

**SEMINOLE COUNTY PORT AUTHORITY
MINUTES OF THE REGULAR BOARD MEETING
NOVEMBER 16, 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 November 16, 2022.

Chairman Matthew Criswell called the meeting to order at 4:01 p.m. with the following Directors constituting a quorum: Matthew Criswell, Chairman; Michael Caraway, Treasurer; Bill Spivey, Secretary; Dana McBroom, Member; Cliff Miller, Member; Amy Guilfoyle, Member; and Andria Herr, BCC Member.

Members Absent: Susan Sherman, Vice-Chairwoman; and Harry Ellis, Member.

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

Also, present: Steve Coover, SCOPA Attorney; Rob Kimelman, Greene, Dycus & Co.; Irene Boyles, CPH; and Brook Sherard, CPH.

An invocation was given by Bill Spivey followed by the pledge to the Flag.

Chairman Criswell welcomed the guests and opened the floor for corrections or additions to the minutes of the October 19, 2022, meeting. Steve Coover presented two corrections on the report for the conflict of interest located in the last paragraph on the second page. There were no objections to the amendments presented.

MOTION WAS MADE BY COMMISSIONER HERR, SECONDED BY CLIFF MILLER TO APPROVE THE MINUTES OF THE OCTOBER 19, 2022, BOARD MEETING, AS AMENDED.

MOTION CARRIED UNANIMOUSLY.

NEW BUSINESS

1500 Dolgner Place Redevelopment – The Administrator explained that the site development is currently out for bid. He explained that the goal was to have the buildings designed and ready for permit by the completion of the site work. He introduced Irene Boyles and Brook Sherard of CPH directing the Board’s attention to the September 6, 2022, version of the Task Order for building design. Mr. Sherard explained that he was new to the project because the architect who produced the draft design and task order had retired. He stated that he had reviewed the project and invited questions. Bill Spivey asked about reference to the Continuing Services Agreement. Mr. Sherard agreed providing assurance that he would clean up the task order, reference the date of the Continuing Services Agreement, and provide a new task order for approval. Bill Spivey

inquired about the Agreement using the term work order, but CPH was preparing task orders. Mr. Sherard apologized for not be completely familiar with the Agreement language explaining that the work order or task order should reference back to the Agreement language. Bill Spivey pointed out that project description on page one of the task order states that building three includes a sprinkler system, but page four lists sprinkler system design as services not included. Brooks Sherard explained that if the Port or Code requires a fire sprinkler system, CPH will initially do a delegated design providing the required criteria and the contractor would do the final design that meets that criteria. He also stated that if cost estimating was included in the services requested, CPH would provide a cost estimate for the fire sprinkler system. Matt Criswell confirmed that the Board would want CPH to provide estimating services. Bill Spivey asked for clarification on the reimbursable expenses. Mr. Sherard assured him that he would verify what is called out in the Continuing Services Agreement and either include a cap on reimbursables or clarify what reimbursables would be included. Cliff Miller asked for clarification on what has already been completed by CPH and already paid for by SCOPA. Mr. Sherard stated that the revised and resubmitted task order would include very clear descriptions of the scope of services to be provided. He also stated he would provide the revised task order by December 7th and would include a proposed milestone schedule as well. The Administrator thanked the representatives from CPH and stated that he would like to meet with them regarding a spec package for the roof-over for the 80,000 square foot building at 1601 Dolgner Place. He explained that, along with the site development, he would also like to get the roof work completed during the dry season. There were no other questions for CPH.

Preliminary F.Y. 2021/2022 Audit Presentation – The Chairman invited Rob Kimelman with Greene, Dycus & CO., to present the prior fiscal year audit. Mr. Kimelman explained that the preliminary audit was complete. He reminded the Board that he was waiting on the actuarial data from the Florida Retirement System to be published and would return in February with the final draft. Mr. Kimelman explained that as required by governmental accounting rules, even though the actual expenditures had already been approved the budget adjustments need reviewed and approved. The Administrator presented the proposed operating budget adjustment memo dated September 30, 2022, which included a \$601 decrease in Interest Income, a \$5,997 increase in utility expenses, the \$400,000 non-operation contribution to Seminole County's General Fund, and a decrease of \$406,598 in reserve capital. Mr. Kimelman informed the Board that the total expenditures were well under budget, however, budget line items cannot have an unfavorable variance. Adopting the adjusted budget is a mechanical function necessary for the final cash carried forward amount.

MOTION WAS MADE BY CLIFF MILLER, SECONDED BY DANA MCBROOM TO AMEND THE BUDGET AS REFLECTED.

