

**SEMINOLE COUNTY PORT AUTHORITY
MINUTES OF THE REGULAR BOARD MEETING
JUNE 17, 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 June 17, 2015.

Chairman Matthew T. Brown called the meeting to order at 4:00 p.m. with the following members present: Matthew T. Brown, Chairman; Cliff Miller, Secretary; Thomas Kuhn, Member; Dana McBroom, Member; Kyle Kilger, Member; and Carlton Henley, BCC Member.

Members Absent: Michael McLean, Vice-Chairman; Michael Caraway, Treasurer; and William Poe, Member.

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

Others present: Stephen H. Coover, SCOPA Attorney; Joe Pozo, Sr., Marinas, LLC; Joey Pozo, Jr., Marinas, LLC; Jessica Davis, Marinas, LLC; David Gierach and Brady Lessard of CPH Engineering, Inc.

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

After welcoming the guests, the Chairman asked for corrections or additions to the minutes of the May 20, 2015, Board Meeting. Dana McBroom noted an error in the attendance portion of the record.

MOTION WAS MADE BY CLIFF MILLER, SECONDED BY CARLTON HENLEY TO APPROVE THE MINUTES OF THE MAY 20, 2015, BOARD MEETING WITH THE ATTENDANCE CORRECTION.

MOTION CARRIED UNANIMOUSLY.

The Balance Sheet and Budget Statement for the month of May 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 \$3,029 and revenues for the year to date were over budget by \$53,718. The Administrator explained that expenditures for the month were under budget by \$43,518 and under budget by \$305,308 for the year thus far. The year to date profit is \$571,586, which equates to 45.8%. Occupancy for the month of May was 91.7%. There were no questions on the May 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 to which there were none.

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MOTION WAS MADE BY CLIFF MILLER, SECONDED BY CARLTON HENLEY 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 for Acme Recycling's post bankruptcy, administrative rents. GS Plant Foods is current with a small balance from this month. There has been no success in attempting to collect from former tenant Johnny Lucky Athakhanh. Ocean State Event Services brought in a check today for \$1,000. The Administrator explained that Ocean State is a long time tenant who has recovered from this position before and he hoped they would catch up in the next week or two; otherwise a Three Day Notice would have to be issued. Thomas Companies, Inc., is essentially current with a small balance outstanding. There were no questions on the aged receivables report.

ATTORNEY'S REPORT

a) Acme Recycling Industries, LLC – Mr. Coover stated that he spoke to the Administrator and he would be contacting the Trustee to collect on the post-petition administrative rents. An abandoned property letter was sent to the principles of Acme Recycling, LLC, and LSREF3 Sapphire, LLC. Mr. Coover explained that no response was received from LSREF3 Sapphire, LLC, so we should assume they have no interest in anything that was left on site. The Administrator has been in contact with the principles of the former Acme Recycling, LLC, and the currently active ARI Electronics, LLC. He then received a claim letter and the Administrator responded with a letter in an attempt to clarify the situation. The situation is that SCOPA should receive \$13,000 in storage fees and ARI Electronics will remove everything off of 1430 and 1440 Dolgner Place.

The Administrator clarified that 30 days was given, until July 20, 2015, to have all the material off the property. Prepayment of the storage fees was requested. Access to 1430 and 1440 Dolgner Place has been granted until the July 20, 2015, deadline to allow them to assemble the material for sale. There are two large items onsite, a scale and hydraulic bailer. We have agreed to give them until September 30th, to make arrangements to move those two items. Dana McBroom suggested that a liability release be obtained from the claimants for any damage that could occur to those two items if left on site during renovations or after a new tenant takes occupancy. Mr. Coover explained that the abandoned property statute reasonably protects SCOPA and technically Acme Recycling, LLC, is bankrupt, the Trustee has abandoned the property, LSREF3 Sapphire, LLC, has not claimed the property, and ARI Electronics, LLC, has no ownership but is offering to remove it all.

Mr. Coover requested a motion to amend the ARI Electronics, LLC, Lease to include the terms discussed such as the deadlines and \$13,000 in storage fees for the items they are removing for liquidation.

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MOTION WAS MADE BY DANA MCBROOM, SECONDED BY KYLE KILGER TO AMEND THE ARI ELECTRONICS, LLC, LEASE TO INCLUDE THE TERMS FOR THE LIQUIDATION OF THE ABANDONED PROPERTY AT 1430 AND 1440 DOLGNER PLACE.

MOTION CARRIED UNANIMOUSLY.

Mr. Coover explained that, while he has not yet been able to confirm the amount, it is believed that there is a surplus of funds from the Tax Collector's sale of the Acme Recycling, LLC, assets. The Statue states that surplus funds will be returned to the person in possession of the property when the levy was made. Mr. Coover confirmed that he would be discussing with the County Attorney how we make our claim for those surplus proceeds.

