

**SEMINOLE COUNTY PORT AUTHORITY  
MINUTES OF THE REGULAR BOARD MEETING  
FEBRUARY 17, 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 February 17, 2016.*

*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 H. Poe, Secretary; Dana McBroom, Treasurer; Thomas Kuhn, Member; Kyle Kilger, Member; Michael Caraway, Member; Michael Bowdoin, Member; and Carlton Henley, BCC Member.*

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

*Others present: Stephen H. Coover, SCOPA Attorney; Jeremy Morton, CPH Engineering, Inc.; and former Member, Matthew T. Brown.*

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

*The Chairman presented Matthew T. Brown with a resolution plaque acknowledging his twelve years of faithful service to the SCOPA Board. Matthew T. Brown thanked the Board of Directors and staff expressing sincere appreciation of the opportunity to serve with them at the Seminole County Port Authority.*

*The Chairman welcomed the newest member to the Board, Michael Bowdoin.*

*The Chairman asked for corrections or additions to the minutes of the January 20, 2016, Board Meeting. None were presented.*

**MOTION WAS MADE BY WILLIAM POE, SECONDED BY THOMAS KUHN TO APPROVE THE MINUTES OF THE JANUARY 20, 2016, BOARD MEETING AS PRESENTED.**

**MOTION CARRIED UNANIMOUSLY.**

*The Balance Sheet and Budget Statement for the month of January 2016 and year-to-date were presented to the Board. The revenues for the month were over budget by \$19,625 and over budget in the amount of \$82,270 for the year. Operational Expenditures for the month were under budget by \$95,682, and under budget in the amount of \$336,895 for the year. Chairman McLean inquired about the less than anticipated expenditures. The Administrator explained that the Board will see the expenditures increase as the planned projects are soon to commence. He stated that Jeremy Morton was present to provide updates on the current project status later in the meeting. Occupancy has maintained at 96%. Chairman McLean congratulated the*

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*Administrator on three months of consistently high occupancy. There were no other questions on the January 2016 Financial Statements.*

**MOTION WAS MADE BY DANA MCBROOM, SECONDED BY WILLIAM POE TO APPROVE THE JANUARY 2016 FINANCIAL STATEMENTS, AS PRESENTED.**

**MOTION CARRIED UNANIMOUSLY.**

*The Administrator presented the Outstanding Bills to the Board for discussion and approval. He explained that item #23, the \$8,300 payment to Wiginton Fire Systems, represents the repairs to the fire suppression system at 1490 Kastner Place. Item # 29, the \$11,820 payment to CPH Engineering, Inc., represents draw #2 on task order #1 for the drainage system. No questions on the bills to be paid were proposed.*

**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 reporting that ARI Electronics, LLC, paid \$5,000 of their \$10,700 balance and intends to have the remainder next week. G S Plant Food is two months out and has promised to bring a payment in on February 23<sup>rd</sup>. The Administrator explained that Thomas Companies, Inc., was served a Three Day Notice and that he hoped to downsize him into a smaller and less expensive unit. Kyle Kilger asked that the Administrator keep ARI Electronics, LLC, on a short leash. There were no other comments or questions about the aged receivables.*

**ATTORNEY'S REPORT**

a) Acme Recycling, LLC – Mr. Coover explained that subsequent to the last Board Meeting, he checked with the attorney for Acme to get an update on SCOPA's administrative rent payment. No definitive date was given but they are anticipating wrapping the case up soon. SCOPA should receive \$22,000 from the Trustee in administrative rents and there is \$20,000 built in to the ARI Lease. Therefore, of the \$58,000 outstanding, \$42,000 should be recovered. This will leave the Port with \$16,000 unrecovered plus expenses. Mr. Coover had nothing else to report.

**ADMINISTRATOR'S REPORT**

a) CPH Task Order # 1 - The Administrator welcomed Jeremy Morton of CPH, Inc., to the meeting to present an update on Task Order #1 to the Board. Mr. Morton explained that he has been working with the Administrator on the main drainage

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line that is going to be improved. He presented 30% plans to the Board explaining that a copy would be left at the SCOPA office for review. CPH is currently setting up a pre-application meeting with St. Johns Water Management District to review the plans. Mr. Morton explained that phase 1 will consist of the repairs to the main trunk line along Schilke Way and tying it into the existing pond. The preliminary cost estimate for the phase 1 improvements is \$500,000. He explained that phase 2 and 3 would include additional smaller pipes tying into the main infrastructure being accomplished in phase 1 as well as sidewalks, pedestrian access, signage and street lighting.

