

**SEMINOLE COUNTY PORT AUTHORITY
MINUTES OF THE REGULAR BOARD MEETING
JUNE 15, 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 June 15, 2016.

Chairman Michael McLean called the meeting to order at 4:00 p.m. with the following members present: Michael McLean, Chairman; William Poe, Secretary; Dana McBroom, Treasurer; Tom Kuhn, Member; Michael Caraway, Member; Michael Bowdoin, Member; and Carlton Henley, BCC Member.

Members Absent: Cliff Miller, Vice-Chairman; and Kyle Kilger, 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 May 18, 2016, Board Meeting.

MOTION WAS MADE BY THOMAS KUHN, SECONDED BY WILLIAM POE TO APPROVE THE MINUTES OF THE MAY 18, 2016, BOARD MEETING AS PRESENTED.

MOTION CARRIED UNANIMOUSLY.

The Balance Sheet and Budget Statement for the month of May 2016 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 \$20,287 and revenues were over budget by \$154,223 for the year to date. The Administrator explained that expenditures for the month were over budget by \$16,505 but still under budget by \$400,028 for the year thus far. The year to date profit is \$672,461, which equates to 49.7%. Occupancy for the month of May dipped slightly to 94.3%. There were no questions on the May 2016 financial statements.

MOTION WAS MADE BY DANA MCBROOM, SECONDED BY MICHAEL BOWDOIN TO APPROVE THE MAY 2016 FINANCIAL STATEMENTS AS PRESENTED.

MOTION CARRIED UNANIMOUSLY.

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 #7, the \$14,756.48 payment to CPH, Inc., represents partial draws on task orders #1 and #2. Item #8, the \$6,667.00 payment to Greene, Dycus &

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Company, PA., represents the payment for the additional audit work required and approved at the May 2016 board meeting. Item #21, the \$7,500.00 payment to Exact Plumbing, Inc., represents repairs to a long sewer line servicing 1511 and 1515 Kastner Place. The Administer then explained that July 1st checks were the standard monthly payments. There were no questions on the outstanding bills to be paid.

MOTION WAS MADE BY WILLIAM POE, SECONDED BY THOMAS KUHN 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. He explained that there was no change in Acme Recycling's account balance. ARI Electronics, Inc., is current having recently paid off their May rents last week with hopes to have June's cleared up by the end of the month. Pure Comfort, LLC, Driftwood Arts, LLC, Harry Timmons, and Hydrotech Solutions, LLC, are all current. The Administrator explained that it was only the 15th of the month and that he was hopeful most of these would be paid prior to the end of month. The Administrator explained that Ocean State is two months out and he was keeping a watchful eye them. Finally, he stated that Thomas Companies, Inc., was downsized and is carrying a small balance. The Administrator explained that he did have a Three Day Notice out to Thomas Companies and would like to be able to collect and get him as current as possible. There were no other questions on the aged receivables. Chairman McLean inquired as to how long the Port would continue to show the bankrupted Acme's outstanding receivables on the books. The Administrator explained that we were still waiting on the bankruptcy trustee to close the case. Steve Coover stated that it was really an accounting question but that he still felt there was a good chance that the Port would received the administrative rents. Mr. Coover also noted that there was Acme rents built in to the ARI Electronics lease. Dana McBroom stated that typically it would be written off at year end, but that would depend on whether or not there was anything still collectable on the debt. Mr. Coover stated that he would make another status request to the Trustee in the case.

ATTORNEY'S REPORT

a) FP&L Easement - Mr. Coover stated that his attempts to get FP&L to change the easement language as discussed last month were unsuccessful. He explained that the utility company has legal counsel who is refusing to modify the language. Mr. Coover expressed that it was such a small project and we require the service so he felt it was not worth pursuing further. He stated that since the Board already authorized the execution of the easement, no additional motion was needed and the easement can be executed by the Chairman.

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ADMINISTRATOR'S REPORT

a) Financial Disclosures – The Administrator reminded the board members that 2015 financial disclosures were due to the Supervisor of Elections by July 1st, 2016.

b) Project Update – The Administrator explained to the Board that CPH would be at the board meeting next month with 90% plans and to begin discussing construction timelines on the drainage installation. He explained that on the office build out at 1490 Kastner the fire wall had been constructed, the old offices were demolished and the necessary concrete cuts have been made in the floor. It is ready for build out and the board should see evidence of that along with bills next month.

OLD BUSINESS

There was no old business.

