

**SEMINOLE COUNTY PORT AUTHORITY
MINUTES OF THE REGULAR BOARD MEETING
FEBRUARY 15, 2017**

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 15, 2017.

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

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

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

Others present: Stephen H. Coover, SCOPA Attorney; Robert Kimelman, Greene, Dycus and Co., CPA; and William H. Poe.

The invocation was given by Michael Bowdoin followed by the pledge to the Flag.

The Chairman welcomed former Board Member William H. Poe expressing the Board of Directors' appreciation for his longstanding and faithful service to the Seminole County Port Authority. Chairman Miller explained that at the January Board Meeting the Board approved a resolution in honor of Mr. Poe's service and presented Mr. Poe with a plaque of that Resolution. Mr. Poe thanked the Board and expressed his confidence in Matthew Criswell who was appointed to fill the vacancy he left on the Board.

The Chairman asked for corrections or additions to the minutes of the January 18, 2017, Board Meeting. None were presented.

MOTION WAS MADE BY DANA MCBROOM, SECONDED BY MATTHEW CRISWELL TO APPROVE THE MINUTES OF THE JANUARY 18, 2017, BOARD MEETING AS PRESENTED.

MOTION CARRIED UNANIMOUSLY.

The Administrator presented the Balance Sheet and Budget Statement for the month of January 2017, and year-to-date, to the Board. The revenues for the month were over budget by \$12,547. The year-to-date revenues were over budget by \$67,114. Operational expenditures for the month were under budget by \$56,745, leaving the year-to-date expenses under budget by \$486,078. He further reported a year-to-date profit of \$365,010 or 54.5%. The Administrator stated that when budgeting for this year, it was

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anticipated that the master drainage project would be further underway by this time. However, it is presently out to bid and next month he will be presenting a contract for phase 1 of the master drainage improvements. The Administrator explained that the engineer's estimate for that phase of the project is \$800,000. The Administrator pointed out that occupancy remained strong at 98.9% and would be even higher next month due to the new leases being presented later in the meeting.

The Administrator presented the Outstanding Bills to the Board for discussion and approval. He explained that the expenditures were light, consisting of the normal bills and a few maintenance items. He asked the Board to review the list and invited questions. There were no questions regarding the Outstanding Bills presented for payment.

MOTION WAS MADE BY THOMAS KUHN, SECONDED BY MICHAEL BOWDOIN TO APPROVE THE BILLS FOR PAYMENT. THE LIST OF BILLS APPROVED TO BE PAID IS ATTACHED AND MADE A PART OF THESE MINUTES.

MOTION CARRIED UNANIMOUSLY.

The Administrator presented the Aged Receivables List to the Board for review explaining that we are still awaiting the Trustee's check on the Acme Recycling matter. He stated that ARI Electronics made a \$6,000 payment today, Pure Comfort and Driftwood Arts have only small balances, and Harry Timmons is current only owing for February. The Administrator explained that despite efforts, he had been unable to get into contact with the principle of GS Plant Foods. Therefore, while they did make a \$1,000 payment since the last meeting, the Administrator has issued a Three Day Notice to GS Plant Foods.

The Administrator stated that the Distress for Rent was filed on Ocean State Event Services as discussed last month. The principle of the company has made a payment equal to one month's rent and submitted a payment plan. The plan states that they would make payments equal to one month's rent on February 21st, February 28th, and March 7th, which would cover the past rents but not attorney's fees and filing costs. The Administrator recommended keeping them on a month-to-month basis until all the past due balances and fees were paid. Mr. Coover explained the next step would be to reduce the proposal to writing, file the Agreement with the Court and include any repercussions for failure of meeting the terms of that Agreement. He recommended allowing the tenant to pay off the attorney's and filing fees at a smaller rate over a couple of months. Mr. Coover explained that the Writ and Distress for Rent would remain open with the court until the terms of the Agreement were fulfilled.

AUDIT PRESENTATION

Mr. Robert Kimelman of Greene, Dycus & Co., CPA, explained that the 2015-2016 GASB68 data was released in January and the financial statements have been

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updated accordingly. He referred to page 12 of the Independent Auditor's Report presented; stating that the pension liability for 2014/2015 was \$178,095 and the new pension liability for 2015/2016 is \$305,431. Mr. Kimelman noted that the calculations for the liability for the whole Florida Retirement System's Plan doubled from twelve million to twenty-five million and, therefore, SCOPA's portion of the liability also doubled. He informed the Board of Directors that, in response to his inquiries as to the reason for the liability increase, he was told that the investment values dropped in 2014/2015 from 22.8 billion to 5.4 billion and in 2015/2016 from 5.4 billion to 850 million. Mr. Kimelman stated that the report presented is finalized awaiting Board approval. Once the SCOPA Board has approved the report, Mr. Kimelman explained that he would submit it to the Auditor General and send an additional copy to Seminole County.

MOTION WAS MADE BY DANA MCBROOM, SECONDED BY KYLE KILGER TO APPROVE THE SEMINOLE COUNTY PORT AUTHORITY FINANCIAL STATEMENTS, SUPPLEMENTARY INFORMATION AND INDEPENDENT AUDITORS' REPORT FOR SEPTEMBER 30, 2016, AND 2015, AS PRESENTED.

MOTION CARRIED UNANIMOUSLY.