ADMINISTRATOR'S REPORT

a) Financial Disclosure Forms – The Administrator reminded the Board Members that the 2014 Financial Disclosure Forms were due to the Supervisor of Elections' office by July 1, 2015.

OLD BUSINESS

There was no old business.

NEW BUSINESS

a) Marinas, LLC, Capital Improvement Request – Chairman Brown welcomed Joe Pozo, Sr., Joey Pozo, Jr., and Jessica Davis, Controller, from Marinas, LLC. Joe Pozo, Sr., stated that Marinas, LLC, would be undertaking \$75,000 in much needed capital improvements at Boat Tree Marina within the next six months. He explained that the restaurant lost \$75,000 last year and the wet slip occupancy, which was originally at 100% with a waiting list, hit bottom in 2009 and has only recovered to 42%. Dry dock storage has recovered more rapidly. Joe Pozo, Sr., explained that while the small boat market seems to be recovering at about 10% per year, the big boat market seems to be much slower and they are anticipating an additional five years for it to get back to where it once was. Mr. Pozo, Sr., stated that Marinas, LLC, is petitioning the SCOPA Board to include a \$35,000 capital improvement contribution to the Marina in next year's budget. The \$75,000 of capital improvements planned would include: \$52,000 for aluminum diamond plate applied to the docks, \$5,000 for travel lift straps and maintenance, \$9,000 for additional security system components including cameras, \$5,000 for a used forklift, and \$3,000 for a used golf cart. The \$52,000 for the diamond plate on the docks would extend the dock life until after Marinas, LLC, has paid off the current mortgage and could undertake the expense of dock replacement.

The Administrator explained that Marinas, LLC, had approached him requesting an amendment to the current Lease. However, these are long term, highly detailed Leases with a lot of variables within them and any changes to those would require legal counsel as well as bank

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approval. In lieu of embarking on making changes to those Leases, the Administrator explained that he suggested Marinas, LLC, petition the Board for a capital improvement request as has been done in the past.

Mr. Pozo, Sr., explained that the shareholders have liquidated other property and contributed over \$775,000 to equity and new cash loans to shore up the finances for the marina. Of the \$75,000 in proposed capital improvements, should SCOPA contribute the requested \$35,000, Marinas, LLC, will be covering the remaining \$40,000. He invited the Board members to visit the marina and see the section of diamond plate docking that has been completed. Mr. Pozo explained that without a repair, the docks would eventually pose a safety hazard. The proposed diamond plate sheeting would eliminate any hazard and last until Marinas, LLC, can undertake the estimated \$1.2 million expenditure to replace the docks. Discussion ensued.

Commissioner Henley inquired as to the ownership of the marina and any legal obligations of SCOPA. The Administrator explained that SCOPA owns the land and the basin while the marina business and improvements are privately owned. He also stated that \$40,000 was already budgeted for marina parking area improvements. The Administrator also explained that the SCOPA Board has helped Marinas, LLC, with capital improvements in the past which included repairs to a parking area and the dock warehouse building approximately five years ago. Chairman Brown stated that he did not necessarily want to act on the request today. Mr. Brown asked about the amount of revenue received from the Marina, LLC. Mr. Pozo stated that in 2014 Marinas, LLC, paid a total of \$174,000 to SCOPA. Cliff Miller asked Joey Pozo, Jr., how their fees compared to competitors. Mr. Pozo, Jr., explained that if not less than competitors, their fees were competitive and they call around on fuel prices each week. He explained that they also just replaced their rental boat fleet which was now comparable to Hontoon Island Marina. He also confirmed that as of six months ago, the marina in Sanford was experiencing the same occupancy rates. Cliff Miller noted that not having to go across Lake Monroe, which is notoriously rough, should be an advantage. Mr. Pozo, Sr., also stated that with the current usage of the Sunrail bridge and upcoming downtime due to scheduled repairs, Marinas, LLC, has the benefit of being on the western side with uninterrupted northern river access. It was the consensus of the Board to continue the discussion at the next regularly scheduled Board meeting.

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

1. New Lease – Angelo Curcio and Gail Adderley; 1470 Kastner Place, Suite 100; 1 year Lease; Lease term: June 15, 2015 – June 14, 2016; at the budgeted monthly rate of \$875.00/mo. (1,500 s.f. warehouse with office @ blended rate of \$7.00/s.f./yr.).
2. New Lease – AXE Wrap, LLC; 1450 Kastner Place, Suite 100; 1 year Lease; Lease term: August 1, 2015 – July 31, 2016; at the budgeted monthly rate of \$900.00/mo. (1,050 s.f. of offices with 450 s.f. warehouse @ a blended rate of \$7.20/s.f./yr.) Personal guarantees.
3. Lease Renewal – Boutinot USA, Inc.; 1413 Dolgner Place; 1 year Lease; Lease term: July 1, 2015-June 30, 2016; at the budgeted monthly rate of \$850.00/mo. (1,084 s.f. warehouse with 312 s.f. of office @ a blended rate of \$7.30/s.f./yr.)

