTION CARRIED UNANIMOUSLY.

Commissioner Carey stated that since she will not attend the next meeting due to a conflict, she definitely thinks we need to keep the Note on our books in order to keep up with it.

ATTORNEY'S REPORT

a) Ryan & Reed, Inc. - Mr. Coover reported that Ryan & Reed had promised to get some tax returns and other financial information called a Fact Information Sheet to him, but they have not, and it's been over 60 days. Therefore, he will seek sanctions and see what happens.

b) Odd Rodz, LLC - Mr. Coover reported that he filed a Distress for Rent which basically ties up their assets. He had one communication with one of the principles of that company, and told her that he would work up an amount due and she would need to get us her first, last and best offer on how she was going to take care of it. He called her back twice, and she hasn't returned his calls. Their response is due on October 30, 2013, and if nothing happens, we'll fault them and proceed to sell their property. Their CPA's have indicated that there is about \$200,000 worth of assets, but we're not sure about that.

Commissioner Carey asked if we have the right to go and inspect our facilities, and Mr. Coover replied that we do. She stated that we need to know what's there, because if they won't even return your phone calls, they probably wouldn't mind moving stuff out in the middle of the night. Mr. Van Gaale stated that he would like to talk to Mr. Coover on how to proceed on that.

c) Acme Recycling Industries, LLC - Mr. Coover reported that at the last meeting he informed the Board of the situation with the lawsuit by M & I/BMO Harris Bank against Acme Recycling and when he checked back in August, the last filing was in July and no activity has taken place since then. He stated that he called and spoke with Acme's attorney and asked him if he could call and speak with Linda Landry (principle of Acme Recycling), but before he called Linda, she called him. She explained to him that she was in the process of negotiating either an abatement or dismissal of the lawsuit by the banks so she could go get other financing from somebody else, and she indicated that they seemed to be receptive until February. They told her that they don't really want her business or her assets, and that seems to be born out by the pace in which they're pursuing this case. He explained to her that the Board was slightly uncomfortable with our negative position on their rent, and after she responded that they are not to worry because she will pay it, he explained to her that one of our only ways of getting paid is if there are some assets that were on-site, owned

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by the debtor, prior to the M & I/BMO loan in 2008. She wasn't sure but she thought that they certainly would have assets prior to that date. Mr. Coover explained that the way the Landlord/Tenant act works is if we can prove assets were on site prior to the BMO Blanket Lien that came on, then we can claim the Landlord's lien on those assets. She's supposed to be researching her financial records to see if she can locate some of those assets for him.

Discussion ensued regarding Acme's payment history, and Mr. Van Gaale added that we have security deposits on two of their three facilities. He stated that he would like to continue working with them because they've been straight forward with us and have been a long time tenant. They know that they cannot get any further behind in their rent. Mr. Chase asked if they can reduce their space, and Mr. Van Gaale replied that they have already reduced from five facilities down to three and he doesn't think they would be able to reduce any further because of the amount of product they have.

d) Roger Pinkerton - Mr. Coover reported that Mr. Van Gaale sent him a Notice of Levy from the IRS which shows that our subcontractor who does repair work for us owes the IRS a substantial sum of money. He stated that the documentation clearly prevents us from paying him, so Mr. Van Gaale gave Mr. Pinkerton the documentation as the instructions dictated whereas he had to fill out an exemption form, then he has to give it back to us, and then we have to remit money to the IRS based upon that. Our CPA computed out what we should pay which is reflected today by the checks to the IRS and Mr. Pinkerton. Mr. Coover suggested we wait a month or two before approving his Lease renewal which will be presented later in the meeting, until we can get some clarification from the IRS on what can be done since they've been closed for the past couple weeks.

Commissioner Carey questioned his history, and Mr. Van Gaale replied that he's an independent contractor who used to have a mechanic business here at the Port for a number of years. He inherited him from the previous Administrator as a handyman and required him to have insurance, worker's comp exemption, and an Independent Contractor's Agreement that Mr. Coover provided. Commissioner Carey asked why we have to pay the IRS, and Mr. Van Gaale replied because we pay him and issue him a 1099-Misc. form every year. Based on his exemptions, we can pay him \$833.33 each month, and the difference goes to the IRS. The second option is, once the IRS is back open, he and his tax specialist can go to them and negotiate a payment plan.

ADMINISTRATOR'S REPORT

a) Tank Farm-Phase 2-Bid Results - The Administrator reported that the site has been fully cleared, the old fences are removed, and the pit where the tanks stood is being filled. It will be ready for temporary use soon, and developed in the future.

b) Attorney's Fee - The Administrator reported that last month the Chairman asked him to review our attorney's fees, and in 2010/2011 we increased his hourly rate from \$150 to \$200. Mr. Coover stated that he told him not to spend any time on it, that he's fine where he's at now. Mr. Van

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Gaale stated that it can be revisited during our next budget process, although, he did due some research and it's in-line with organizations our size. Commissioner Carey stated that the last time the County renewed some contracts with their outside legal counsel, they approved \$250/hour, and then they came back later and asked for more money which they didn't approve. Mr. Chase added that he feels that Mr. Coover does a good job for us and doesn't "nickel and dime" us, so \$250/hour is a reasonable rate and should be considered at the next budget meeting. Commissioner Carey stated that we are starting our new year now and we didn't spend as much last year as we budgeted, so there is nothing to prevent us from making that change now.

