

**SEMINOLE COUNTY PORT AUTHORITY
MINUTES OF THE REGULAR BOARD MEETING
JANUARY 20, 2016**

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 January 20, 2016.

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

Directors absent: Michael McLean, Chairman.

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

Others present: Stephen H. Coover, SCOPA Attorney; and Jeremy Morton, CPH Engineering, Inc.

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 December 16, 2015, Board Meeting. None were presented.

MOTION WAS MADE BY WILLIAM POE, SECONDED BY DANA MCBROOM TO APPROVE THE MINUTES OF THE DECEMBER 16, 2015, BOARD MEETING AS PRESENTED.

MOTION CARRIED UNANIMOUSLY.

The Balance Sheet and Budget Statement for the month of December 2015 and year-to-date were presented to the Board. The revenues for the month were over budget by \$35,854 and over budget in the amount of \$62,664 for the year. The Administrator explained that some of the factors contributing to the increased December revenue were an almost \$700 increase in late fees, ARI Electronics, LLC, paid two months' rent, and LaMesa RV's began paying the full lease price in December. Operational Expenditures for the month were under budget by \$54,290, and under budget in the amount of \$241,213 for the year. Occupancy has maintained at 96%. The Administrator reported that Jeremy Morton with CPH Engineering was present to discuss the plans for the only major vacancy, 1490 Kastner Place. There were no other questions on the December 2015 Financial Statements.

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MOTION WAS MADE BY WILLIAM H. POE, SECONDED BY KYLE KILGER TO APPROVE THE DECEMBER 2015 FINANCIAL STATEMENTS, AS PRESENTED.

MOTION CARRIED UNANIMOUSLY.

The Administrator presented the Outstanding Bills to the Board for discussion and approval. He explained that item #10, the \$9,428.00 payment to Public Risk Management, represented SCOPA's quarterly insurance premium. The Administrator stated that Item #20, the \$4,850.00 payment to American Home Heat & Air, Inc, represents what should be the last of the air conditioner replacements. No questions on the bills to be paid were proposed.

MOTION WAS MADE BY KYLE KILGER, SECONDED BY WILLIAM H. 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. The Administrator reported that ARI Electronics, LLC, has paid all outstanding rents including January after issuing a Three Day Notice in December. G S Plant Food and Ocean State Event Services are current only owing for January. Thomas Companies, Inc., was served a Three Day Notice on January 19, 2016.

Kyle Kilger inquired about the Acme Recycling Industries, LLC, outstanding balance. Mr. Coover explained that the Trustee is supposed to pay \$22,000.00 towards the administrative rents. He went on to remind the Board that we included two months of Acme rent in the ARI Lease. Also, SCOPA has a claim in the principle, Linda Landry's, personal bankruptcy case.

ATTORNEY'S REPORT

a) ARI Electronics, LLC - Mr. Coover reminded the Board that at the last meeting it was agreed to move on the eviction of ARI Electronics, LLC, because they were two months behind and habitually late. He explained that his office began processing the paperwork and setting up for a distress for rent when ARI Electronics came in a paid up on December 23rd. Commissioner Henley inquired if the recommended photos of the assets on site had been taken to which the Administrator confirmed he had them on file.

b) Acme Recycling, LLC - Kyle Kilger stated that it looks as though the Port will only receive half of the outstanding Acme balance. Thomas Kuhn confirmed that the Port is owed just under \$58,000.00 and the Trustee is expected to pay \$22,000.00 of that. Mr. Coover stated that it would be difficult to receive more than that due to the secured

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creditors in the case like BMO Harris. However, he reminded the Board that two months of this rent is also committed under the ARI Lease and he is hopeful that we will know more prior to the end of the fiscal year.