MOTION PASSED UNANIMOUSLY.

Mr. Kimelman then directed the Board's attention to the draft fiscal year 2021/2022 budget. He referred to page 13, the comparative balance sheet, pointing out that Cash and Cash Equivalents rose from \$2.8 million in 2021 to \$3.8 million in 2022. He attributed this to delays in the budgeted capital improvement projects. The capital assets decreased from \$8.7 million in 2021 to \$8.1 million in 2022 due to depreciation being more significant than capital additions. Referring to page 14, Mr. Kimelman pointed out that the liabilities are consistent with the prior year liabilities. The total net position rose from \$11.2 million in 2021 to \$11.6 million in 2022 as a result of the profit and operations of the Port Authority. He noted the \$450,608 change in net position on page 15, explaining that revenues are up 3%, operating expenses were up 6%, and insurance expenses were down 30% over the prior year. Mr. Kimelman reminded the Board that in 2021 there was a significant reduction in SCOPA's FRS actuarial pension liability causing the employee benefit line item to look significantly increased. He explained that the actual increase was negligible. He explained that depreciation was a little higher than the prior year due to fixed assets going off the books. Interest income is down, but should be up next year with the Board exploring investment opportunities. Mr. Kimelman stated that SCOPA's financial position is good. He pointed out the \$1 million in positive cash flow on page 16, noting that the expenses were only 10% of the prior year. However, if the \$1 million in budgeted capital improvements had occurred SCOPA would have maintained a flat position. Matthew Criswell stated that next year the numbers would be significantly different. Rob Kimelman invited the Board to ask or email him any questions and reminded them he would return in February with the final audit for approval. Cliff Miller asked why supplies and miscellaneous increased \$12,000 over the prior year. Mr. Kimelman pointed out that repairs and maintenance was down \$20,000 and those two line items overlap. He stated that he would get with staff and take a little closer look at what was included in each line item. There were no other questions.

Proposed Investment Policy – The Administrator explained that at the October meeting the Board voted to invest \$1 million each into the Florida Prime and FL SAFE Local Government Investment Pools (LGIPs) and to establish an investment policy later. He continued explaining that this left him with Indentures of Trust and Agreements to administer the funds. Review of the documents required to establish the accounts revealed language that appeared contradictory to the Board's discussions without a clear direction or policy. He explained that he has no problem administrating the funds on behalf of SCOPA, however, he was not fully comfortable doing so without clear objective standards being adopted. Mr. Spivey commented that time constraints prevented the Board from having a full discussion at the October meeting. He stated that the layout of the proposed investment policy is very descriptive and the LGIPs only allow the money to be moved to the designated bank account. He explained that when the accounts are set up SCOPA would designate who has authority to initiate transactions. The Administrator pointed out that the draft policy stated the Chair, Treasurer, and Administrator shall have the authority to initiate investments. The Administrator asked what happens if the market turns and he is unable to move the Port's money out timely enough. Michael Caraway

commented that he understood having the authority, but not the responsibility. Mr. Kimelman suggested having a co-trustee for the accounts. Bill Spivey suggested the Administrator and Chair with notice to the Treasurer. He also stated while anything can happen in the market, the LGIPs have professional advisors watching the accounts and making moves on our behalf. Mr. Kimelman suggested a financial sub-committee with the Treasurer as Chair. He commented that while the LGIP products have changed significantly, in 2008 some LGIPs were invested in things like Sallie Mae or student loan funds that dried up and not all finance directors were able to get their agency's money out due to a run on the funds.

After further discussion, the Chair asked if it would make the most sense to have the sub-committee. The Administrator responded favorably reiterating that he does not mind being the administrator on the accounts, but not without guidance from the Board. SCOPA Attorney, Steve Coover, asked who is directing the SCOPA Administrator on when to move funds into and out of the LGIPs. Bill Spivey responded that the Board would be directing the Administrator. Mr. Coover stated that means the Administrator would not be able to move funds without a properly advertised public meeting. Bill Spivey clarified his opinion that the Administrator needed Board action to invest, but should have the authority to move money out of the funds into SCOPA's bank at any time. Commissioner Herr commented that an investment policy was needed with the documents in order and aligned. Dana McBroom agreed stating that she understands the Administrator being uncomfortable without a policy in place. The Chairman proposed the investment committee meet prior to the December meeting in the hope that the policy could be adopted, and the funds invested by the end of the year. The investment committee consists of Matthew Criswell, Michael Caraway, and Bill Spivey. Dana McBroom stated that she would also attend if her schedule allowed. Commissioner Herr offered to connect the Administrator with the investment advisor at the County. The Administrator agreed that would be prudent and offered to do so at her office or via telephone call.