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4. Lease Renewal – Network Electrical Systems, Inc.; 1958 Dolgner Place; 1 year Lease; Lease term: July 1, 2015-June 30, 2016; at the budgeted 5% rate increase to \$945/mo. (1,212 s.f. warehouse with 288 s.f. office @ a blended rate of \$7.56/s.f./yr.) Personal guarantee.
5. Lease Renewal – Maintenance Management Group, Inc.; 1471 Kastner Place, Suite 109; 1 year Lease; Lease term: July 1, 2015-June 30, 2016; at the budgeted 5% rate increase to \$840.00/mo. (1,856 s.f. warehouse with 144 s.f. office @ a rate of \$5.04/s.f./yr.) Personal guarantee.
6. Lease Renewal – Producers, Inc.; 1950 Dolgner Place; 2 year Lease; Lease term: July 1, 2015-June 30, 2017; at the budgeted 5% rate increase to \$882.00/mo. (1,212 s.f. warehouse with 288 s.f. office @ a blended rate of \$7.05/s.f./yr.) Personal guarantee.
7. Lease Renewal – TEM Systems, Inc.; 1980 Dolgner Place, Suite 1024; 1 year Lease; Lease term: July 1, 2015-June 30, 2016; at the budgeted rate of \$900.00/mo. (1,212 s.f. warehouse with 288 s.f. office @ a blended rate of \$7.20/s.f./yr.) Personal guarantee.
8. Lease Renewal – Stiffey's Auction, Inc.; 1481 Kastner Place, Suite 113; 1 year Lease; Lease term: July 1, 2015-June 30, 2016; at the budgeted rate of \$2,625.00/mo. (7,500 s.f. warehouse with @ a rate of \$4.20/s.f./yr.) Personal guarantee.
9. New Lease – Fitness Equipment Resource, LLC; 4421 Schilke Way, Suite 116-120; 1 year Lease; Lease term: July 1, 2015- June 30, 2016; 90 termination clause; at the rate of \$1,450.00/mo. (4,000 s.f. warehouse @ a rate of \$4.35/s.f./yr.). Personal guarantee.
10. New Lease – Harry Timmons; 1481 Kastner Place; 1 year Lease; Lease term: June 1, 2015 – May 30, 2016; at the budgeted monthly rate of \$1,260.00/mo. (1,400 s.f. warehouse with 1,100 s.f. office @ a blended rate of \$6.05/s.f./yr.).

MOTION WAS MADE BY THOMAS KUHN, SECONDED BY CARLTON HENLEY TO APPROVE THE LIST OF LEASES AS PRESENTED.

MOTION CARRIED UNANIMOUSLY.

c) CCNA Committee Recommendation – Chairman Brown explained that the CCNA Committee met on June 9, 2015, and received oral presentations from the two respondents to the request for qualifications for general engineering services at the Port of Sanford. After hearing the presentations and reviewing the proposal documents, the Committee members individually ranked both firms. CPH Engineering, Inc., received an average score of 88.75 and Littlejohn Engineering Associates, Inc., received an average score of 77.25. Therefore, it was the recommendation of the Committee to hire CPH Engineering, Inc., to provide the general engineering services needed at the Port of Sanford on a five year continuing contract.

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MOTION WAS MADE BY THOMAS KUHN, SECONDED BY CLIFF MILLER TO ACCEPT THE CCNA COMMITTEE RECOMMENDATION AND ENTER INTO A FIVE YEAR CONTINUING CONTRACT FOR GENERAL ENGINEERING SERVICES WITH CPH ENGINEERING, INC.

MOTION CARRIED UNANIMOUSLY.

d) Project 171Bid Results – The Administrator explained that bids were solicited to re-skin and re-roof the building at 1430 Dolgner Place, which previously housed Acme Recycling Industries, LLC. He explained that the bid packages were electronically distributed to four clearing houses as well as ten contractors; however, only two responses were received. KANCOR Companies, LLC, submitted a bid in the amount of \$188,900.00 and McKee Construction Company, submitted a bid in the amount of \$94,175.31. The Administrator further explained that McKee Construction Company has successfully complete several projects in recent years without change orders; therefore, he recommended contracting McKee Construction Company for Project #171.

MOTION WAS MADE BY KYLE KILGER, SECONDED BY CLIFF MILLER TO ENTER NEGOTIATIONS WITH THE LOW BIDDER, MCKEE CONSTRUCTION COMPANY, FOR PROJECT #171- THE RE-ROOF AND RE-SKIN OF 1430 DOLGNER PLACE.

MOTION CARRIED UNANIMOUSLY.

There being no further business, the meeting was adjourned at 5:12 p.m. by Chairman Brown.

Matthew T. Brown, Chairman

Cliff Miller, Secretary