

**SEMINOLE COUNTY PORT AUTHORITY
MINUTES OF THE REGULAR BOARD MEETING
MAY 20, 2015**

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 20, 2015.

Chairman Matthew T. Brown called the meeting to order at 4:00 p.m. with the following members present: Matthew T. Brown, Chairman; Michael McLean, Vice-Chairman; Cliff Miller, Secretary; Thomas Kuhn, Member; William Poe, Member; and Dana McBroom, Member.

Members Absent: Michael Caraway, Treasurer; Kyle Kilger, Member; and Carlton Henley, BCC Member.

Staff present: Andrew Van Gaale, Administrator; and Jennifer Sykes, 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 15, 2015, Board Meeting.

MOTION WAS MADE BY WILLIAM POE, SECONDED BY MICHAEL MCLEAN TO APPROVE THE MINUTES OF THE APRIL 15, 2015, BOARD MEETING AS PRESENTED.

MOTION CARRIED UNANIMOUSLY.

The Balance Sheet and Budget Statement for the month of April 2015 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 \$14,678 and revenues were over budget by \$50,690 for the year to date. The Administrator explained that expenditures for the month were under budget by \$1,709 for the month and still under budget by \$261,790 for the year thus far. The year to date profit is \$591,729, which equates to 54.1%. Occupancy for the month of April dipped to 90.8%. There were no questions on the April 2015 financial statements.

The Outstanding Bills and Aged Receivables were presented to the Board for discussion and approval. The Administrator asked the Board Members to review the list of outstanding bills and invited questions. He explained that item #21, the \$22,677.46 payment to Valleycrest Landscape Maintenance, represents the irrigation and landscaping improvements discussed at a previous meeting along with the addition of the tree plantings required by Seminole County. Item #18, the \$5,000.00 payment to General Maintenance & Contracting, Inc., represents repairs to several units between tenants. Item #19, the \$5,015.00 payment to Florida Door Solutions represents the replacement of several roll-up doors. Finally, the Administrator reviewed the standard first of month checks. Chairman Brown inquired as to the breakdown of the Valleycrest landscaping costs.

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The administrator explained that payment included \$1,540.00 for replacement trees, \$12,653.62 for plantings at the front signs, the front buildings and the back buildings, \$6,533.84 in irrigation repairs, and \$1,950.00 in mulch. The plantings for the SCOPA office building were not performed keeping the plantings under the proposed cost estimate.

MOTION WAS MADE BY WILLIAM 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 proceeds from the Trustee sale of assets is still anticipated in the amount of \$22,000 for Acme Recycling's post bankruptcy, administrative rents. F4W is current with a small balance from previous month. There has been no response from Johnny Lucky Inthachack Athakhanh regarding his outstanding balance. Ocean State is current and is supposed to be in today with their payment. Sanford Boat Storage is working down their outstanding balance. Thomas Company is expected to bring in his payment this week. There were no questions on the Aged Receivables.

ATTORNEY'S REPORT

a) Acme Recycling Industries, LLC – Mr. Coover stated that the Administrator has requested to proceed with getting the site cleared and the principles of Acme Recycling claim that they own assets still located on the site. Mr. Coover explained that there is an abandoned property statute that gives landlords a non-court procedure to give the tenant an opportunity to claim their assets for the assessed storage fees. Mr. Coover stated he has drafted such letters of notice which include the list of remaining assets, provided by the Administrator, and copying the secured creditor, LSREF3 Sapphire, LLC. It was explained that if Acme Recycling does not claim their assets and pay storage fees, then the assets can be liquidated at an advertised public sale. Discussion ensued.

MOTION WAS MADE BY WILLIAM POE, SECONDED BY THOMAS KUHN FOR THE ADMINISTRATOR TO NEGOTIATE THE BEST DEAL POSSIBLE ON STORAGE FEES FOR THE PROPERTY ABANDONED BY ACME RECYCLING, LLC.

MOTION CARRIED UNANIMOUSLY.

ADMINISTRATOR'S REPORT

a) Projects 170 – The Administrator reported that a Notice of Commencement has been issued on project #170, the re-roofing and re-sheeting of 1515 Kastner Place.