Michael McLean inquired about an estimate as to when the transition from phase 1 to phase 2 will occur. Jeremy Morton explained that CPH will be designing phase 2 while the construction of phase 1 is being performed. He estimated the completion of phase 1 would occur near the end of this year and phase 2 would be next year. He explained that the timeline was also dependent upon the economy and when the improvements were most cost effective.

Cliff Miller asked Jeremy Morton if CPH was ensuring tenant access during the phase 1 construction. Mr. Morton explained that there are four driveways that will be affected but most have dual access. He stated that the affected drives were wide enough that construction could be performed on half at a time leaving room for vehicles to pass. He also stated that the main trunk line crosses Dolgner at Schilke, allowing tenants to be redirected down Kastner if needed. Jeremy Morton explained that they would work with the Administrator in giving the tenants notice in advance of redirected access.

Cliff Miller asked if any ponds were involved in the phase 1 plans. Jeremy Morton explained that the existing pond in the back corner will not be modified, but the outfall of that pond and swale would be reconstructed. There were no other questions.

b) Roofing projects – The Administrator explained that the Budget Committee included money to perform roof-overs on a couple of roofs here at the Port. However, upon meeting with contractors, we are being advised that at 1401 Dolgner Place and 1470 Kastner Place the roofs are really only in need maintenance. The Administrator explained that on the 1401 Dolgner Place building he has received a quote of \$17,800 to run new skylights, re-screw the whole roof, install new boots on every penetration and new fasteners all around. The quote for the 1470 Kastner Place roof which includes the same work by the same contractor is \$15,875. The Administrator explained he is expecting quotes from two other contractors for this work, but asked for the Board's approval now to contract these repairs for an amount not to exceed \$35,000.

Michael McLean inquired if there were any concerns about the aesthetics of repairs rather than replacements. The Administrator explained that was not a concern. The roofs in discussion are parapet roofs that are not seen and the roof metal is in good condition it is just in need of maintenance repairs.

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**MOTION WAS MADE BY THOMAS KUHN, SECONDED BY KYLE KILGER TO ALLOW THE ADMINISTRATOR TO CONTRACT THE REPAIRS TO THE 1401 DOLGNER PLACE AND 1470 KASTNER PLACE ROOFS IN AN AMOUNT NOT TO EXCEED \$35,000.00.**

**MOTION CARRIED UNANIMOUSLY.**

NEW BUSINESS

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

1. Lease Renewal – Grace Missions, Inc.; 1513 Dolgner Place; 1 year lease; lease term March 1, 2016 through February 28, 2017; at the rate of \$854.70/month (2,000 sq. ft. warehouse @ a rate of \$5.12/sq. ft./yr.). Personal guarantee.

The Administrator reviewed the lease and invited questions. Dana McBroom inquired about the other Lease that was listed on the Notice mailed. The Administrator explained that Etched-In-Stone has asked to go on a month-to-month status for a short period of time. There were no other questions.

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

**MOTION CARRIED UNANIMOUSLY.**

b) Resolution for Matthew T. Brown – The Chairman asked the Board of Directors for a motion to approve the previously discussed Resolution for former Board Member Matthew T. Brown.

**MOTION WAS MADE BY DANA MCBROOM, SECONDED BY CLIFF MILLER TO APPROVE THE RESOLUTION FOR MATTHEW T. BROWN. THE RESOLUTION IS ATTACHED AND MADE A PART OF THESE MINUTES.**

**MOTION CARRIED UNANIMOUSLY.**

OLD BUSINESS

a) Fiscal Policy Discussion – The Administrator asked the Board to look at the previously presented draft fiscal policy. He explained that this was simply a working document for the members to start working towards a guide for budgeting. He explained that in the past the Budget Committee has somewhat arbitrarily selected a reserve

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*amount which has come under criticism from the County Commission. The Port is in need of a policy to cover capital improvement expenses, operating reserves, and catastrophic events.*

*Dana McBroom acknowledged the sample policy and the backup the Administrator provided and asked if he had samples from other public agencies. The Chairman noted that one was included from a County of Georgia Reserve Fund. The Administrator stated he would continue to find other samples for future discussions. He reminded the Board that next month the Budget Committee would be appointed to begin the budget process for the following fiscal year.*

*Chairman McLean asked who created the draft fiscal policy that was presented for review. The Administrator explained that Robert Kimmelman of Greene, Dycus & Co., who performs the Port's annual audit, prepared the draft policy.*

*Dana McBroom stated that if we are going to set a policy it needs to be justifiable. She expressed that one of her concerns was that the draft included twelve months of operating expense which might be excessive. Mrs. McBroom also stated that the draft included exact numbers whereas normally policies include formulas rather than specific numbers to allow for economic fluctuation. Michael McLean agreed stating that including a percentage or calculation would be better for policy establishment.*

