

**SEMINOLE COUNTY PORT AUTHORITY  
MINUTES OF THE REGULAR BOARD MEETING  
NOVEMBER 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 November 20, 2013.*

*Vice-Chairman Dana McBroom called the meeting to order at 4:02 p.m. with the following Directors constituting a quorum: Taylor Pancake, Chairman (arriving late); Dana McBroom, Vice-Chairman; Matthew T. Brown, Secretary; Kyle Kilger, Treasurer; William H. Poe, Member; Cliff Miller, Member; Damon Chase, Member; and Thomas Kuhn, Member.*

*Directors Absent: Brenda Carey, BCC Member.*

*Staff present: Andrew Van Gaale, Administrator; Irene Dolgner, Administrative Assistant; and Jennifer Parker, Administrative Aide.*

*Others present: Rob Kimelman and David Shivemantle, Greene, Dycus & Co., P.A.*

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

**2012/2013 AUDIT PRESENTATION**

*The Vice-Chairman turned the floor over to Rob Kimelman. Mr. Kimelman stated that there is a point of business that needs to be taken care of first and he turned the floor over to the Administrator.*

*The Administrator referred to the list of budget adjustments for FY 2012/2013 as presented by the Auditor. He explained that every year we have to approve a variance report, which reclassifies line items. Mr. Kimelman explained that it was a point of formality to align the budget and offset any negative line items with a positive in the Port Authority's zero based budget.*

***MOTION WAS MADE BY MATTHEW BROWN, SECONDED BY WILLIAM POE TO APPROVE THE FY 2012/2013 BUDGET LINE ITEM ADJUSTMENTS, AS PRESENTED.***

***MOTION CARRIED UNANIMOUSLY.***

*Mr. Kimelman referred to the draft copy of the September 30, 2013 Audit Report explaining that the audit report is complete but was marked "Draft" as a formality until approved here. Upon approval, it will be sent to the Auditor General in Tallahassee as well as the County. He stated he is going to present a couple highlights.*

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*Mr. Kimelman referred to page 2, the "Independent Auditors' Report" and explained that it is formatted differently than prior years due to changes in the standards which make the report longer. However, it is a clean report stating the financial statements have been presented and prepared in accordance with appropriate financial accounting principles.*

*Mr. Kimelman referred to the "Balance Sheet" on page 9 explaining that the capitol assets, encompassing the buildings and land, is \$7,542,237 whereas last year it was \$7,765,936. The cash and cash equivalents increased from \$1,372,740 in 2012 to \$1,893,713 in 2013. Therefore, cash and cash equivalents went up about a half million and the capitol assets went down about \$200,000 because the Port depreciated more than purchased. The cash increased as a result of a positive cash flow through rent collections and fewer expenses generated throughout the year. Mr. Kimelman referred to the payables such as utilities, which are generally consistent from year to year and there is nothing noteworthy.*

*Mr. Kimelman referred to the Profit and Loss Report on page 10 noting that the operating revenues are just under \$1.8 million, which is up about \$100,000 over the prior year. This increase is found primarily in the building lease category, which is a summation of percentage increases in rental rates where available, and increased occupancy rates over the whole year. Mr. Kimelman noted that largely this increase in operating revenue is already collected and that there is not a collection issue beyond a couple of individual tenants. Operating expenses are increased by \$30,000 over last year. Mr. Kimelman explained that revenues are up 7% but costs are only up 3% resulting in a positive operating income increase of \$750,000. It was noted that insurance costs were decreased by \$15,000 due to an insurance dividend the Port received that was applied to that cost. The increase in bad debts has been set up as a reserve, which is traditional accounting practice due to the questionable collectability of a couple of accounts. Mr. Kimelman noted that operating income is 12% higher this year over last year generating \$750,000 in operating income of which \$450,000 was paid to the County, increasing the profit by \$300,000 for the year. In comparison to the trends over past years, while the revenue levels are not where they were in 2008, it appears they hit a bottom in 2012 and are climbing again at a respectable rate. Mr. Chase asked Mrs. McBroom if she had reviewed the audit to which Mrs. McBroom confirmed she had.*

**MOTION WAS MADE BY DAMON CHASE, SECONDED BY THOMAS KUHN TO APPROVE THE 2011/2012 AUDIT REPORT, AS PRESENTED.**

*Chairman Pancake joined the meeting at 4:12 p.m.*

*Mr. Kimelman stated that there were no issues with the audit or disagreements with management. Further stating that there were no findings outside of the normal audit process and the staff was very cooperative.*

