

**SEMINOLE COUNTY PORT AUTHORITY
MINUTES OF THE REGULAR BOARD MEETING
NOVEMBER 15, 2023**

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 15, 2023.

The Chairman called the meeting to order at 4:04 p.m. with the following Directors constituting a quorum: Matthew Criswell, Chairman; Dana McBroom, Vice-Chair; Bill Spivey, Secretary; Michael Caraway, Treasurer; Cliff Miller, Member; Amy Guilfoyle, Member; Steve Powell, Member; and Andria Herr, BCC Member.

Members Absent: Harry Ellis, Member.

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

Also present: Darren Elkind, SCOPA Attorney; and Rob Kimelman, CPA.

An invocation was given by Steve Powell followed by the pledge to the Flag.

The Chair welcomed Mr. Kimelman and opened the floor for corrections or additions to the minutes of the October 18, 2023. None were presented.

MOTION WAS MADE BY CLIFF MILLER, SECONDED BY STEVE POWELL TO APPROVE THE MINUTES OF THE OCTOBER 18, 2023, BOARD MEETING.

MOTION CARRIED UNANIMOUSLY.

The Administrator presented the Balance Sheet and Budget Statement for the month of October 2023. Revenues for the month of October and year-to-date were \$23,430 over budget. The expenditures for the month of October and year-to-date were \$50,755 over budget. He reported that occupancy was at 100%. The Administrator informed the board that the Florida Prime account received a 5.60% return, and the Florida SAFE account received a 5.489% return. There were no questions on the October financial statements.

The Administrator then presented the Outstanding Bills for November 15th and December 1st. Item #8, the \$1,500.00 payment to Newmark Valuation & Advisory, LLC, represents the lease appraisals for 1430 and 1440 Dolgner Place. Item #15, the \$90.00 payment to Wiginton Fire Systems, represents the monthly monitoring of the fire suppression system at 1490 Kastner Place. Item #16, the \$1,800.00 payment to Wiginton Fire Systems, represents the five-year inspection on the fire suppression system at 1690 Fitzpatrick Point. Then he pointed out the standard checks due on December 1st and opened the floor for questions.

MOTION WAS MADE BY CLIFF MILLER SECONDED BY DANA MCBROOM TO APPROVE THE NOVEMBER 15TH 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. He reported that he was still working on how to obtain the title and liquidate the vehicle abandoned by F4W Strike Team. SCOPA Attorney Darren Elkind reported that he ran an asset check on the personal guarantor for F4W. He stated that while the guarantor has not filed bankruptcy and the report did not reveal any judgments, unfortunately it does not appear that there are significant assets. The Administrator reported that Paul Newman's Dazzling Detailing, Inc. has a \$0.02 balance and has been instructed to vacate by the end of the month. He confirmed that Dazzling Detailing also has a deposit on file. The small Amerigas balance is due to the renewal last month. Transmission Specialties has dropped off a check for deposit on Friday. Ricardo Zayas has promised payment by the end of the week. The Administrator also informed the board that the legislature has dropped the Florida sales tax on commercial rentals by 1% effective December 1st. There were no questions on the aged receivables.

OLD BUSINESS

No old business was presented.

NEW BUSINESS

Fiscal Year 2022-2023 Budget Adjustment- The Administrator presented the September 30, 2023, proposed budget adjustment. He explained that the expenses were well under the total budgeted amount four-line items were higher. Therefore, the budget for those four-line items needs to be adjusted. The first budget adjustment was for salaries. The Administrator explained that staff were not paid more than budgeted. However, when the board decided to maintain the books on a full accrual basis, the accruing of sick and vacation leave caused the necessary line-item adjustment. The advertising budget needs adjusted by \$178 due to utilizing Orlando Sentinel more than in prior years. The office supplies budget includes the new television and laptop for the conference room. The merchant services overage is due to the purchase of the Buildium subscription.

MOTION WAS MADE BY DANA MCBROOM, SECONDED BY COMMISSIONER HERR, TO MAKE THE FOUR FISCAL YEAR 2022/2023 BUDGET ADJUSTMENTS TOTALING \$5,515.00.

MOTION CARRIED UNANIMOUSLY.