ADMINISTRATOR'S REPORT

a) CPH Task Order # 2 - The Administrator welcomed Jeremy Morton of CPH, Inc., to the meeting and presented Task Order #2 to the Board. The Administrator explained that he had met with CPH to discuss the options of how to redesign the 12,500 feet of vacant space at 1490 Kastner Place. He stated that initially it was discussed to divide the space into four or five units. While it could be done there would be some parking challenges. Meanwhile, the Administrator was contacted by an existing tenant, Dynamic Aspects, who has been here for many years leasing several units totaling 7,500 square feet. Dynamic Aspects was looking to move to DeBary and consolidate their operations into one larger site. The Administrator explained he has met with the principle of Dynamic Aspects and CPH to look at and discuss retrofitting 1490 Kastner Place to fit their needs. CPH, SCOPA's consulting engineer, was invited to propose the design and engineering for that build out which will include a fire wall, new electrical service, fire sprinklers, HVAC, and offices. CPH Engineering's Task Order #2 for the design and construction documents and management for this project totals at \$17,500.00. This quoted price includes the construction documents, permitting, and administration of the construction contract.

Commissioner Henley inquired as to the estimated construction costs. The Administrator responded that the rough estimate was \$150,000 and Jeremy Morton explained that once they had an approved design a more accurate construction cost estimate could be provided. The Administrator explained to the Board that the negotiations with Dynamic Aspects included a multi-year lease for the monthly rent of \$5,000.00 which equates to \$60,000.00 annually. In two and a half to three years, the Port could recognize a return on their investment while keeping a good tenant. Kyle Kilger asked how much space Dynamic Aspects presently rents to which the Administrator answered 7,500 square feet and they need more.

The Administrator asked the Board to review Task Order #2, explaining that this was an opportunity to keep a good tenant and fill the long vacant space at 1490 Kastner Place. He also stated he was confident that Dynamic Aspects' current space in the back would be easily re-leased raising the occupancy rate even higher. The Administrator explained that he would like to move right away on this with a time table of approximately 30 days for design, 30 days for bidding, permitting is unpredictable, and a construction time of 90 days. Kyle Kilger recommended the Administrator go ahead and work out at least a three, if not five year, Lease with Dynamic Aspects for the space to which the Administrator agreed.

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MOTION WAS MADE BY DANA MCBROOM, SECONDED BY WILLIAM H. POE TO APPROVE CPH TASK ORDER NUMBER 2, FOR 1490 KASTNER PLACE, AS PRESENTED.

MOTION CARRIED UNANIMOUSLY.

b) CPH Task Order # 1 Update – The Administrator reminded the Board that at the February meeting, CPH would be back with the 30% drawings for the drainage improvements. Jeremy Morton confirmed he would be back with the drawings for both task orders as discussed.

OLD BUSINESS

No old business was presented.

NEW BUSINESS

a) Reserve Policy – The Administrator directed the Board's attention to the draft Reserve Policy. He explained that with the help of Greene, Dycus & Co., PA, he has been trying to put together a frame work for the next year's budget that appropriately preserves capital to account for not only general operating reserves but also to reduce the risk from catastrophic events. The Administrator stated that this was strictly a discussion point and an attempt to improve on the arbitrary reserve numbers the Board has settled on in the past. This policy frame work would establish prudent fiscal management while allowing the Port to work with the County as asked.

Cliff Miller stated that the draft Reserve Policy is extensive and that he recommended the Board Members take time to review it in depth for further discussion at the next meeting. Commissioner Henley explained that an enterprise fund can only be used for that which the fees are collected using the example that water or sewer fees can only be used for water and sewer improvements. The Administrator explained that the policy is intended to create reserves for capital improvements, catastrophic and non-catastrophic events to remove the arbitrary level of reserves identified in the past. Commissioner Henley inquired if the policy included anything regarding debt limits. The Administrator stated that it did not as SCOPA has operated debt free but agreed that should also be discussed. Dana McBroom inquired as to where the draft policy was derived from. The Administrator explained that he and Rob Kimmelman of Greene, Dycus & Co., PA, reviewed policies from other agencies as well as formats suggested by the Government Finance Officers Association. Dana McBroom stated that the County Commission has asked what SCOPA reserves were intended to be used for and this would put in place a computation and support for the money put aside. The Administrator explained that operationally it would be prudent to have a framework for staff as to what is reasonable to budget while not sitting on more than needed. It was the general consensus of the Board to table the discussion until the February meeting.