Mr. Kimelman noted that the Port generates about \$1.4 million of positive cash flow before it sends money to Seminole County. In the last two years, the Port sent \$500,000 and \$400,000 before spending money on equipment or property. He noted that with \$1.6 million planned in capital improvements and \$300,000 for the County, that's a million two. Therefore, the Port will be dipping into the existing cash reserves of \$4 million. Mr. Kimelman inquired about how much was being invested into the LGIPs. The Administrator explained that the Board voted in October to invest \$1 million into FL Prime and FL SAFE, for a total of \$2 million invested. Mr. Kimelman suggested putting a portion of the Port's remaining reserve funds into a better interest-bearing account. The Administrator informed the Board that could be done, but would require a sub-committee and a public Request for Proposal (RFP) from Florida Qualified Public Depositories. Mr. Kimelman suggested exploring options of opening another, higher interest-bearing account at the Port's current bank. The meeting date for the investment committee was set for December 5th, 2022.

The Administrator presented the Balance Sheet and Budget Statement for the month of October 2022. The Administrator reported that revenues for the month of October and the year-to-date were over budget by \$24,989. Expenditures for the month of October and the year-to-date underbudget by \$144,112. The Administrator reported that occupancy for October was 100% reminding the Board that the Budget Committee had removed Suite B of the Administration building from inventory. However, he assured the Board that if the right tenant came along, staff would rent that portion of their office. There were no questions or comments on the October 2022 financial statements.

The Administrator presented the Outstanding Bills list for November 16th and December 1st. He explained item #8, the \$14,060.00 payment to Greene, Dycus & Co., represents a 75% payment for the annual auditing services. Item #18, the \$2,250.00 payment to Florida Sealcoating, Inc., represents asphalt repairs to Dolgner and Kastner Place. Item #20, the \$2,689.96 payment to MGC Roofing & Construction, represents post hurricane roof leak repairs to four leaseholds. Item #22, the \$7,500.00 payment to Exact Plumbing, Inc., represents sanitary sewer line repairs for the Millennium Luxury Coaches leasehold at 1601 Dolgner Place. Matthew Criswell asked about the sewer line failure. The Administrator explained that it was a break in the four-inch sewer main that ran diagonally across the Dolgner Place and Schilke Way intersection. The damage is most likely due to the construction in that area in recent years added to the normal heavy vehicle traffic and wet soil conditions. There were no other questions regarding the bills to be paid.

MOTION WAS MADE BY DANA MCBROOM, SECONDED BY CLIFF MILLER TO APPROVE THE NOVEMBER 16TH 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 with six tenants in the 0–30-day category. He explained that staff was in communication with and anticipating payments this week from Matthew Bauer, Leonard Smith, and Sanford Boat Storage. He noted that Filtration Direct's balance was only \$0.61 and would be collected with next month's rent. He reported that a partial payment had been received from Dazzling Detailing. Matthew Criswell asked about F4W's outstanding balance and bounced check. The Administrator stated that if payment was not received by the end of the month a Three-Day Notice would be issued. There was no other discussion on the aged receivables.

ATTORNEY'S REPORT

Partial Release of Lease and Lease Addendum associated with FDOT Purchase– Mr. Coover reported that he reviewed the Partial Release of Lease that FDOT tendered to

staff. He explained that he requested a few revisions, which FDOT made, and that he approved the revised document for staff to get executed by tenant. Mr. Coover then directed the Board's attention to the Addendum to Lease document which he prepared. He explained that the Lease Addendum clarifies the property that FDOT is taking, which is being removed from the lease, and that the rent is remaining the same. The Chair opened the floor for questions. None were presented.

MOTION WAS MADE BY CLIFF MILLER, SECONDED BY COMMISSIONER HERR, TO APPROVE THE ADDENDUM TO LEASE BETWEEN SCOPA AND ACME INDUSTRIAL SURPLUS, INC., REMOVING THE FDOT PURCHASED LAND FROM THE LEASEHOLD.

OLD BUSINESS

Proposed Leasing Policy Amendment (Landlord Waivers) – The Administrator presented the Proposed Leasing Policy Amendment as discussed during the October board meeting and invited comments. Dana McBroom noted that many small businesses do not have audited financial statements. SCOPA Attorney, Steve Coover, responded that landlord waivers were typically required with a business loan and that banks would require financial statements for a loan. Therefore, a business requesting the waiver would most likely have supplied financial statements to a bank already. Michael Caraway stated that the board could review tax returns in lieu of audited financial statements. Steve Coover interjected that the purpose of getting a higher security deposit is to prevent the Board from having to analyze the tenant's financial position. He explained that landlord waivers require Port staff to notify the bank when the tenant is in default and give the bank time to secure their collateral. The increased security deposit required would help protect the Port from lost revenues during that process.