NEW BUSINESS

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

- 1) New Lease – Brand O Guitar Company, Inc.; 1910 Dolgner Place; 1 year Lease; Lease term July 1, 2016 through June 30, 2017; at the budgeted rate of \$1,200.00/month. (3,000 sq. ft. warehouse @ a rate of \$4.80/sq.ft./yr.). Personal guarantees.
- 2) New Lease – Hydrotech Solutions, LLC, and Riken Construction & Design, LLC; 1450Kastner Place, Ste. 112-116; 1 year Lease; Lease term July 1, 2016 through June 30, 2017; at the budgeted rate of \$1,300.00/month. (3,000 sq. ft. warehouse @ a rate of \$5.20/sq.ft./yr.) Personal guarantees.
- 3) New Lease – Dragon Recovery, LLC; 1904 Dolgner Place; 1 year Lease; Lease term July 1, 2016 through June 30, 2017; at the rate of \$800.00/month. (1,500 sq. ft. warehouse @ a rate of \$6.40/sq.ft./yr.). Personal guarantees.
- 4) Lease Renewal – TEM Systems, Inc.; 1980 Dolgner Place, Suite 1024; 1 year Lease; Lease term July 1, 2016 through June 30, 2017; with the budgeted 5% rate increase to \$945.00/month. (1,212 sq.ft. warehouse with 288 sq.ft. of office @ a blended rate of \$7.56/sq.ft./yr.). Personal guarantee.
- 5) Lease Renewal – Fitness Equipment Resource, LLC; 4421 Schilke Way, Ste. 116-120; 1 year Lease; Lease term July 1, 2016 through June 30, 2017, with a 90 termination clause; at the budgeted rate of \$1,450.00/month. (4,000 sq.ft. warehouse @ a rate of \$4.65/sq.ft./yr.) Personal guarantee.

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- 6) Lease Renewal – Network Electrical Systems, Inc.; 1958 Dolgner Place; 1 year Lease; Lease term July 1, 2016 through June 30, 2017; at the budgeted rate of \$945.00/month. (1,212 sq.ft. warehouse with 288 sq. ft. of office @ a blended rate of \$7.56/sq.ft./yr.) Personal guarantee.
- 7) Lease Renewal – Stiffey’s Auction, Inc.; 1481 Kastner Place, Ste. 113; 1 year Lease; Lease term July 1, 2016 through June 30, 2017; at the budgeted 5% rate increase to \$2,756.25/month. (7,500 sq. ft. warehouse with office @ a rate of \$4.41/sq.ft./yr.) Personal guarantee.
- 8) Lease Renewal – Boutinot USA, Inc.; 1413 Dolgner Place; 1 year Lease; Lease term July 1, 2016 through June 30, 2017; at the rate of \$850.00/month. (1,084 sq.ft. warehouse with 312 sq.ft. of office @ a blended rate of \$7.31/sq.ft./yr.) Personal guarantee waived by Board at Lease initiation in July 2014.
- 9) Lease Renewal – Pure Comfort Footwear, Inc.; 1471 Kastner Place, Sutie113-117; 1 year Lease; Lease term July 1, 2016 through June 30, 2017; at the rate of \$1,500.00/month. (3,712 sq. ft. warehouse with 288 sq. ft. office @ a rate of \$4.50/sq.ft./yr.) Personal guarantee.

The Administrator reviewed the leases. There were no questions.

MOTION WAS MADE BY DANA MCBROOM, SECONDED BY WILLIAM POE, TO APPROVE LEASES AS PRESENTED.

MOTION CARRIED UNANIMOUSLY.

B) Fiscal Year 2016/2017 Budget – The Administrator asked the Board to consider an amendment to the proposed Fiscal Year 2016/2017 Budget as approved in May. He explained that in light of the salary increases being included in the budgets of many of the other constitutional offices throughout the County, he feels it would be appropriate to amend the previously approved 5% salary increases to a 3% salary increase. He stated that this appears to be in line with the rest of the County and should allow SCOPA, with Commissioner Henley’s help, get the SCOPA budget passed in August.

Chairman McLean stated that as this is the first year that SCOPA has collaborated with the County on our budget process, he said that he sees this as an opportunity to show that the partnership is a give and take on both sides. Chairman McLean explained that as this is something the Administrator is bringing this to the Board’s attention, he is clearly comfortable with it, therefore, it is something that the Board should approve.

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Commissioner Henley agreed explaining that the County Commission has received a report from all the constitutional offices and they were dealing with a problem with one of those offices which has given a 37% bonus increase to an employee.

William Poe stated that he wanted to go on record stating that he is in favor of the motion as presented but it has nothing to do with Andrew Van Gaale or Jennifer Sykes's performance. Mr. Poe stated that he actually felt that both staff members were worth more than the Port is able to put on the table and that the performance indicates such. However, he stated, that no matter where you go in today's economy you are just not finding raises of 5%. Mr. Poe stated that he watched the school board and everybody else seems to be in the 2 ½ and 3% range. Mr. Poe stated that while not related to performance, which is far above, he would make the motion to change the salary increases in the fiscal year 2016/2017 budget to 3% over the prior year. Commissioner Henley commented that the Feds did not raise interest rates today which is a good sign. There were no other questions or comments on the proposed fiscal year 2016/2017 budget.

MOTION WAS MADE BY WILLIAM POE, SECONDED BY DANA MCBROOM, TO AMEND THE PROPOSED FISCAL YEAR 2016/2017 BUDGET TO INCLUDE 3% SALARY INCREASES OVER FISCAL YEAR 2015/2016, AND TO AMEND ALL THE ASSOCIATED PAYROLL TAXES ACCORDINGLY.

MOTION CARRIED UNANIMOUSLY.

The Administrator thanked the Board and stated that while Jennifer Sykes is classified as Administrative Assistant, she is much more of an Office Manager or Business Manager. He requested that in the future the Board look at the Personnel Policy and consider reclassifying her into a role that matches her degree and experience. Chairman McLean stated that the board members were fully aware of that and that was certainly a discussion that could be had in the next budget year.

There being no further business, the meeting was adjourned at 4:17 p.m. by Chairman McLean.

Michael McLean, Chairman

William H. Poe, Secretary