Draft Fiscal Year 2022/2023 Audited Financial Statements- The Chair welcomed SCOPA auditor Rob Kimelman to present the draft audited financial statements for the prior fiscal year. He explained the only reason the reports are not final is because they must include the GASB68 actuarial information for the two employees within the Florida Retirement System. That information is not available until late January. He explained that the adjustments would be relatively minor and typically mimics the stock market. Mr. Kimelman explained that with the financial statements being made internally on an accrual basis, virtually no adjustments to the books were required. He directed the board's attention to page 13 explaining that the net position remained consistent with the prior year. The cash and cash equivalents are down slightly, but the capital assets are up due to the construction improvements. The assets are approximately \$1million higher than the prior year even though the cash is about \$100,000 lower. Mr. Kimelman pointed out on page 14 that the total liabilities is approximately \$200,000 higher than the prior year. This included deferred future improvements money received with the land sale. The money is to be used to replace the entry way signage and improvements once Orange Boulevard construction is complete. Mr. Kimelman pointed out that \$3million of SCOPA's cash and cash equivalents is invested in the two Local Government Investment Pools with the remainder being in a certified public depository bank account. Certified public depositories must pledge collateral to cover the funds within their institution. This makes those funds more secure. Mr. Kimelman directed the board to page 15 pointing out that the operating revenue is slightly higher over the prior year. He commented that once the new buildings are online, that should go up especially with the increasing margins. He noted that the operating expenses were increased over the prior year. Salaries and wages show a 9% increase due to the accrual but were only 7%. Repairs and maintenance costs are down. Employee benefit costs are also down because the prior year was inflated due to the FRS actuarial adjustment. Mr. Kimelman pointed out that the operating income is very similar to the prior year. The non-operating income is up considerably due to the increased interest being earned in the LGIPs as well as the two small land sales.

Dana McBroom pointed out that there were capital improvement projects that the bids came in so much higher than budgeted that the projects were postponed. She asked if that was contributing to the change in net income. The Administrator confirmed the 1601 Dolgner Place re-roof bids came in way over the \$400,000 budget and the board opted to wait and rebid. He explained that he hoped to be able to proceed with that project soon, but those funds had not yet been spent. Mr. Kimelman directed the board's attention to the Cash Flow Statement on page 16, pointing out that the total cash and cash equivalents is decreased by \$109,555 over the prior year.

The Administrator explained that Mr. Kimelman was presenting the draft reports because SCOPA legislation requires an accounting report be transmitted to Seminole County by November 30th. He also stated that it was also prudent for the board to have a timely review of the financials as they proceed with operating decisions for the year. Mr. Kimelman stated that the accounting records are being well taken care of and commented

that the new software being implemented should consolidate so much of the data that currently has to be ferreted out of the paper files. He commented on the value of keeping up with technology and agreed with the prudent approach of running the two different software's simultaneously for a length of time. There were no questions on the draft audited financial statements for fiscal year 2022/2023. The Chair thanked Mr. Kimelman for his time.

MOTION WAS MADE BY DANA MCBROOM, SECONDED BY CLIFF MILLER TO APPROVE TRANSMITTAL OF THE DRAFT FISCAL YEAR 2022/2023 AUDIT REPORT TO SEMINOLE COUNTY.

MOTION CARRIED UNANIMOUSLY.

Leases – The Administrator presented six leases for approval.

1. Lease Renewal – Bennett & Sons AC, LLC; 1966 Dolgner Place; 1-year Lease Addendum; term Dec. 1, 2023 – Nov. 30, 2024; at the current rate of \$937.13/month (1,500 sq.ft. warehouse w/ office @ a blended rate of \$7.50/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, 2023 – Nov. 30, 2024; with a 5% rate increase to \$993.07/month (2,000 sq.ft. warehouse w/ lot @ a blended rate of \$5.96/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, 2023 – Nov. 30, 2024; with a 5% rate increase to \$1,276.29/month (2,500 sq.ft. warehouse @ a rate of \$6.13/sq.ft./yr.) Personal guarantee.
4. Lease Renewal – Orlando Pump & Equipment, Co.; 4421 Schilke Way, Suite 112; 1-year Lease Addendum; term Dec. 1, 2023 – Nov. 30, 2024, with existing 60-day termination clause; with a 5% rate increase to \$1,021.02/month (2,000 sq.ft. warehouse @ a rate of \$6.13/sq.ft./yr.) Personal guarantee.
5. Lease Renewal – Relentless Media, LLC; 1429 Dolgner Place; 1-year Lease Addendum; term Dec. 1, 2023 – Nov. 30, 2024; at the current rate of \$937.13/month (1,500 sq.ft. warehouse @ a rate of \$7.50/sq.ft./yr.) Personal guarantee.
6. Lease Renewal – Ricardo Zayas; 1471 Kastner Place, Suite 105; 1-year Lease Addendum; term Dec. 1, 2023 – Nov. 30, 2024; with a 5% rate increase to \$1,047.38/month (2,000 sq.ft. warehouse @ \$6.28/sq.ft./yr.).

