

**SEMINOLE COUNTY PORT AUTHORITY
MINUTES OF THE REGULAR BOARD MEETING
MAY 18, 2022**

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 May 18, 2022.

Chairwoman Dana McBroom called the meeting to order at 4:00 p.m. with the following Directors constituting a quorum: Dana McBroom, Chairwoman; Susan Sherman, Vice-Chair; Bill Spivey, Secretary; Michael Caraway, Treasurer; Cliff Miller, Member; Amy Guilfoyle, Member; Harry Ellis, Member; and Andria Herr, BCC Member.

Members Absent: Matthew Criswell, Member.

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

Also present: Stephen H. Coover, Esq.

An invocation was given by Cliff Miller followed by the pledge to the Flag.

The Chair opened the floor for corrections or additions to the minutes of the April 20, 2022, meeting.

MOTION WAS MADE BY CLIFF MILLER, SECONDED BY COMMISSIONER HERR TO APPROVE THE MINUTES OF THE APRIL 20, 2022, BOARD MEETING, AS PRESENTED.

MOTION CARRIED UNANIMOUSLY.

The Administrator presented the Balance Sheet and Budget Statement for the month of April 2022. The Administrator reported that revenues for April were over budget by \$23,626 and over budget by \$174,300 for the year-to-date. Expenditures for April were under budget by \$151,407 and remain underbudget by \$788,190 for the year-to-date. He noted that the delay in construction projects, which would be discussed more later in the meeting, were the cause of the low expenditures. The Administrator reported that the occupancy for April maintained at 99.9%. There were no questions or comments on the April 2022 financial statements.

The Administrator presented the Outstanding Bills list for May 18th and June 1st. He noted that item #19, the \$1,100.00 payment to Design 4 Dot Com, represents website upgrades including the required ADA Compliance. Item #6, the \$832.06 payment to CPH, Inc, represents work on the 1500 Dolgner Place redevelopment project. The standard first of the month bills for June were noted. There were no other questions about the outstanding bills to be paid.

MOTION WAS MADE BY CLIFF MILLER, SECONDED BY HARRY ELLIS TO APPROVE THE MAY 18th and JUNE 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 with two tenants with small balances in the zero-to-thirty-day column. He explained that Driftwood Arts and Designs was two months behind, and staff was working with the owner to get them current. There were no questions on the aged receivables list.

ATTORNEY'S REPORT

Scopa Attorney Steve Coover stated he did not have anything to report.

Commissioner Herr presented Mr. Coover with a resolution adopted at a regular meeting of the Board of County Commissioners of Seminole County Florida on the 22nd day of March, 2022. The resolution expressed appreciation for Mr. Coover's faithful service to the Port Authority.

ADMINISTRATOR'S REPORT

The Administrator reported that the FDOT is requesting to purchase a small portion of land consisting of 5,282 ft. along the Port's eastern boundary for the Interstate 4 Expansion Project. The Administrator explained that he, along with Mr. Coover, were looking at the details of the offer. The offer includes \$46,900 for the land, \$7,00 for real estate damages, and some other damages for a total of \$59,800. He reported that Mr. Coover is going to address attorney fees for review of documents. They are not anticipating a lease modification with the tenant being required. FDOT is working directly with the tenant as well regarding his associated costs. The Administrator explained that the appraisal was done in January and a time adjustment is applicable considering the current market. The comps used in the appraisal included industrial land from \$5-\$12 per square foot with the offer to SCOPA coming in at about \$7 per square foot. The Administrator explained that the SCOPA drainage ditch needs addressed with either a maintenance agreement or easement for the Port to maintain. Discussion ensued. It was agreed that Seminole County Public Works would be notified, that any potential setbacks would be confirmed, maintenance and drainage issues would be clarified, and adjust the land price up.

The Administrator updated the board that the SJRWMD permit for the 1500 Dolgner Place redevelopment permit was issued. The County should release the construction permit shortly. The four-inch artesian well onsite was capped as required by SJRWMD and the

adjacent tenant is responsible for getting the meter for the potable water line servicing his site.

The Administrator explained that the Agreement with Asphalt Paving Systems, the low bidder on the Dolgner Place Paving Reclamation Project, was executed and the Notice to Proceed issued. Asphalt Paving Systems reached out this week because their supplier has issued a notice of reduced allocation due to the supply chain issues. Therefore, APS paving has requested a 30-day extension for a total of 60-days to complete the project. Mr. Coover stated that the Contractor was entitled per the provisions within the contract. There were no objections to the addendum to extend the Asphalt Paving Systems Agreement time for completion for an additional 30-days for a total of 60-days.

OLD BUSINESS

There was no old business presented.

NEW BUSINESS

LEASES

The Administrator presented the following Leases Agreements approval:

1. Lease Renewal – ACME Industrial Surplus, LLC; 1461 Kastner Place, Suite 101 & 113; one-year Lease Addendum; term June 1, 2022 – May 31, 2023; at the budgeted rate of \$3,150.00/month (8,000 sq. ft. warehouse @ a rate of \$5.01/sq.ft./yr.) Personal guarantee.
2. Lease Renewal – Aqua Cops Water Systems, Inc; 1980 Dolgner Place, Suite 1032; one-year Lease Addendum; term June 1, 2022 – May 31, 2023; at the budgeted rate of \$1,000.00/month (1,500 sq.ft. warehouse @ a rate of \$8.45/sq.ft./yr.) Personal guarantee.
3. Lease Renewal – F4W Strike Team, Inc; 1481 Kastner Place, Suite 101; one-year Lease Addendum; term June 1, 2022 – May 31, 2023; with a 5% rate increase to \$1,458.61/month (1,400 sq. ft. warehouse w/ 1,100 sq.ft. office @ the rate of \$7.30/sq.ft./yr.) Personal guarantee.
4. Lease Renewal – Florida Sealcoating, LLC; 1511 Kastner Place Lot; one-year Lease Addendum; term June 1, 2022 – May 31, 2023; with a 5% rate increase to \$945.00/month (0.40 acres MOL @ a rate of \$28,350.00/ac./yr.) Personal guarantee.