MOTION WAS MADE BY DANA MCBROOM, SECONDED BY BILL SPIVEY, TO APPROVE THE LEASING POLICY AMENDMENT ESTABLISHING THE CRITERIA FOR LANDLORD WAIVER APPROVALS.

MOTION CARRIED UNANIMOUSLY.

NEW BUSINESS

Leases – The Administrator presented the following leases for approval:

1. Lease Renewal – Bennett & Sons, LLC; 1966 Dolgner Place; 1-year Lease Addendum; term Dec. 1, 2022 – Nov. 30, 2032; with the budgeted 5% rate increase to \$937.13/month (1500 sq.ft. warehouse @ a rate of \$7.99/sq.ft./yr.) Personal guarantee.
2. Lease Renewal – I.R.R. Auto Sales, LLC; 1471 Kastner Place, Suite 125, plus Lot; 1-year Lease Addendum; term Dec. 1, 2022 – Nov. 30, 2032; at the budgeted rate of \$945.78/month (2,000 sq. ft. warehouse, plus lot @ a rate of \$5.99/sq.ft./yr.) Personal guarantee.

3. Lease Renewal – Kevin B. Hays Fire Consulting, LLC; 1441 Kastner Place, Suite 101; 1-year Lease Addendum; term Dec. 1, 2022 – Nov. 30, 2032; at the budgeted rate of \$1,215.51/month (2,500 sq.f.t warehouse @ a rate of \$6.16/sq.ft./yr.) Personal guarantee.
4. Lease Renewal – Orlando Pump & Equipment, Co.; 4421 Schilke Way, Suite 112; 1-year Lease Addendum; term Dec. 1, 2022 – Nov. 30, 2032, with an existing 60-day termination clause; at the budgeted rate of \$972.40/month (2,000 sq.f.t warehouse @ a rate of \$6.22/sq.ft./yr.) Personal guarantee.
5. Lease Renewal – Relentless Media, LLC; 1429 Dolgner Place; 1-year Lease Addendum; term Dec. 1, 2022 – Nov. 30, 2032; with the budgeted 5% rate increase to \$937.13/month (1,500 sq.ft. warehouse @ a rate of \$8.07/sq.ft./yr.) Personal guarantee.
6. Lease Renewal – Ricardo Zayas; 1471 Kastner Place, Suite 105; 1-year Lease Addendum; term Dec. 1, 2022 – Nov. 30, 2032; at the budgeted rate of \$997.50/month (2,000 sq. ft. warehouse @ a rate of \$6.22/sq.ft./yr.)

There were no questions on the leases as presented.

MOTION WAS MADE BY DANA MCBROOM, SECONDED BY COMMISSIONER HERR TO APPROVE THE LIST OF LEASES AS PRESENTED.

MOTION CARRIED UNANIMOUSLY.

Port Vehicle Replacement - The Administrator explained that the Board budgeted \$48,000 to replace the Port's 2015 Ford Explorer with a truck. He has been working with Seminole County, the City of Sanford, and Florida Sheriff Association trying to source a pickup truck through piggybacking an existing fleet contract. Discussion ensued on the current vehicle market, manufacturing and performance problems with certain makes and models. The Administrator informed the members that the best option under government contract pricing right now is a 2023 GMC Sierra 1500 fleet crew cab at a price is \$36,947. Delivery is four to six weeks out. The 2015 Ford Explorer has a Kelly Blue Book private party sale estimate of \$14,981. Cliff Miller expressed that the Administrator should dispose of the Explorer through trade-in rather than private sale and Matthew Criswell agreed.

MOTION WAS MADE BY CLIFF MILLER, SECONDED BY BILL SPIVEY, TO AUTHORIZE THE ADMINISTRATOR TO MAKE THE BEST DEAL AVAILABLE ON A GMC OR CHEVY PICKUP TRUCK AND TRADE IN THE PORT'S 2015 FORD EXPLORER.

Commissioner Herr explained that, out of an abundance of caution, she would abstain from voting because she was not certain if her company had any contractual involvement with the automobile dealers the Administrator was negotiating with.

MOTION CARRIED WITH COMMISSIONER HERR ABSTAINING FROM THE VOTE.

There being no further business, the meeting was adjourned at 5:30 p.m. by Chairman Criswell.

Matthew Criswell, Chairman

Bill Spivey, Secretary