

**SEMINOLE COUNTY PORT AUTHORITY
MINUTES OF THE REGULAR BOARD MEETING
NOVEMBER 17, 2021**

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 17, 2021.

Chairwoman Dana McBroom called the meeting to order at 4:03 p.m. with the following Directors constituting a quorum: Dana McBroom, Chairwoman; Susan Sherman, Vice-Chairwoman; Bill Spivey, Secretary; Michael Caraway, Treasurer; Matthew Criswell, Member; Cliff Miller, Member; and Andria Herr, BCC Member (telephonic).

Members Absent: Amy Guilfoyle, Member; and Harry Ellis, Member.

Staff present: Andrew Van Gaale, Administrator; and Jennifer Sykes, Business Office Manager.

Also, present: Steve Coover, SCOPA Attorney; and Rob Kimelman, Greene, Dycus & CO., P.A.

An invocation was given by Matthew Criswell followed by the pledge to the Flag.

The Chair opened the floor for corrections or additions to the minutes of the October 20, 2021, meeting. None were presented.

MOTION WAS MADE BY CLIFF MILLER, SECONDED BY MATTHEW CRISWELL TO APPROVE THE MINUTES OF THE OCTOBER 20, 2021, BOARD MEETING, AS PRESENTED.

MOTION CARRIED UNANIMOUSLY.

The Administrator presented the Balance Sheet and Budget Statement for the month of October 2021. The Administrator reported that revenues for October and the year-to-date were over budget by \$23,368. Expenditures for October and the year to date were under budget by \$120,509. The Administrator reported that the occupancy for October remained strong at 99.9%. Cliff Miller inquired about what projects were not completed during the prior fiscal year. The Administrator explained that it was anticipated that the site redevelopment would have been further along. There were no other questions or comments on the October 2021 financial statements.

The Administrator presented the Outstanding Bills list for November and December 1st. He explained that item #18, the \$1,600.00 payment to R.L. Surfacing, represents floor resurfacing at 1924 Dolgner Place. Item #19, the \$3,940.00 payment to Seminole County, represents the site plan application fee for 1500 Dolgner Place. He then noted the

standard first of the month bills for December. There were no other questions about the bills to be paid.

MOTION WAS MADE BY CLIFF MILLER, SECONDED BY SUSAN SHERMAN TO APPROVE THE NOVEMBER 17TH AND DECEMBER 1ST BILLS AS PRESENTED. 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 both Concrete Sculpting and Driftwood Arts are current and have promised payment this week. There were no questions on the aged receivables.

ATTORNEY'S REPORT

SCOPA Attorney Steve Coover explained that he is intending to work towards retirement and anticipates that 2022 will be his last year representing SCOPA. He recommended the Board plan to put out a Request For Qualifications (RFQ) for an attorney that specializes in representing governments and landlord-tenant law early in 2022. Mr. Coover assured the Board he would assist with the RFQ and transition.

ADMINISTRATOR'S REPORT

The Administrator informed the Board that the site plan application for the 1500 Dolgner Place redevelopment would be submitted tomorrow

OLD BUSINESS

There was no old business to discuss.

NEW BUSINESS

Fiscal Year 2020-2021 Budget Adjustment – The Chair welcomed Rob Kimelman of Greene, Dycus & Co., P.A., to the floor. Mr. Kimelman explained that he and his colleague were in the office in early October to perform the annual audit. He reminded the Board that the financial statements being presented were preliminary and would be finalized after the State released the GASB68 actuary numbers for the Florida Retirement System. Once SCOPA's actuary numbers are received, he would be back to present the final audited financial statements. Mr. Kimelman then stated that as a matter of procedure, the Board needed to approve five-line-item budget adjustments for fiscal year 2020-2021. He explained that all expenditures were previously approved when occurred, however, the SCOPA legislation does not allow for any overspending. Therefore, while the total 2020-2021 expenditures were under budget, the Board needs to formally approve the adjustments for the five-line items that were overspent. These included: Audit expenses

in the amount of \$1,184.00, Arthropod Control in the amount of \$127.00, Bad Debts in the amount of \$3,787.00, Automobile and Gas in the amount of \$1,100.00, and Reserve Capital to offset the above in the amount of -\$8,499.00.