5. Lease Renewal – Freeport Fountains, LLC; 1450 Kastner Place, Suite 120; one-year Lease Addendum; term June 1, 2022 – May 31, 2023, with an existing 60-day termination clause; with a 5% rate increase to \$636.70/month (1,212 sq.ft. warehouse w/ 288 sq.ft. office @ a rate of \$5.66/sq.ft./yr.) Personal guarantee.
6. Lease Renewal – Kevin B. Hays Fire Consulting, LLC; 1470 Kastner Place, Suites 112 & 116; one-year Lease Addendum; term June 1, 2022 – May 31, 2023; at the budgeted rate of \$1,701.71/month (2,907 sq.ft. warehouse @ a rate of \$7.49/sq.ft./yr.) Personal guarantee.
7. Lease Renewal – Transmission Specialties & Auto Repair 1, LLC; 1521 Dolgner Place; one-year Lease Addendum; term June 1, 2022 – May 31, 2023; at the budgeted rate of \$972.41/month (2,000 sq.ft. warehouse @ a rate of \$6.09/sq.ft./yr.) Personal guarantee.
8. Lease Renewal – Daniel E. Wurl; 1450 Kastner Place; Suite 124 & 128; one-year Lease Addendum; term June 1, 2022 – May 31, 2023, with an existing 45-day termination clause; at the budgeted rate of \$1,962.18/month (2,328 sq.ft. warehouse w/ 672 sq.ft. office @ a rate of \$8.48/sq.ft./yr.).

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

MOTION CARRIED UNANIMOUSLY.

Fiscal Year 2022/2023 Draft Budget

The Administrator explaining that the budget committee met on April 27th. Section one of the budget reviews the current year by looking at the actual revenues and expenditures for the first six months and the projections for the last six months. The projected operational revenues for fiscal year 2021/2022 are expected to be \$1,994,637. The projected operational expenses for fiscal year 2021/2022 are predicted to be \$1,416,178.

Section two of the draft budget supplies a snapshot including the projected cash balance breakdown, the last six months' cash flow analysis, and the March 2022 financial statements representing the first six months of the current fiscal year. Dana McBroom noted that the year started with \$3.3 million and ending the year with \$3.25 million, removing the reserves and looking at just the cash. She also noted that the Port will most likely have to seek financing for the construction of the buildings on the 1500 Dolgner site.

The Administrator explained that section three outlines the projected revenues for fiscal year 2022/2023 totaling at \$1,996,857 not including the cash carried forward amount of \$3,268,174. The Administrator noted that Jennifer Sykes negotiated with Seacoast Bank a small increase in interest from 0.15% to 0.25%. He noted Seacoast Bank is a certified public depository and the money is held in a low-risk money market account. Bill Spivey suggested the Port take part in an approved government investment pool and offered assistance to increase the interest income. The Administrator explained that Budget Committee decided to keep the provision for vacancy at 15% due to the current economic challenges and the Port's saturation of industries.

The Administrator proceeded to section four which outlines the budgeted expenditures totaling \$2,479,993. He noted that due to the current inflation of 8.5%, the State's planned 5.5% raises, and taking Seminole County's 2022 Salary Study a salary adjustment for Port employees was included. The Port's employee manual allows for inflationary increases and salary adjustment. He noted that both Port employees worked through the pandemic without the incentives many other municipalities offered. He explained this adjustment would bring the Port employees back in line with the market and Seminole County's 2022 rates. The Administrator noted that 10% salary adjustment over last year equates to a total cost to the Port of \$25,269, including FICA, Medicare and retirement. He pointed out that last year staff was able to save \$40,000 in insurance cost. Commissioner Herr said that the County was currently looking at 6% and there was no way she could vote for 10%. Dana McBroom noted that way the Committee looked at is the current pay scale for the Port employees is lower than the rest of the County. Susan Sherman noted that the Budget Committee felt that Jennifer Sykes was also incorrectly classified. The Administrator proceeded to review the itemized expenditures included in the budget pointing out significant changes. The Committee increased the legal expenses due to the upcoming retirement of SCOPA's longstanding attorney, Steve Coover. He noted that \$46,000 was included for a new vehicle explaining that he would be looking to piggyback off a county contract for a truck. The Administrator stated that he was currently having to use his personal truck for certain projects. The current 2015 Ford Explorer would be sold. He then noted that \$7,250 was included for Professional Development. He said that staff would be able to get reimbursed for a portion of work-related education expenses.

Finally, section five outlines the projected cash flow, after the surplus fund transfer to Seminole County in the amount of \$300,000, the projected total cash balance for September 30, 2023, is \$2,179,993. The Administrator explained that after taking into consideration restricted funds, operating and catastrophic reserves, and capital improvement reserves the projected balance is \$123,790. Finally, section five includes a budget comparison between the current and proposed budgets as well as the Five-Year Capital Improvement Plan. It was the consensus of the Board to further discuss the fiscal year 2022/2023 budget at the June meeting.

SCOPA Attorney Steve Coover updated the Board that the landlord consent agreement for Marinas that was discussed and approved last month's meeting was still unsigned. He explained that he and Jennifer Sykes went back and forth with the bank's attorney with a lot of information but have not received the final document back.

There being no further business, the meeting was adjourned at 5:27 p.m. by the Chair.

Dana McBroom, Chairwoman

Bill Spivey, Secretary