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b) 1430 and 1440 Dolgner Place– The Administrator explained that he has been contacted and is in negotiations with La Mesa RVs to lease 1430 and 1440 Dolgner Place, which is the former Acme Recycling sites discussed previously during the Attorney’s report. The Administrator requested approval to proceed with the fencing of the site under Commercial Fence Contractor’s contract pricing with Duval County Public Schools. He explained that doing so would allow us to proceed quickly and economically. Cliff Miller inquired that if the liquidation of the assets previously discussed would disturb the new fencing being discussed. The Administrator assured the Board it would not.

MOTION WAS MADE BY MICHAEL MCLEAN, SECONDED BY CLIFF MILLER, TO APPROVE THE FENCE INSTALLATION IN THE AMOUNT OF \$14,765.00, AT 1430 AND 1440 DOLGNER PLACE, AS DISCUSSED.

MOTION CARRIED UNANIMOUSLY.

c) Request for Proposals – The Administrator explained that as budgeted, he will be putting out Requests for Proposal to re-roof and re-skin 1430 Dolgner Place. He continued to explain that 1440 Dolgner Place, also needs attention, however, he is not clear on how much needs done. The Administrator stated that if possible, these improvements needed made prior to entering into a Lease with La Mesa RVs. He continued to explain that staff would be detailed and aggressive in acquiring as many bids as possible.

OLD BUSINESS

There was no old business.

NEW BUSINESS

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

1. New Lease – Polished Concrete Floors, LLC; 1401-1409 Dolgner Place; 1 year Lease; Lease term: June 15, 2015 – June 14, 2016; at the budgeted monthly rate of \$2,000/mo. (3,924 s.f. warehouse, 576 s.f. office @ blended rate of \$5.33/s.f./yr.). Personal guarantee.
2. Lease termination (in conjunction with #1 above) - Polished Concrete Floors, LLC; 14421 Schilke Way, Ste. 116-120; 1 year Lease; Lease term: February 1, 2015 – January 30, 2016; at the budgeted monthly rate of \$1,500/mo. (4,000 s.f. warehouse @ rate of \$4.50/s.f./yr.). Personal guarantee.
3. New Lease – Hector M. Garcia Correa; 1471 Kastner Place, Ste. 125, plus Lot ; 1 year Lease; Lease term: June 1, 2015- May 31, 2016; at the budgeted monthly rate of \$ 817.00/mo. (2,000 s.f. warehouse plus lot @ blended rate of \$4.90/s.f./yr.).

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4. Lease termination (in conjunction with #3 above) – Roger Pinkerton; 1471 Kastner Place, Ste. 125, plus Lot ; 1 year Lease; Lease term: June 1, 2015- May 31, 2016; at the budgeted monthly rate of \$ 817.00/mo. (2,000 s.f. warehouse plus lot @ blended rate of \$4.90/s.f./yr.).
5. Lease Renewal – Filtration Direct, Inc.; 1539 Dolgner Place; 1 year Lease; Lease term: June 1, 2015 – May 31, 2016; at the budgeted 5% increase to \$840.00/mo. (2,000 s.f. warehouse @ a rate of \$5.04/s.f./yr.) Personal guarantee.
6. Lease Renewal – Carlos M. Diaz; 1980 Dolgner Place, Ste. 1020; 1 year Lease; Lease term: June 1, 2015 – May 31, 2016; at the budgeted rate of \$775.00/mo. (1,500 s.f. warehouse @ \$6.20/s.f./yr.).
7. Lease Renewal – Transmission Specialties, Inc.; 1521 Dolgner Place; 1 year Lease; Lease term: June 1, 2015 – May 31, 2016; at the budgeted 5% increase to \$840.00/mo. (2,000 s.f. warehouse @ a rate of \$5.04/s.f./yr.) Personal guarantee.
8. Lease Renewal – We're Organized, Inc. FL; 1441 Kastner Place, Ste. 111; 1 year Lease; Lease term: June 1, 2015 – May 31, 2016; at the budgeted rate of \$2,211.00/mo. (4,685 s.f. warehouse with 315 s.f. of office @ a blended rate of \$5.31/s.f./yr.) Personal guarantee.

The Administrator reviewed the list of Leases. There were no questions.

MOTION WAS MADE BY MICHAEL MCLEAN, SECONDED BY CLIFF MILLER, TO APPROVE THE LEASES AS PRESENTED.