MOTION WAS MADE BY DANA MCBROOM, SECONDED BY CLIFF MILLER TO APPROVE LEASES ONE THROUGH SIX, AS PRESENTED.

MOTION CARRIED UNANIMOUSLY.

1430 and 1440 Dolgner Place Market Rent Study – The Administrator presented the Newmark MAI appraisal of 1430 and 1440 Dolgner Place. He explained that this is the site currently under a month-to-month lease with La Mesa RV. He stated that the appraisal shows that the current lease is significantly undervalued. If it was a full-service lease, the rent should be between \$17.50 and \$19.50 per square foot per year. If it was a triple net lease, the market rate should be between \$14.00 and \$15.00. However, the LaMesa lease is a modified gross with the tenant paying the property taxes and SCOPA covering the property insurance. The appraisal also recommends a 3%-5% annual escalation, whereas SCOPA historically has implemented the equivalent of 2 ½% per year. The Administrator asked the board to establish an approach as to how we implement bringing the leases up to the current market values and recommended a sub-committee. Commissioner Herr stated that the LaMesa lease renewal and personal guarantee issue is a timely issue that needs to be addressed. Discussion ensued.

MOTION WAS MADE BY COMMISSIONER HERR, SECONDED BY STEVE POWELL, TO AUTHORIZE SCOPA ATTORNEY DARREN ELKIND TO OFFER LA MESA RV CENTER, INC. (FLORIDA) A NEW LEASE AT \$14.00 PER SQUARE FOOT WITH A 3% ESCALATOR AND A 3 MONTH SECURITY DEPOSIT IN LEIU OF THE PERSONAL GUARANTEE.

MOTION CARRIED UNANIMOUSLY.

ATTORNEY'S REPORT

Proposed Lease modifications – Darren Elkind presented a copy of SCOPA's current lease format redlined with proposed changes. He explained that he used the LaMesa lease as the format because it was already under discussion. Mr. Elkind pointed out that there are two main areas to discuss the rest of the modifications are to update and modernize the language. The first item the board needs to consider is the length of the lease terms and renewal provisions. The other area for discussion is the environmental provisions included in the lease. The Administrator clarified that he was not looking for adoption today but asked that the board read and think through the terms thoroughly. He also explained that he included several operational items, parking specifications for example, that will give staff more enforceability when handling day-to-day operations. He also asked that he requested signature acknowledgement of the ad valorem tax liability because it is an issue with most new tenants. Discussion ensued. It was the consensus of the board to allow Mr. Elkind and the Administrator to make the suggested lease language changes and proceed with negotiating the previously adopted terms with LaMesa's general counsel.

Mr. Elkind explained that the current SCOPA lease contained very specific environmental regulations. The list of environmental matters he has provided to the board for review is based on the generally adopted federal regulations. Commissioner Herr suggested having the County's legal team review the environmental language. Mr. Elkind explained that it would be most beneficial to have the Fire Marshal review and Commissioner Herr agreed to assist. Mr. Elkind clarified that a lot of the changes clean up the language specifically making it clear that the tenant is responsible for any cleanup resulting from their operations on Port property. A short discussion was had, and the Administrator reminded the board that phase 1 environmental investigations had been performed on several parcels within the Port property and all came back clean.

ADMINISTRATOR'S REPORT

The Administrator reported that this week the final walk-thru occurred on the 1500 Dolgner Place redevelopment site. The walk-thru went well with a few minor items to be addressed like wheel stops, handicap signs, and a couple of density tests.

He also presented an email from the principle of Divine Designs, a current tenant. The tenant thanked Port staff for being such great landlords, were sad to be leaving at the end of their lease term but wanted to give us ample notice. He noted that the email well represented the relationships staff have within the Port's small business community.

