

**SEMINOLE COUNTY PORT AUTHORITY
MINUTES OF THE REGULAR BOARD MEETING
MAY 21, 2014**

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 21, 2014.

Chairman Dana McBroom called the meeting to order at 4:00 p.m. with the following Directors constituting a quorum: Dana McBroom, Chairman; Kyle Kilger, Treasurer; Cliff Miller, Member; William H. Poe, Member; Thomas Kuhn, Member; Michael McLean, Member; Michael Caraway, Member; and Brenda Carey, BCC Member.

Directors Absent: Matthew T. Brown, Vice Chairman and Secretary.

Staff present: Andrew Van Gaale, Administrator; and Jennifer Parker, Administrative Assistant.

Others present: Stephen H. Coover, SCOPA Attorney.

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

The Chairman asked for corrections or additions to the minutes of the April 16, 2014 Board Meeting. Mr. Coover noted that the Minutes should state that Commissioner Carey appeared telephonically at the April 16, 2014 Board Meeting due to illness.

MOTION WAS MADE BY CLIFF MILLER, SECONDED BY WILLIAM POE TO APPROVE THE MINUTES OF THE APRIL 16, 2014 BOARD MEETING AS PRESENTED, WITH THE ADDITIONAL NOTE OF COMMISSIONER CAREY'S TELEPHONIC APPEARANCE BEING DUE TO ILLNESS.

MOTION CARRIED UNANIMOUSLY.

The Balance Sheet and Budget Statement for the month of April 2014 and year-to-date were presented to the Board. The Administrator referred to the revenue and expenditure charts explaining that revenues for the month were over budget by \$13,225 and over budget in the amount of \$88,103 for the year. Expenditures for the month were over budget by \$15,355, but under budget in the amount of \$145,904 for the year. Year to date profit is \$383,507, which equates to 35.7%, and occupancy decreased to 93.8%. There were no questions on the April 2014 Financial Statements.

The Outstanding Bills and Aged Receivables lists were presented to the Board for discussion and approval. The Administrator explained that the payment to P&S Paving,

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Inc. in the amount of \$135,349.90 represents the first draw for SCOPA Project #168, the re-paving of approximately 15,000 sq. yds. of 1.5 inch asphalt on the Port roadways. It was noted that the asphalt millings were retained onsite to improve several areas around the Port, most noticeably the 4417 Schilke Way lot which was previously grass. The payment to ABC Paving, Inc., in the amount of \$8,195.00, is a second draw on the sealcoating and striping of the parking lots. The payment to HydroTech Solutions, LLC, in the amount of \$325.00, is for pressure washing needed prior to resealing the exterior wood portions of the SCOPA office building. It was noted that the June 1, 2014 checks were standard monthly payments.

In response to Mr. Miller's inquiry, the Administrator explained that Roger Pinkerton's check in the amount of \$5,185.94 was larger than normal due to there being five weeks of maintenance repairs performed, rather than four, between meetings. Also, Mr. Pinkerton was hired to spread and level the asphalt millings in the lot previously discussed as well as around the mailboxes with his tractor. Mr. Pinkerton was also hired to assist with the moving of dumpsters and other large items in the way of the asphalt sealcoating to insure efficiency and minimize the amount of disruption to our tenants. It was clarified that Mr. Pinkerton is a subcontractor hired as needed to perform tasks assigned by the Administrator at an agreed upon hourly rate.

Mr. Miller also inquired about the payment to ServPro in the amount of \$1,493.67. The Administrator explained that not only is the ground water table historically high here at the Port, unfortunately the building housing the Seminole State College Small Business Center has a finish floor elevation equal to the parking lot. Therefore, when there is a westerly driving rain, as in this case, water intrusion can occur. ServPro cleaned up the water, but they were not contracted to perform any repairs. The Administrator clarified that if additional repairs are required he hires any needed subcontractors directly to minimize costs. The Administrator explained that he has had a couple of different French drain systems installed previously and is looking at another solution to prevent recurrence.

Mrs. McBroom noted that the expenditures have been under budget for most of the year and inquired about the reason behind the expenditures for the month of May being over budget. The Administrator noted that it is hard to predict at budget time exactly when project expenditures will be realized. He further explained that the majority of the paving and sealcoating is coming to completion simultaneously. He confirmed that while over budget for the month of May, expenditures are still under budget for the year-to-date.

MOTION WAS MADE BY CLIFF MILLER, SECONDED BY MICHAEL MCLEAN 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.