MOTION CARRIED UNANIMOUSLY.

b) CCNA – The Administrator explained that the CCNA Committee met on May 12, 2015, to review the two proposals received. Although, twelve companies requested packets the only respondents were CPH, Inc. and Littlejohn Engineering Associates, Inc. It was the consensus of the Committee to continue the meeting and receive presentations from the respondents. Presentations should include additional information on fee schedules, workloads, and ability to do the type of work needed at the Port. The meeting has been continued to June 9, 2015, and the Committee intends to make a recommendation at the regular Board meeting in June.

c) Fiscal Year (F.Y.) 2015/2016 Budget – The Administrator referred to Budget Memorandum #2236, explaining that the revenues for the first half of F.Y. 2014/2015 was \$928,335 with a projected revenue for the second half of F.Y. 2014/2015 at \$874,183. The expenses for the first half of F.Y. 2014/2015 were \$440,011 with projected expenses of \$774,766 for the second half of F.Y. 2014/2015. This provides a projected operational profit of \$587,741 which is equivalent to 33%. After the \$1,000,000 contribution budgeted to Seminole County General Fund in September, the projected cash balance will be \$1,985,924.

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The Administrator explained that in F.Y. 2015/2016 revenues were expected to increase by \$3,104 to a total of \$1,801,618, not including the cash carried forward. The F.Y. 2015/2016 projected operation expenditures total \$1,481,398. This is an increase in expenditures of \$240,755 over the prior year's budget primarily due to the estimated cost of the CCNA Engineering and Master Planning.

The proposed F.Y. 2015/2016 SCOPA balanced budget totals \$3,787,542. Considering only the operational elements, the cash in-cash out profit calculates at \$320,220, or 18%. Having considered all the operational elements of the proposed fiscal plan, the budget committee recommends a \$300,000 surplus funds transfer to Seminole County General Fund in September 2016. Given this non-operational allowance the estimated cash balance on October 1, 2016 is \$2,006,144. The Administrator then reviewed the Budget in detail and discussion ensued.

Michael McLean explained that it was the objective of the Budget Committee to prepare a defensible balanced budget providing a significant return of profit to the County General Fund without damaging the cash on hand for the upcoming master planning. While reviewing the receivables, the Administrator explained that he recently met with the Seacoast Bank representatives to look into ways to increase SCOPA's interest income. At that meeting he provided the banker with copies of the County Clerk's detailed investment policy, but to date has not heard back. He continued to explain that the Budget details every leasehold's expected revenue. Chairman Brown inquired as to how the Administrator handled the old Acme Recycling sites which are presently vacant. The Administrator explained that no income was budgeted for 1430 and 1440 Dolgner Place for the current year and estimated income was budgeted for F.Y. 2015/2016. The Administrator explained that the provision for vacancy was maintained at 15% like the prior fiscal year which is applicable with April 2015's occupancy running at 90%. Discussion ensued regarding the surplus fund contribution to the Seminole County General Fund and it was the consensus of the Board that the contribution be maintained under the estimated profit at \$300,000.

The Administrator proceeded to review the F.Y. 2015/2016 budgeted expenditure highlights explaining that a 3% salary increase was included for staff. Michael McLean stated that business results easily justify more than 3%, but it was the consensus of the Budget Committee to maintain a 3% salary increase based on the County's stance and the CPI. The Administrator stated that the retirement rates are budgeted at the present rate because the rates are not released until July. Life and health insurance was budgeted at an estimated 5% increase over current costs as those rates are not released until open enrollment in October. Consultant costs were increased based on the estimated engineering and master planning the Board has elected to proceed with. The accounting and auditing budget was increased 2.5% as per Greene and Dycus, CPA, who has maintained the same price the prior two years. The cleaning budget which has been stagnant for several years was increased by \$50.00 per month. Communication costs increased due to the old system telephone system breaking. After pricing out systems and reviewing the changing technology, the most economical option is to lease a system from Bright House our current communication provider. Postage was budgeted with an estimated 10% increase over last

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year. Insurance will be negotiated, but was budgeted at a 10% increase over the prior year. The Administrator reviewed the maintenance and repair projections totaling \$913,400 for F.Y. 2015/2016. The total expenditures for the F.Y. 2015/2016 Budget total \$1,481,398 with reserve capital at \$2,306,144 for a total balanced budget at \$3,787,542.

***MOTION WAS MADE BY THOMAS KUHN, SECONDED BY WILLIAM POE,
TO APPROVE THE FISCAL YEAR 2015/2016 BUDGET AS PRESENTED.***

MOTION CARRIED UNANIMOUSLY.

There being no further business, the meeting was adjourned at 5:08 p.m. by Chairman Brown.

Matthew T. Brown, Chairman

Cliff Miller, Secretary