MOTION WAS MADE BY MATTHEW CRISWELL, SECONDED BY CLIFF MILLER TO APPROVE THE FISCAL YEAR 2020-2021 LINE-ITEM BUDGET ADJUSTMENTS, AS PRESENTED.

MOTION CARRIED UNANIMOUSLY.

ADMINISTRATOR'S REPORT

Mr. Kimelman presented draft pages from the 2020-2021 preliminary audited financial statements. On page 11, he noted that Assets were up to \$11,804,559 over the prior year amount of \$11,464,955. He explained that this includes \$8,769,615 in Capital Assets, \$2,848,828 in liquid cash compared to \$2,573,882 of the prior year. He explained that the increase in liquid cash is a result of delays due to the pandemic and supply chain issues. He noted that if the projects were proceeding as originally anticipated the cash would have been flat if not decreased. He proceeded explaining the liability side was fairly standard, reiterating that he was waiting on the net pension liability information from the State. Mr. Kimelman then directed the Board's attention to page 13, the Profit and Loss Statement, noting that operating revenue shows a slight upward tick from @2,055,803 to \$2,119,517. He explained that increase is made up primarily of the inflationary rate adjustments of 5% every other year and an increase in Marinas, LLC, variable rents due to the inclusion of 1681 Fitzpatrick Point.

Mr. Kimelman pointed out for the Board that recently the City of Sanford refused to renew the downtown marina operator's lease. The Administrator stated that his understanding was the fifty-five-year lease was not being renewed with the city indicating a lack of maintenance performance. He reported that according to the newspaper article the city has identified 2.3 million dollars worth of immediate repairs and is looking to hiring a management company to oversee the operation. The Administrator did update the Board that he spoke with the principal of Marinas, LLC, SCOPA's lessee, who indicated that they were planning to begin some dock repairs and intended to be complete in 2025. Mr. Coover noted for the Board that the downtown marina lease with the City of Sanford was an old lease and there are a lot of issues with the situation. However, he stated that it would behoove the SCOPA Board to bring any maintenance issues or expectations to the Lessee's attention sooner rather than later. Chairwoman McBroom requested the Administrator push for a maintenance plan and expressed a desire to see movement on that plan. Commissioner Herr suggested doing a loss control review to obtain an external perspective. The Administrator stated he would inquire with SCOPA's insurance carrier.

Mr. Kimelman resumed the presentation of the draft audited financial statements on page 13. He noted that operating expenses increased from \$1,245,377 in 2020 to \$1,310,315 in 2021. He explained that review of the expenses showed an increase in

quantity of smaller repairs verses more larger projects the prior year. He also noted that SCOPA now hires a variety of subcontractors. Some of the subcontract labor was previously performed by one all-around handyman contractor. He reiterated that the employee benefit cost only includes the hard costs and will be adjusted once the GASB68 actuary numbers are received. Cliff Miller inquired about the 10% increase in depreciation, which Rob Kimelman explained that more property included in the depreciation schedule. He gave the example of the stormwater improvement system which will be amortized over 15-30 years. Mr. Miller requested to see the amortization schedule and asked if it would increase 10% again. Rob Kimelman noted that he didn't expect a 10% increase next year as some things fall off. Dana McBroom noted that the depreciation schedule will depend on the new development. Dana McBroom also noted that the profit, or change in net position, would most likely have been negative if the projects had been completed as budgeted. Rob Kimelman noted that there is a capital improvement plan in place that includes 1.5 million in improvements over the next twelve months plus operating and catastrophic reserves. Bill Spivey inquired as to why the noted reserves were identified as a restricted asset. Mr. Kimelman explained that while SCOPA is an enterprise fund, it follows governmental accounting and, therefore, these funds can be designated but not restricted. Mr. Spivey asked about the designated operating and catastrophic amounts on page 12. The Administrator explained that it included estimated deductibles and six months operating costs should a catastrophic event occur.