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

1. Lease Renewal – Artik Enterprises, Inc.; 4417 Schilke Way (Lot); 1 year Lease; Lease term February 1, 2016 through January 31, 2017; at the rate of \$340.00 /month (0.4553 acres at a rate of \$1,857.62/ac/yr). Personal guarantee.
2. Lease Renewal – Artik Enterprises, Inc.; 4421 Schilke Way, Suite 124-128; 1 year Lease; Lease term February 1, 2016 through January 31, 2017; with a 2.5% increase as agreed at last renewal to \$1,537.50/month (4,000 sq. ft. warehouse with office @ a blended rate of \$4.61/sq. ft./yr.) Personal guarantee.
3. Lease Renewal – Brand O’ Guitar Company; 1904 Dolgner Place; 1 year Lease; Lease term February 1, 2016 through January 31, 2017; at the rate of \$756.00/month (1,500 sq.ft. warehouse @ \$6.05/sq.ft./yr.). Personal guarantee.
4. Lease Renewal – CFLSS, Inc.; 1509 Dolgner Place; 1 year Lease; Lease term February 1, 2016 through January 31, 2017; with a 90 day termination clause; at the rate of \$840.00/month (1,500 sq.ft. warehouse with 500 sq. ft. office @ a blended rate of \$5.04/sq.ft./yr.) Personal guarantee.
5. Lease Renewal – General Maintenance & Contracting, Inc; 1970 Dolgner Place; 1 year Lease; Lease term February 1, 2016 through January 31, 2017; with a 90 day termination clause; with a 5% rate increase to \$1,575.00 (3,000 sq. ft. warehouse with office @ a blended rate of \$6.30/sq.ft.yr.). Personal guarantee.
6. Lease Renewal – Global Controls Solutions, LLC; 1429 Dolgner Place; 1 year Lease; Lease term February 1, 2016 through January 31, 2017; with a 90 day termination clause; at the rate of \$850.00/month (1,500 sq.ft. warehouse with office @ a blended rate of \$6.80/sq.ft./r.) Personal guarantee.
7. Lease Renewal – Legacy Glass & Supply, Inc.; 1980 Dolgner Place, Suite 1068; 1 year Lease; Lease term February 1, 2016 through January 31, 2017; at the rate of \$1,575/month. (2,330 sq. ft. warehouse with 670 sq.ft. office @ a blended rate of \$6.30/sq.ft./yr.) Personal guarantee.
8. Lease Renewal – Marinas, LLC; 1681 Fitzpatrick Point (old tank farm); 1 year Lease; Lease term February 1, 2016 through January 31, 2017; with a 60 day termination clause; at the budgeted 5% rate increase to \$1,260.00/month. (2.2 acres m.o.l. @ a rate of \$6,872.73/acre/yr.) Personal guarantee.

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9. Lease Renewal – Medieval Armory, LLC; 1928 Dolgner Place; 1 year Lease; Lease term February 1, 2016 through January 31, 2017; at the rate of \$850.00/month. (1,500 sq.ft. warehouse @ a rate of \$6.80/sq.ft./yr.) Personal guarantee.
10. Lease Renewal – Ocean State Event Services, Inc.; 1461 Kastner Place, Suite 101; 1 year Lease; Lease term February 1, 2016 through January 31, 2017; at the rate of \$3,125.85/month. (8,000 sq.ft. warehouse with lot @ a blended rate of \$4.69/sq.ft./yr.) Personal guarantee.
11. Lease Renewal – Southern Aquatic Management, Inc.; 1980 Dolgner Place, Suite 1048; 1 year Lease; Lease term February 1, 2016 through January 31, 2017; with a 5% rate increase to \$954.76/month. (1,212 sq.ft. warehouse with 288 sq. ft. office @ a blended rate of \$7.64/sq.ft./yr.) Personal guarantee.

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

MOTION WAS MADE BY WILLIAM H. POE, SECONDED BY MICHAEL CARAWAY TO APPROVE THE LIST OF LEASES AS PRESENTED.

MOTION CARRIED UNANIMOUSLY.

There being no further business, the meeting was adjourned at 4:45 p.m. by Vice-Chairman Miller.

Cliff Miller, Vice-Chairman

William Poe, Secretary