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The Administrator referred to the Aged Receivables list explaining that Acme Recycling Industries, LLC, has been performing diligently and is current on their administrative rent. The Administrator explained that Wayne Edwards agreed to turn over tenancy prior to May 31st and he has signed a Promissory Note in the amount of \$5,262.17 which includes the accelerated rent through September 31st and 5% interest. The Administrator requested that the Board accept Mr. Edward's Surrender of Tenancy. Integrity Management Solutions, LLC has vacated and intends to pay off the balance owed in June. Odd Rodz has signed a Joint Stipulation Agreement and made the first payment of \$3,500.00 today as agreed. Ryan and Reed have made their \$500.00 monthly payment. Ocean State Event Services, LLC brought in a payment today bringing them current. The Administrator confirmed for Commissioner Carey that late fees would be assessed to tenants with past due balances as per the terms of the Lease. The Administrator explained that Mr. Rojas, who was previously on a month-to-month basis, has surrendered tenancy and signed a Promissory Note for \$3,233.94 which includes the past due rent, legal fees and 5% interest.

MOTION WAS MADE BY BRENDA CAREY, SECONDED BY WILLIAM POE TO ACCEPT THE SURRENDERED PREMISES ON WAYNE EDWARDS' ACCOUNT, AS PRESENTED.

MOTION CARRIED UNANIMOUSLY.

ATTORNEY'S REPORT

a) Acme Recycling Industries, LLC – Mr. Coover stated that Acme is paying their administrative rent which is all they are obligated to pay at this point in time. No plan has been presented yet as to how the past due rents would be handled. Mr. Coover stated he has not heard any more information on potential buyers, but a status hearing is scheduled for June 21, 2014 and additional information may be available then. He reminded the Board that if liquidation occurs, SCOPA has an agreement with BMO Harris that they will pay rent and clean up the leasehold.

b) Odd Rods, LLC – Mr. Coover reported that SCOPA filed a lawsuit on Odd Rodz, but prior to serving them we were able to enter into a Joint Stipulation Agreement with them and file it with the Court. They owe \$5,711.65. The payment structure is established to bring them current by May 30, 2014. They brought in \$3,500.00 today and the difference is due next Friday, May 30, 2014. They have until June 10, 2014 to pay the June rent. Then beginning July and August rent payments are due by the 1st of each month. They have agreed to move out by August 31, 2014.

c) Administrator's Evaluation – Mr. Coover presented the Board and the Administrator with copies of the 2014 Administrator's evaluation. He explained that comments by various Board Members are noted and included. The Administrator thanked the Board for the compliments.

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d) Telephonic Appearances – Mr. Coover reported that due to the inquiry prior to the last Board Meeting, he did some further research. Confirming what was previously stated, if a quorum exists a Member may appear telephonically due to illness. The law allows the Board to define what extraordinary circumstances allow for telephonic appearances. Mr. Coover expressed that he felt it is clear under the Attorney General Opinions he reviewed, that medical issues are clearly allowed, but anything else is up to the Board to decide if the request should be permitted. Mr. Coover recommended that if the Board wanted to routinely allow for telephonic appearances of members that they define a policy to insure that all applicable laws are followed. However, Mr. Coover noted that a member appearing telephonically cannot make the quorum. After a brief discussion, it was the consensus of the Board that a Telephonic Appearance Policy was not necessary at this time.

ADMINISTRATOR'S REPORT

a) Update on Project # 168 – The Administrator reported that Project #168, the repaving of Kastner Place, Schilke Way, Carraway Place and Fitzpatrick Point, was approximately 90% complete with restriping and sodding of the shoulders remaining. The Administrator confirmed that the payment was being held until the appropriate lien releases were received.

OLD BUSINESS

There was no old business.

NEW BUSINESS

a) F.Y. 2014/2015 Proposed Budget – Mrs. McBroom, Chairman, explained that the Budget Committee consisting of herself, Mr. Brown, Mr. Miller, and Mr. Caraway met and are now bringing before the Board what they feel is a balanced budget for review and discussion. The Chairman then turned the discussion over to the Administrator.

The Administrator referred to Memorandum #2216 explaining that the actual operational revenues for the current fiscal year are \$920,278 with the projected operation revenue for the last six months being \$848,596, totaling \$1,768,875. The Administrator explained that the budget called for a 20% contingency for vacancy which has been included in the projected revenues for the last six months. However, occupancy has maintained around 93%, therefore, actual revenues should more closely reflect the first six months.

The actual operational expenditures for the first six months of the current fiscal year are \$557,573 with the projected operational expenditures for the last six months being \$579,043, totaling \$1,136,616. Therefore, the projected fiscal year 2013/2014 operational profit is \$632,259 (36%). In response to Commissioner Carey's

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inquiry, the Administrator confirmed that based on projections the current year expenditures will be \$1,325 under budget, revenues will be \$72,329 over budget, and profit will be \$73,654 (3%) over the adopted current year budget.

The Administrator explained that projected operational revenue for the fiscal year 2014/2015 total \$1,798,513, not including the projected cash carried forward. This is an increase of \$101,967 over the current year's budget of \$1,696,546. The revenue calculations include a 15% contingency for vacancy. This is a 5% decrease from the current year budget due to a sustained increase in occupancy.