The Administrator updated the board on his recent presentation to the local SERTOMA chapter reading SERTOMA representative Fred Streetman email to the board. It stated: "Our fellow Sertoman, Andrew Van Gaale, now in his 17th year as Director of the Seminole County Port Authority gave us a fascinating history and overview of the Port of Sanford. The number of businesses that have been launched and many thriving there is indicative of the reputation of the Port. The description of the infrastructure, much of it underground, that makes the riverfront property safe and keeps it from flooding is mind-boggling and no one knows and understands it like Andrew."

Valuation proposals- The Administrator explained that he had two valuation proposals for the board's review. The first from Newmark, who performed the 1430 and 1440 Dolgner appraisal previously discussed. They propose to do a valuation of all the properties for \$16,800. This would include an appraisal for every building and unit with details and comparisons. The second proposal is from Lee & Associates, well known brokers with millions of square feet under management. However, they are proposing a consulting agreement for a market overview study at the cost of \$20,000. The Administrator stated that while the market study would be valuable information, he did have concerns that it might not provide the appraisal data required in our lease language to make the rate adjustments needed. The Administrator asked the board for direction as to how they wish to proceed. Steve Powell asked if the goal was to quickly bring all the leases up to the market rates and discussion ensued. The Administrator reiterated that staff needed

direction because the current mission of the Port Authority reads, “The Seminole County Port Authority’s continuing objective is to serve small and medium size businesses by providing competitive warehouse rentals and manufacturing space, growth opportunity and customized assistance. Job creation and retention have always been, and will continue to be, the overriding management factor which guides the decision-making process of the Seminole County Port Authority.” The Administrator asked the board to proceed with the data collection and then have a sub-committee meet to address how to best bridge the gap while serving the small business community. It was the consensus of the board to proceed in that manner.

MOTION WAS MADE BY CLIFF MILLER, SECONDED BY COMMISSIONER HERR, TO APPROVE THE \$16,800.00 APPRAISAL OF THE PORT OF SANFORD INDUSTRIAL PARK BY NEWMARK VALUATION & ADVISORY.

MOTION CARRIED UNANIMOUSLY.

The Chairman then acknowledged Jennifer Sykes tenth anniversary with the Seminole County Port Authority, thanking her for her dedicated contribution.

MOTION WAS MADE BY COMMISSIONER HERR, SECONDED BY DANA MCBROOM TO ADOPT THE FOLLOWING RESOLUTION INTO THE MINUTES OF THE MEETING.

MOTION CARRIED UNANIMOUSLY.

**RESOLUTION
OF
SEMINOLE COUNTY PORT AUTHORITY**

WHEREAS, having served the Seminole County Port Authority diligently as a professional staff member for 10 years, and

WHEREAS, as a direct result of her devoted service as a vital member of the management team and advocate of economic development in Seminole County, the Port of Sanford has experienced sound fiscal management, efficient operations, and

WHEREAS, the Port Authority has realized outstanding occupancy and healthy annual revenues as a result of her professionalism and dedication,

WHEREAS, her dedication to public service and sound judgment have been an inspiration to Port clients and the Board of Directors,

WHEREAS, for her faithful service to the Seminole County Port Authority, the Board of Directors and Administrator desire to express their recognition of her tenure at the Port,

NOW, THEREFORE BE IT RESOVED by the Seminole County Port Authority on behalf of itself and the citizens of Seminole County, Florida, that the diligent efforts of

JENNIFER SYKES

be hereby recognized, and the grateful appreciation of the Authority and the public be hereby made known.

BE IT FURTHER RESOLVED that this Resolution be spread upon the minutes of the Seminole County Port Authority so that future generations may be made aware of her contributions.

UNANIMOUSLY PASSED AND ADOPTED

This 15th day of November 2023

Matthew Criswell, Chairman
Michel Caraway, Treasurer
William Spivey, Secretary
Dana McBroom, Member
Cliff Miller, Member

Harry Ellis, Member
Amy Guilfoyle, Member
Steven Powell, Member
Andrea Herr, BCC Member
Andrew Van Gaale, Administrator

Mrs. Sykes thanked the board. The Administrator noted that the Port Authority was established in 1965 and in all that time has only had five employees. He pointed out the uniqueness of the level of commitment and community with the Seminole County Port Authority.

There being no further business, the meeting was adjourned at 5:28 p.m. by Matthew Criswell.

Matthew Criswell, Chairman

Bill Spivey, Secretary