**MOTION CARRIED UNANIMOUSLY.**

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*The Board thanked Mr. Kimelman for his report, and Mr. Kimelman and Mr. Shivemantle left the meeting at 4:14 p.m.*

*Vice-Chairman McBroom turned over the gavel to Chairman Pancake who apologized for his tardiness.*

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

**MOTION WAS MADE BY MATTHEW BROWN, SECONDED BY DAMON CHASE TO APPROVE THE MINUTES OF THE OCTOBER 16, 2013 BOARD MEETING, AS PRESENTED.**

**MOTION CARRIED UNANIMOUSLY.**

*The Balance Sheet and Budget Statement for the month of October 2013 and year to date were presented to the Board for discussion and approval. The Administrator referred to the revenues and expenditures charts explaining that revenues were over projections by \$10,394; and expenditures were under projections by \$14,331. Year to date profit is \$68,143, which equates to 45.1%. Occupancy for the month of October was 92.5%.*

*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 Samsula Demolition in the amount of \$61,500 is the first draw on the Tank Farm site restoration. The payment to J.L. Pandolfi Painting and Contracting, Inc., in the amount of \$4,350 is for painting 1511 Kastner Place, a 4000 square foot office building to increase curb appeal and entice occupancy. The payment to Stephen H. Coover, Client Trust, in the amount of \$2,918.50 is for legal fees, approximately half of which was for Odd Rodz, LLC and was reimbursed by them.*

**MOTION WAS MADE BY WILLIAM POE, SECONDED BY KYLE KILGER 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 indicated that they are maintaining their agreement not to exceed sixty to ninety days. Mr. Wayne Edwards is expected to bring a check next week to get his account cleared up. Integrity Management Solutions, LLC has a small balance in the 60-90 days column, but is trying to catch up again. Ocean State Event Services, Inc. is working on their collections. We received the \$500 payment from Ryan and Reed, Inc. and Edvardo Rojas paid his September rent recently.*

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*Mr. Chase asked what the Port's agreement was with Ryan and Reed, Inc. and the Administrator replied that it was agreed that they would make monthly payments in the amount of \$500. Further, the Administrator explained that the legal costs associated with the collection would be billed back to Ryan and Reed, Inc. and added to the Note.*

ATTORNEY'S REPORT

*a) Ryan & Reed, Inc.- Previously discussed.*

*b) Odd Rodz, LLC- In Mr. Coover's absence, the Administrator reported that we filed suit on Odd Rodz, LLC for their past due rents and legal fees. At the deadline, a check was received via Mr. Coover's office for the total amount due.*

ADMINISTRATOR'S REPORT

*a) Tank Farm Phase II Project-Update - The Administrator reported that the project is about 95% complete. The fencing is complete, the hole is filled, and the sodding and hydro seeding will be applied this week. There are a few gates to be installed and geotechnical testing is all that remains before the property is ready to be leased.*

*b) Five Year Capital Improvement Plan Update - The Administrator presented the Five Year Capital Improvement Plan Update after meeting previously with the Chairman to discuss some scenarios for the future of the Port. Typically, the Capital Improvement Plan is a guide to help with the budgeting process and is not a complete manifest of everything that the Administrator will need to do. The current year lists the budgeted projects including a couple of the needed roof repairs. The important thing is that when the Board looks at the current cash balance in the bank of about \$2,000,000, we look forward as we have a prime +/- 3 acre site for redevelopment of some sort. He stated that in speaking with the current Chairman, in 2016 we have some ideas of future development scenarios along with years four and five phased-out development. The Administrator reported that the Capital Improvement Plan, while still conservative, explains why the Port is withholding a larger cash balance for future site development.*

*The Administrator expressed that Mr. Brown has convention center ideas for the site. Mr. Brown stated his thought was in regards to the existing Port dock building and the land across from it is now available for parking. Mr. Brown further expressed that he felt the reserve money for future development was prudent as he had been on the Board in past years when loans were required for such projects. While paid back faster than most, the Port still had to borrow the money and it behooves the Board to hold to some reserves while being fair to the County. Mr. Pancake expressed his thoughts on the issue were that it was difficult to hold on to the reserve without an outline for the responsible ways in which it would be deployed over the extended period. Mr. Pancake thanked the Administrator and expressed that the Board would be looking for additional thoughts as they moved closer to the budget process.*

