

**SEMINOLE COUNTY PORT AUTHORITY
MINUTES OF THE REGULAR BOARD MEETING
NOVEMBER 18, 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 November 18, 2015.

Chairman Michael McLean called the meeting to order at 4:00 p.m. with the following Directors constituting a quorum: Michael McLean, Chairman; Cliff Miller, Vice-Chairman; William Poe, Secretary; Dana McBroom, Treasurer; Kyle Kilger, Member; and Carlton Henley, BCC Member.

Directors absent: Michael Caraway, Member; Thomas Kuhn, Member; and Matthew T. Brown, Member.

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

Others present: Stephen H. Coover, SCOPA Attorney; Bruce McMenemy, Deputy County Manager; Robert Kimmelman, CPA, CGMA, and David Shidemantle of Greene, Dycus & Co.

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 October 19, 2015, Board Meeting. None were presented.

MOTION WAS MADE BY WILLIAM POE, SECONDED BY CLIFF MILLER TO APPROVE THE MINUTES OF THE OCTOBER 19, 2015, BOARD MEETING AS PRESENTED.

MOTION CARRIED UNANIMOUSLY.

The Balance Sheet and Budget Statement for the month of October 2015 and year-to-date were presented to the Board. The revenues for the month were over budget by \$16,981 and over budget in the amount of \$16,981 for the year. Operational Expenditures for the month were under budget by \$198,554, and under budget in the amount of \$198,554 for the year. The occupancy was increased to 96.0%. In response to Kyle Kilger's inquiry about current vacancies, the Administrator explained that 1490 Kastner Place, Suite B, would require the installation of a fire wall, reconfiguration of the electrical system and fire sprinkler system along with the renovation or removal of the existing offices. The Administrator explained that to offset the vacancy, the warehouse on Dolgner, previously used by the Port, was leased out and the items in storage moved to the 1490 vacancy. He also explained that portions the 1490 Dolgner space was rented from time to time to existing tenants for overflow storage. Dana McBroom suggested that the Administrator acquire quotes for the needed renovations

SEMINOLE COUNTY PORT AUTHORITY
MINUTES OF THE REGULAR BOARD MEETING
NOVEMBER 18, 2015

and prepare a cost analysis for the Board. There were no other questions on the October 2015 Financial Statements.

MOTION WAS MADE BY DANA MCBROOM, SECONDED BY KYLE KILGER TO APPROVE THE OCTOBER FINANCIAL STATEMENTS, AS PRESENTED.

MOTION CARRIED UNANIMOUSLY.

The Administrator presented the Outstanding Bills to the Board for discussion and approval. After summarizing the bills, the Administrator asked the Board to review the list of bills to be paid and present any questions they may have. No questions on the bills to be paid were proposed.

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 there had been no change in the Acme Recycling Industries, LLC, accounts. ARI Electronics, LLC, has not made their November payment and has late fees from October outstanding. The Administrator reassured the Board that late fees would continue to accumulate. Ocean State Event Services paid their September balance, but still owe for October and November. The Administrator explained that Ocean State has been in this situation before. The principal has a large job starting in Mexico and plans to catch up on rent soon. Thomas Companies, Inc., was in the office today promising to clear up their balance by the end of the month. There were no questions on the Aged Receivables.

ATTORNEY'S REPORT

Mr. Coover stated that he has nothing to report to the Board this month.

ADMINISTRATOR'S REPORT

There being no old business, the Administrator recommended the Board move on to new business and the audit presentation.

OLD BUSINESS

No old business was presented.

SEMINOLE COUNTY PORT AUTHORITY
MINUTES OF THE REGULAR BOARD MEETING
NOVEMBER 18, 2015

NEW BUSINESS

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

1. Lease Termination – Petras Flooring, Inc. & S. Lee, LLC; 1966 Dolgner Place; 1 year Lease; lease term March 1, 2015 through February 28, 2016; at a rate of \$892.50/month (1,500 sq. ft warehouse @ rate of \$7.14/sq.ft./yr.). Personal guarantees.
2. New Lease – Petras Flooring, Inc. & Rhoades Construction, LLC; 1966 Dolgner Place; 1 year Lease; lease term November 1, 2015 through October 31, 2016; at a rate of \$892.50/month (1,500 sq. ft warehouse @ rate of \$7.14/sq.ft./yr.). Personal guarantees.
3. Lease Termination – AXE Wrap, LLC; 1450 Kastner Place, Suite 100; 1 year Lease; lease term August 1, 2015 through July 31, 2016; at the rate of \$900.00/month. (1,050 sq. ft. warehouse with 450 sq. ft. offices@ a rate of \$7.20/sq.ft./yr.) Personal guarantees.
4. New Lease – S. Lee, LLC; 1450 Kastner Place, Suite 100; 1 year Lease; lease term November 1, 2015 through October 31, 2016; at the rate of \$900.00/month. (1,050 sq. ft. warehouse with 450 sq. ft. offices@ a rate of \$7.20/sq.ft./yr.) Personal guarantee.
5. Lease Renewal – Trident Weaponry, LLC; 1470 Kastner Place, Suite 104; 1 year Lease; lease term November 1, 2015 through October 31, 2016; at the rate of \$892.50/ month. (1,500 sq. ft. warehouse @ a rate of \$7.14/sq.ft./yr.) Personal guarantee.
6. Lease Renewal – Orlando Pump & Equipment Co., Inc.; 4421 Schilke Way, Suite 112; 1 year Lease; lease term November 1, 2015 through October 31, 2016; at the rate of \$840.00/ month. (2,000 sq. ft. warehouse @ a rate of \$5.04/sq.ft./yr.) Personal guarantee.