MOTION WAS MADE BY DAMON CHASE, SECONDED BY CLIFF MILLER TO APPROVE AN HOURLY RATE OF \$250.00 FOR LEGAL COUNSEL, AS DISCUSSED.

MOTION CARRIED UNANIMOUSLY.

c) Margie Knight - The Administrator reported that Margie Knight is a prospective tenant and her family is in the truck business in DeBary. Based on our new Leasing Policy, she's struggling with the increased insurance requirement of a \$500,000 minimum coverage. She's obtained quotes for \$100,000, \$300,000 and \$500,000 for her required garage liability insurance, and there is quite a difference in premiums. Mr. Van Gaale asked if there is any room for negotiation, based on our limits of exposure being a sovereign immunity entity. Mr. Miller stated that he doesn't want to pick and choose who has to get \$300,000 or \$500,000 coverage. Commissioner Carey stated that she thinks \$500,000 is the lower limit of which most people require in the commercial world, so if she can't afford the difference between \$300,000 and \$500,000, then she probably can't afford the rent. Mr. Miller stated that generally the cost of going higher once you have the base, is not that much unless she's dealing with a substandard company that doesn't want to write that kind of limit. The Chairman stated that he doesn't think we want to substitute our sovereign immunity or our protection under our insurance for our tenants. Mr. Miller stated that garage liability has gotten very expensive and not everyone wants to write it.

OLD BUSINESS

There was no old business.

NEW BUSINESS

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

1. Lease Renewal - Acme Industrial Surplus, Inc., 1461 Kastner Place, Suites 117-129, beginning November 1, 2013 through October 31, 2014, at the budgeted monthly rate of \$2,904.00 (8,000 s.f. warehouse, plus lot @ \$4.36/s.f.). Personal guarantee.

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2. *Lease Renewal - Jamie E. Fallen d/b/a/ Bandit Performance, 1517 Dolgner Place, beginning November 1, 2013 through October 31, 2014, at the budgeted monthly rate of \$882.00 (2,000 s.f. warehouse @ \$5.29/s.f.).*
3. *Land Lease Renewal - Heritage Operating, L. P., 4350 Carraway Place, beginning November 1, 2013 through October 31, 2014, at the budgeted monthly rate of \$128.00 (\$12,094/acre/yr.). Personal guarantee not required since they are a publicly traded company.*
4. *Lease Renewal - Roger Pinkerton, 1471 Kastner Place, Suite 125, beginning November 1, 2013 through October 31, 2014, at the budgeted monthly rate of \$817.00 (2,000 s.f. warehouse @ \$4.90/s.f.).*
5. *New Lease - Ricardo Zayas, 1932 Dolgner Place, beginning November 1, 2013 through October 31, 2014, at the monthly rate of \$800.00 (1,500 s.f. warehouse @ \$6.40/s.f.).*
6. *New Lease - Margie O. Knight, 1980 Dolgner Place, Suite 1036, beginning November 1, 2013 through October 31, 2014, at the monthly rate of \$800.00 (1,500 s.f. warehouse @ \$6.40/s.f.).*
7. *Lease Termination - Brand O' Guitar Company, 1413 Dolgner Place, beginning January 1, 2013 through December 31, 2013, at the budgeted rate of \$800.00, effective October 31, 2013.*
8. *New Lease - Brand O' Guitar Company, 1920 Dolgner Place, beginning November 1, 2013 through October 31, 2014, at the monthly rate of \$1,500.00 (3,000 s.f. offices/warehouse @ a blended rate of \$6.00/s.f.). Personal guarantees.*

The Administrator explained that Brand O' Guitar Company wishes to up-size their space to accommodate their growing business (items 7 & 8). They make specialized guitar labels for promotional display.

MOTION WAS MADE BY DAMON CHASE, SECONDED BY CLIFF MILLER TO APPROVE THE LIST OF LEASES, WITH THE EXCEPTION OF ROGER PINKERTON (ITEM 4), AS PRESENTED.

MOTION CARRIED UNANIMOUSLY.

b) Chairman's Plaque Presentation - The Chairman presented a gavel plaque to the outgoing Chairman, Damon Chase, and thanked him for his service.

c) Check Presentation to BCC - The Administrator stated that he and Mr. Chase will be presenting the \$450,000 check to the County Commission at their public hearing on Tuesday,

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October 22, 2013 at 1:30 p.m.

There being no further business, the meeting was adjourned at 4:47 p.m. by Chairman Pancake.

Taylor Pancake, Chairman

Matthew T. Brown, Secretary