The operation expenditures for the fiscal year 2014/2015 total \$1,241,296 which is an increase of \$103,355 over the current year's budget. The Administrator reviewed the list of capital improvement projects budgeted, explaining that a new fleet vehicle was budgeted to replace the existing ten year old trailblazer as well as 5% salary increases for staff based on the profit margins.

The Administrator announced that the fiscal year 2014/2015 Budget total is \$4,010,206. Considering only the operational elements, the cash in-cash out profit calculation total is \$557,217 (31%). The Budget Committee recommends a transfer of \$500,000 to the General Fund of Seminole County again in September 2015, 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. 2014/2015 would be as follows:

CASH BALANCE - 10/01/14	\$2,211,693
<u>OPERATIONAL:</u>	
Revenues	\$1,798,513
Expenses	<u>(1,241,296)</u>
<u>NON-OPERATIONAL:</u>	
Transfer to Seminole County	<u>(500,000)</u>
CASH BALANCE - 09/30/15	<u>\$2,268,910</u>

The Chairman directed the Board to the Budget Comparison in section five which details the differences between the current year budget and the proposed fiscal year 2014/2015 budget. The Administrator fielded questions regarding the proposed expenditures. Commissioner Carey inquired as to the 7% insurance increase budgeted when SCOPA falls under the County insurance and they are budgeting only a 5.5% increase. The Administrative Assistant explained that when contacted, the Benefit Coordinator at the County could not provide an estimate. The market research available predicts a 7% increase in healthcare costs, creating the basis for the budget estimate.

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Commissioner Carey then indicated that based on the salary increases being budgeted for other agencies around the County, the highest salary increase she could support was 3%. Mrs. McBroom noted for the Board that there were no salary increases in current fiscal year due to a contract adjustment the prior year. Discussion ensued.

MOTION WAS MADE BY BRENDA CAREY, SECONDED BY MICHAEL MCLEAN TO TABLE THE APPROVAL OF THE FISCAL YEAR 2014/2015 BUDGET UNTIL THE JUNE 18, 2014 BOARD MEETING, PENDING REVIEW OF THE TOTAL COMPENSATION PACKAGES FOR BOTH EMPLOYEES, HISTORICAL DATA FOR THE LAST TEN YEAR'S ON OCCUPANCY AND PROFIT RATES, CLARIFICATION ON THE ADMINISTRATOR'S CONTRACT AND LAST ADJUSTMENT, AND CLARIFICATION ON WHETHER AN APPROVED SALARY ADJUSTMENT STARTS CONSECUTIVELY WITH THE BUDGET.

MOTION CARRIED UNANIMOUSLY.

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

1. Lease Renewal – Dynamic Aspects, Inc., 1980 Dolgner Place, Suite 1008, beginning June 1, 2014 through May 31, 2015, at the budgeted monthly rate of \$1,838.00 (2,712 s.f. warehouse plus 288 s.f. office @ a blended rate of \$7.35/s.f./yr.). Personal Guarantee.
2. Lease Renewal – F4W, Inc., 1481 Kastner Place, Suite 101, beginning June 1, 2014 through May 31, 2015, at the budgeted monthly rate of \$1,200.00 (1,400 s.f. warehouse plus 1,100 s.f. office @ a blended rate of \$ 5.76/s.f./yr.). Personal Guarantee.
3. Lease Renewal – Filtration Direct, Inc., 1539 Dolgner Place, beginning June 1, 2014 through May 31, 2015, at the budgeted monthly rate of \$800.00 (2,000 s.f. warehouse @ a rate of \$4.80/s.f./yr.). Personal Guarantee.
4. Lease Renewal – J.L. Pandolfi Painting Contracting, Inc., 1928 Dolgner Place, beginning June 1, 2014 through May 31, 2015, at the budgeted monthly rate of \$834.00 (1,500 s.f. warehouse @ a rate of \$6.67 /s.f./yr.). Personal Guarantee.
5. Lease Renewal – Transmission Specialties, Inc., 1521 Dolgner Place, beginning June 1, 2014 through May 31, 2015, at the budgeted monthly rate of \$800.00 (2,000 s.f. warehouse @ a rate of \$4.80/s.f./yr.). Personal Guarantee.

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6. Lease Renewal – *We're Organized, Inc. FL, 1441 Kastner Place, Suite 111, beginning June 1, 2014 through May 31, 2015, with the scheduled 5% increase to the budgeted monthly rate of \$2,211.30 (4,685 s.f. warehouse plus 315 s.f. office @ a blended rate of \$5.31/s.f./yr.). Personal Guarantee.*

The Administrator reviewed the list of Leases and requested approval as presented.

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

MOTION CARRIED UNANIMOUSLY.

There being no further business, the meeting was adjourned at 5:20 p.m. by Chairman McBroom.

Dana McBroom, Chairman

Matthew T. Brown, Secretary