The Administrator reviewed the list of Leases and requested approval of the Leases as presented. Dana McBroom stated that before the vote she wanted to disclose that she works with the wife of the principal of Rhoades Construction listed in item #2. Mr. Coover confirmed that she can vote as normal on the matter. There were no other questions.

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

MOTION CARRIED UNANIMOUSLY.

SEMINOLE COUNTY PORT AUTHORITY
MINUTES OF THE REGULAR BOARD MEETING
NOVEMBER 18, 2015

b) Presentation of F.Y. 2014-2015 Audit – Chairman McLean welcomed Rob Kimmelman of Greene and Dycus, Co., to present the audit. 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 2014/2015 as presented by the Auditor. He explained that every year we have to approve a variance report which reclassifies line items. Dana McBroom explained that all the expenditures listed had been approved on an ongoing basis but when a line item goes over budget the Board has to vote to approve the budget adjustments. The Administrator noted that the Board did not over spend the total budget, but there were a few line items that did go over the original budget estimates.

MOTION WAS MADE BY CLIFF MILLER, SECONDED BY KYLE KILGER TO APPROVE FISCAL YEAR 2014/2015 LINE ITEM BUDGET ADJUSTMENTS, AS PRESENTED.

MOTION CARRIED UNANIMOUSLY.

Mr. Kimelman explained that he and Mr. Schidemantle spent most of the first week of October 2015 at the Port auditing the financials, pouring over the records, reviewing vendor files, and inspecting the site. He stated that the report he is presenting today is the accumulation of the data obtained during that audit. Mr. Kimmelman stated that due to GASB 68, which is a new accounting requirement relating to the Florida Retirement System, the Board will have to wait before approving the final audit. The State has notified all FRS participants that GASB 68 will not be available until January. He suggested that the draft audit report be approved with the final report approved early next year after the receipt of the GASB 68.

Mr. Kimelman referred to the “Balance Sheet” on page 10 explaining that under “Current Assets” the cash and cash equivalents was \$2,196,032 in 2015 which is very consistent with the \$2,237,882 of 2014. He pointed out that there was \$12,026 of accounts receivables on the books; however, there is a reserve for uncollectable balances of \$63,482. He explained that if that money comes in, it will come out of the reserve but this allows for a conservative presentation of the financials. Mr. Kimmelman explained that the total assets equate to \$9,650,243 which is down from the total assets of \$9,918,551 of the prior year. He explained that the net number is decreasing because SCOPA is depreciating more than it is spending in capital improvements.

Mr. Kimmelman directed the Board to look at the “Profit and Loss Statement” presented on page 11. He noted that operating revenues are only slightly higher than the prior year. The income before contributions totaled \$735,775 in 2015 versus \$766,297 in 2014. Mr. Kimmelman explained for the Board that the loss on disposal of capital assets, in the amount of \$65,496, represents WeatherShield roofing treatments that had to be

SEMINOLE COUNTY PORT AUTHORITY
MINUTES OF THE REGULAR BOARD MEETING
NOVEMBER 18, 2015

replaced prior to the intended depreciations. Therefore, there was \$65,496 left on the books that had to be disposed of.

Mr. Kimmelman stated that before opening the floor to questions he wanted to note that the accounting and reporting performed by the Port staff is done very well. The books are maintained on a cash basis and they make some adjustments to convert it to the accrual basis. He also stated that the Port has only two employees and in a perfect world there would be more to provide the desired checks and balances. However, that concern is offset by the detailed involvement of the SCOPA Board of Directors. Mr. Kimmelman stated that when the Board reviews financial statements, leases and disbursements in detail each month they are compensating for the small staff and it is important that the Board continue to do so. Mr. Kimmelman opened the floor for any questions.

Chairman McLean directed the Board's attention to the change in net position listed on page 11 of the Audit Report. He stated that due to the \$1,000,000 contribution to the Seminole County General Fund, SCOPA's change in net position is negative for 2015. He continued by explaining that the SCOPA Board knew that would be the case and voted to respond positively to the County's contribution request. Mr. McLean stated that while SCOPA wants to be partners with the County we have to be in a good position to do so and financially viable to perform the needed capital improvements.

Commissioner Henley stated that the audit states that a terminating employee may be compensated a portion of their unused sick leave. Mr. Henley asked how that was determined. The Administrator explained that those policies are contained in the SCOPA Personnel Manual and are outlined on a sliding scale based on years of service. Commissioner Henley asked what SCOPA's liability was on compensated absences. Dana McBroom answered, referring to the \$2,900 identified as accrued compensated absences listed on page 10 of the audit report. There were no other questions.

MOTION WAS MADE BY DANA MCBROOM, SECONDED BY WILLIAM POE TO APPROVE BUT NOT TRANSMIT THE 2014/2015 AUDIT REPORT, AS PRESENTED, UNTIL THE GASB 68 IS PROVIDED AND ANY NECESSARY ADJUSTMENTS ARE MADE AND APPROVED BY THE BOARD.

MOTION CARRIED UNANIMOUSLY.

There being no further business, the meeting was adjourned at 4:36 p.m. by Chairman McLean.

Michael McLean, Chairman

William Poe, Secretary