*Commissioner Henley asked what problems the Board was attempting to solve. The Administrator explained that the policy was an attempt to prevent another budget session where no one seems to be on the same page and there is no justification for money put aside for reserves. The Administrator reiterated that the Port does not have to have a policy but that it would behoove the Board to establish a framework for staff to cover capital improvements, contingencies, and minimum operating costs. Commissioner Henley asked if the budgets had been covering those items. The Administrator confirmed that they did but often when the SCOPA budget gets to the County Commission level, it is scrutinized over a lack of justification. Commissioner Henley stated that the justification can be provided and the Administrator confirmed that was the intent of the proposed policy.*

*Chairman McLean interjected that he understood that the challenge from the County Commission side was to understand the justification of budget reserves. He continued stating that it appears that the format you are attempting to put together here would not only help the SCOPA Board but also the County Commission understand where the priorities are and the justification. Chairman McLean said that if nothing else it would provide a foundation and specific points of discussion.*

*Commissioner Henley stated that while he could not speak for the rest of the Commissioners, what would make it easier for him personally was if SCOPA came forward with the proposed capital improvement plan and a timeline. He stated that the Commissioners only see dollars and not all the discussion that takes place around the*

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*SCOPA Board table. Cliff Miller interjected that SCOPA has a Five Year Capital Improvement Plan and Dana McBroom concurred. The Administrator explained that the Board has approved a floating five year plan that generally includes maintenance items and a few years back it included new buildings on existing lands in the back. He stated that what has happened is the Board has saved some money planning on utilizing those funds for future construction; however, the County does not seem to view that as a real need. The Administrator explained this leaves the SCOPA Board attempting to find ways to continue significantly contributing to the County while ensuring the Port's fiscal health for the future. That is growing increasingly difficult without a policy that allows this Board to save, plan for capital expenditures, and catastrophic events. Commissioner Henley stated that SCOPA does not have a policy that prohibits them from doing so. He continued stating that he would recommend a joint meeting with the County Commission and this Board to explain what the circumstances and needs are. He stated that the Administrator mentioned future building and that was certainly something that the Commissioners were going to have something to say about. Chairman McLean stated while the idea of having such a meeting has merit, the policy document has the potential to provide the criteria for such discussions. He also stated there needs to be flexibility in the process.*

*Dana McBroom agreed and stated that policy is probably not the correct word to use here. She stated that what are needed are guidelines for the Budget Committee so that when it goes to the County the things we need to consider and calculate are clearly stated. Mrs. McBroom also reminded the members that it was agreed last year that the County Manager, Nicole Gillette, would be invited to attend SCOPA's budget meeting. She continued that we would like for the County to be included on the front side rather than after our budget is passed.*

*Cliff Miller stated that the SCOPA Board has never had to get approval from the County Commission to build a building. Commissioner Henley stated that it has to be included in the budget and the Commission approves the budget. Cliff Miller stated that while it does have to be in the budget, we have never had to get Commission approval to build a building and should not start now. Michael McLean interjected that the results up until now have been mutually beneficial to all sides and we hope that cooperation continues into the future.*

*Cliff Miller stated that SCOPA all too often gets questioned as to how our Budget Committee came up with our figures. These guidelines would not only clarify that but provide specific points of discussion if there are concerns. This Board could benefit from guidelines to help maintain consistency when making decisions for the future of the Port. Mr. Miller explained that such guidelines are not an attempt to tie anyone's hands or pull something over on anyone, simply an attempt at sound fiscal decisions. This Board is tasked with the running the Port of Sanford and tasked with making sure the Administrator is performing his job properly. Then we are overseen by the County Commission as to whether or not we have done so.*

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*Michael Caraway stated that he believed there was value in detailing on paper the segregation of funds on the balance sheet. By splitting up that large number into these smaller numbers it makes it easier for those not privy to all the details to see where the money is and why. Kyle Kilger agreed stating that such a policy would benefit the County Commission down the road because the budget will show that the Port has everything covered allowing for ongoing substantial General Fund contributions. William Poe stated that he too would like to see another government agency's policy to add additional validity to what the SCOPA Board is attempting to accomplish.*

*Chairman McLean concluded that it was the general consensus of the Board to move forward with budget and reserve guidelines. The Administrator stated he would work on finding additional samples including the County Commission's for review. He reiterated that the budget was tight and the Port still stands to contribute significantly to the County for the foreseeable future. These guidelines are not about minimizing that contribution, but rather about stabilizing the contribution and the Port for the future.*

*There being no further business, the meeting was adjourned at 4:47 p.m. by Chairman McLean.*

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*Michael McLean, Chairman*

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*William Poe, Secretary*