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c) *Road Improvements – The Administrator explained that he had a recent meeting with Ranger Construction regarding paving items on the Port roads and it was discovered that there is a lot of work that needs to be done on the drainage and culvert system. The Administrator explained that, as suggested by the Chairman, he would be moving forward with the CCNA, Competitive Consultants Negotiation Act. Next month he will ask that a committee be appointed to begin setting up the rankings and putting together the questions for engineering services. Then the top two or three can be selected to be on retainer at negotiated rates that can be used to move forward with the work. The Administrator explained it is not beneficial to the Port to make the road repairs and then have to remove sections to correct the nonfunctioning culverts. Therefore, engineering will be required for the contractors to effectively bid on an engineered design for the work to be completed properly. The Administrator further explained this work will include surveying and engineering next year, and the expenses can either be phased or the reserves utilized.*

*Mr. Miller asked the Administrator if any of the drainage system work could be considered an emergency item. He stated it would not behoove the Board to not use due diligence and an unexpected storm come through the Port. The Administrator expressed that he did not believe so, but that it was getting close. The Administrator further stated that he agreed as it was rough over the past summer and he desires to have a majority of the work completed prior to the rainy season next year. If needed, one section could be replaced at a time. However, the Port receives a lot of water from neighboring developments, which is impacting the west side of the Port while the canal to the east has a greater capacity thus the reasoning for additional engineering. Mr. Miller further suggested they look at improvements to the parking lot as well.*

d) *1980 Dolgner Place, Suite 1036 - The Administrator explained to the board that the Lessee for 1980 Dolgner Place, Suite 1036, Margie Knight, was required to have inspections for their automobile business licensing. The building inspection revealed that the office in the unit failed the fire inspection. The repair permit to correct the situation was denied due to the office having wood studs in a steel building and the Port was required to remove the existing office altogether. Mr. Brown inquired if the building had a fire sprinkler system and the Administrator confirmed it does not. Therefore, the Administrator is proceeding with receiving quotes to have an office reinstalled as the Lessee leased the space expecting it to include office space. The first estimate received came in at \$8,700, which includes \$2,000 for the required engineering. The Administrator asked for the Board's approval for this project after receiving two more quotes, as he felt it was the prudent thing to do under the circumstances and only improved the value of the property. Mr. Kilger inquired if the tenant could be moved to a different available unit. The Administrator stated that due to the extensive permitting and licensing process the Lessee had already undergone utilizing the leased address changing units is not possible.*

**MOTION WAS MADE BY THOMAS KUHN, SECONDED BY MATTHEW BROWN TO APPROVE THE CONSTRUCTION OF THE OFFICE AT 1980 DOLGNER PLACE, SUITE 1036, NOT TO EXCEED \$8,700, AS PRESENTED.**

**MOTION CARRIED UNANIMOUSLY.**

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OLD BUSINESS

*There was no old business.*

NEW BUSINESS

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

- 1. Lease Renewal – Progressive Marketing Services, Inc., 1470 Kastner Place, Suite 100, beginning September 1, 2013 through August 31, 2015 (2 years) at the budgeted monthly rate of \$900.00 for the first year and \$945.00 for the second year (1,500 s.f. office/warehouse @ \$7.56/s.f.). Personal guarantee.*
- 2. Lease Renewal – Orlando Pump & Equipment Co., LLC, 4421 Schilke Way, Suite 112, beginning December 1, 2013 through November 30, 2014, at the budgeted monthly rate of \$800.00 (2,000 s.f. warehouse @ a blended rate of \$4.80/s.f.). Personal guarantee.*
- 3. New Lease – Trident Weaponry, LLC., 1470 Kastner Place, Suite 108, beginning December 1, 2013 through November 30, 2014, at the budgeted monthly rate of \$850.00 (1,500 s.f. office/warehouse @ \$6.80/s.f.). Personal guarantees.*

*The Administrator reviewed the list of leases explaining that Progressive Marketing Services, Inc., (item #1) is a mail order company and very nice tenants, renewing with a second year increase and a personal guarantee. Trident Weaponry, LLC., (item #3) is a new lease with a personal guarantee, financials in place and tax returns in hand.*

**MOTION WAS MADE BY DAMON CHASE, SECONDED BY MATTHEW BROWN TO APPROVE ITEMS 1-3, AS PRESENTED.**

*Mr. Kuhn inquired as to what Trident Weaponry , LLC., does. The Administrator explained that Trident Weaponry , LLC., cerakotes and refinishes firearms. The Administrator confirmed that they have ATF permits in place and he previously cleared it with Mr. Coover that there were no concerns based on the Port's zoning.*

**MOTION CARRIED UNANIMOUSLY.**

*There being no further business, the meeting was adjourned at 4:34 p.m. by Chairman Chase.*

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Taylor Pancake, Chairman

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Matthew Brown, Secretary