Mr. Kimelman then presented the Board with the last twelve-month Consumer Price Index calculations noting that inflation previously had remained static for many years prior. He noted that currently the CPI is at a 6% increase. Therefore, he noted that the Board may want to review the current policy of applying a 5% rate increase on leases every two years. Dana McBroom agreed that if inflation continues to rise the Board will have to address lease rates and employee salaries. She recommended a committee review after the first of the year prior to beginning budget preparation. She stated that it might be time to implement a 2.5% rate increase annually rather than 5% every other year. She also noted that with a CPI over 5% and employees only received a 3% rate increase, their salaries aren't keeping pace with the cost of living. Commissioner Herr recommended the committee meeting sooner rather than later in case it takes several months discussion to resolve. Matthew Criswell, Susan Sherman, and Michael Caraway volunteered to participate on the Leasing Policy Review Committee. The Administrator noted that staff would schedule the Committee meeting prior to the December board meeting.

Lastly, Mr. Kimelman noted that the Seminole State College incubator has never been increased. Matthew Criswell inquired if that was in the By-Laws. The Administrator replied that it was not, it was an agreement that was inherited from the prior administration as an economic development partnership for the County. He suggested that at the time of its origination, Seminole County was probably still a bedroom community looking to attract industry. However, that may no longer be the case. Jennifer Sykes reminded the Board that prior to 2015, the SCOPA budget included a recommended

contribution to the SSC Incubator in the amount of \$150,000 to the Board of County Commissioners. Discussion ensued and SCOPA Attorney, Steve Coover, recommended the Board revisit the Port's Mission Statement while reviewing the leasing policy. There was no further discussion on questions. The Board thanked Mr. Kimelman for his work on the draft audited financial statements.

LEASES

The Administrator presented the following Leases Agreements approval:

1. Lease Renewal – Bennett & Sons AC, LLC; 1966 Dolgner Place; 1-year Lease Addendum; term Dec. 1, 2021 – Nov. 30, 2022; at the budgeted rate of \$892.50/month (1,500 sq.ft. warehouse @ a rate of \$7.14/sq.ft./yr.) Personal guarantee.
2. Lease Renewal – I.R.R. Auto Sales, LLC; 1471 Kastner Place, Suite 125; 1-year Lease Addendum; term Dec. 1, 2021 – Nov. 30, 2022; with the budgeted 5% rate increase to \$945.78/month (2,000 sq.ft. warehouse @ a rate of \$5.67/sq.ft./yr.) Personal guarantee.
3. Lease Renewal – Kevin Hays Fire Consulting, LLC; 1441 Kastner Place, Suite 101; 1-year Lease Addendum; term Dec. 1, 2021 – Nov. 30, 2022; with the budgeted 5% rate increase to \$1,215.51/month (2,500 sq.ft. warehouse @ a rate of \$5.83/sq.ft./yr.) Personal guarantee.
4. Lease Renewal – Orlando Pump & Equipment Co.; 4421 Schilke Way, Suite 112; 1-year Lease Addendum; term Dec. 1, 2021 – Nov. 30, 2022, with an existing 60-day termination clause; with the budgeted 5% rate increase to \$972.40/month (2,000 warehouse @ a rate of \$5.83/sq.ft./yr.) Personal guarantee.
5. Lease Renewal – Relentless Media, LLC; 1429 Dolgner Place; 1-year Lease Addendum; term Dec. 1, 2021 – Nov. 30, 2022; at the budgeted rate of \$892.50/month (1,500 sq.ft. warehouse @ a rate of \$ 7.14/sq.ft./yr.) Personal guarantee.
6. Lease Renewal – Ricardo Zayas; 1471 Kastner Place, Suite 105; 1-year Lease Addendum; term Dec. 1, 2021 – Nov. 30, 2022; with the budgeted 5% rate increase to \$997.50/month (2,000 sq.ft. warehouse @ a rate of \$5.99/sq.ft./yr.).

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

MOTION CARRIED UNANIMOUSLY.

There being no further business, the meeting was adjourned at 5:09 p.m. by the Chair.

Dana McBroom, Chairwoman

Bill Spivey, Secretary