ATTORNEY'S REPORT

Mr. Coover stated that he had nothing additional to present to the Board.

ADMINISTRATOR'S REPORT

The Administrator told the Board that Carl Schilke, one of the 1965 founding board members, and whom Schilke Way was named after, had recently passed away.

a) Project Updates – The Administrator informed the Board that the bid opening for phase 1 of the master drainage improvements will be held on February 27th and the contract should be presented at the March meeting.

b) Personnel Manual Update – The Administrator explained that the personnel manual was fairly old. He stated that it had been discussed for a year or so to upgrade the current Administrative Assistant, Jennifer Sykes', position to a Business Office Manager. In order to do so we need to amend the current personnel manual to include that classification. The Administrator explained that he did not advise completely reworking the personnel manual, only amending it to include a new classification better fitting the position Jennifer Sykes is performing. The Chairman stated that he would like the Administrator and one or two other people work together on this issue. Matthew Criswell volunteered explaining that he has put together three personnel manuals in the last five years. Mr. Coover advised that a committee was not needed. He stated that Matthew Criswell can work with Andrew and bring back something to the Board next month for approval.

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OLD BUSINESS

There was no old business.

NEW BUSINESS

- b) Leases - The following Leases were presented for approval:
1. New Lease – House of Tinks, LLC; 1413 Dolgner Place; one year lease; lease term Apr. 1, 2017 – Mar. 31, 2018; at the rate of \$850.00/month. (1,084 sq. ft. warehouse with 312 sq. ft. of office @ a blended rate of \$7.30/ sq.ft./yr.) Personal guarantee.
 2. Lease Renewal – Bennett & Sons AC, LLC; 1962 Dolgner Place; one year lease; lease term Mar. 1, 2017 – Feb. 28, 2018; at the budgeted rate of \$800.00/month. (1,500 sq.ft. warehouse with office @ a blended rate of \$6.40/sq.ft./yr.) Personal guarantee.
 3. Lease Renewal – CFLSS, Inc.; 1501-1505 Dolgner Place; one year lease; lease term Mar. 1, 2017 – Feb. 28, 2018; at the budgeted rate of \$1,500.00/month. (3,850 sq.ft. warehouse with 150 sq. ft. office @ a blended rate of \$4.50/sq.ft./yr.) Personal guarantee.
 4. Lease Renewal – Grace Missions, Inc. (fka: Ruby Martin); 1513 Dolgner Place; one year lease; lease term Mar. 1, 2017 – Feb. 28, 2018; with the budgeted 5% rate increase to \$897.44/month. (2,000 sq.ft. warehouse @ a blended rate of \$5.38/sq.ft./yr.) Personal guarantee.
 5. Lease Renewal – R.C. Cabinets, Inc.; 4421 Schilke Way, Suite 108; one year lease; lease term Mar. 1, 2017 – Feb. 28, 2018; with the budgeted 5% rate increase to \$936.02/month. (1,928 sq.ft. warehouse with 72 sq. ft. office @ a blended rate of \$5.61/sq.ft./yr.) Personal guarantee.
 6. Lease termination (in conjunction with #7 below) – J.Dalton Enterprises, Inc.; 1421-1425 Dolgner Place; 1 year lease; lease term Sept. 1, 2016 – Aug. 31, 2017; at a rate of \$1,500.00/month (3,000 sq.ft. warehouse @ a rate of \$6.00/sq.ft./yr.) Personal guarantee.
 7. New Lease – ASD Novelty, Inc.; 1421-1425 Dolgner Place; 1 year lease; lease term Mar. 1, 2017 – Feb. 28, 2018; at a rate of \$1,400.00/month (3,000 sq.ft. warehouse @ a rate of \$5.60/sq.ft./yr.) Personal guarantee.

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The Administrator reviewed the list of Leases requesting approval as presented. Michael Bowdoin inquired as to why the rate on the new lease at 1421-1425 Dolgner Place was less than the lease being terminated. The Administrator explained that this was the unit that had the three old air conditioning units installed by a previous tenant that have been removed from the unit prior to releasing. He stated that after inspection, the cost to repair and maintain the older air conditioning units was not effective; therefore, the unit has now been leased as plain warehouse space. Kyle Kilger inquired if the tenants were balking at the rate increases. The Administrator stated that the tenants do and we've talked about the effect on some of the long-term tenants. The leasing policy includes a 5% increase every two years and many of the good, long-term tenants get upset when a new tenant moves in next door at a lower, starting rate. Michael Bowdoin interjected that a 98.9% occupancy rate says that the Port is not fighting a trend and asked if the Administrator kept an eye on the current market trends. The Administrator assured him that staff does watch the rates of similar leaseholds in the area. Matthew Criswell inquired what type of leases the Port offers. The Administrator explained most of the leases were a modified gross with the exceptions being the larger tenants like Boat Tree Marina and Millennium Luxury Coaches, who have a triple net lease.

MOTION WAS MADE BY MICHAEL BOWDOIN, SECONDED BY MATTHEW CRISWELL TO APPROVE THE LIST OF LEASES AS PRESENTED.

MOTION CARRIED UNANIMOUSLY.

There being no further business, the meeting was adjourned at 4:43 p.m. by Chairman Miller.

Michael McLean, Vice - Chairman

Michael Bowdoin, Secretary