

HARDEE COUNTY
ECONOMIC DEVELOPMENT AUTHORITY (EDA)
(INDEPENDENT BOARD)
COUNTY COMMISSION CHAMBERS
412 WEST ORANGE STREET, ROOM 102
WAUCHULA, FLORIDA 33873
May 27, 2014 8:30 A.M.

MINUTES

Members:

David Royal, Chairman, P
Linda Roberson, P
Kenny Miller, P
Stanley Pelham, P

Donna Doubleday, P
Casey Dickson, P
Sue Birge, Vice-Chairman, E
Terry Atchley, P

County Attorney Ken Evers, P
Office Manager Sandra Meeks, P

County Manager Lexton H. Albritton, Jr., P

Chairman Royal led the invocation followed by the pledge to the flag.

Chairman Royal called the meeting to order at 8:30 a.m.

MOTION by Atchley, second by Pelham to approve the agenda. Motion carried unanimously.

MOTION by Pelham, second by Atchley to approve the minutes for the regular meeting on Tuesday, January 28, 2014, at 8:30 a.m. Motion carried unanimously.

- I. Acknowledge receipt of the Clerk's Financial Report for periods ending 01/31/14, 02/28/14, 03/31/14, & 04/30/14.

MOTION by Atchley, second by Dickson to Acknowledge receipt of the Clerk's Financial Report for periods ending 01/31/14, 02/28/14, 03/31/14, & 04/30/14. Motion carried unanimously.

- II. Acknowledge receipt of Reimbursement request from the Economic Development Council for \$50,000 for the Admin Funding Grant approved during Cycle 9 and two requests from the City of Bowling Green for the Commerce Park Grant approved during Cycle 9 (these are their final requests for that grant).

Pelham advised he would recuse himself from voting on the Economic Development Council's request. Chairman Royal asked if anyone was available to give a report on the reimbursement requests. No one was available from the City of Bowling Green, but Mrs. Meeks, Office Manager; Hardee County BCC advised those were their final requests for architectural and engineering services from their grant for the Industrial Park project.

MOTION by Atchley, second by Miller to acknowledge receipt of the Reimbursement request from the Economic Development Council for \$50,000 for the Admin Funding Grant approved during Cycle 9 and two requests from the City of Bowling Green for the Commerce Park Grant approved during Cycle 9 (these are their final requests for that grant).

Mr. Kuhlman, Citizen, Fort Green asked Mr. Pelham what the nature of his voting conflict was. Pelham explained there may be a perceived conflict because his daughter-in-law works at the Economic Development Office. Mr. Kuhlman explained when you reclude yourself from voting you have to disclose the nature of the conflict. Pelham advised he had. Mr. Kuhlman stated that if he would not of mentioned the requirement he would not have said anything and it would not have been in the record. Mr. Kuhlman added he was just trying to educate him on what the law stated. Pelham advised that he did not need him to educate him on what the law stated.

Mr. Kuhlman then asked for an explanation on what the \$50,000 reimbursement request for the Economic Development Council (EDC) was for. Mrs. Sarah Pelham, Economic Development Coordinator, Economic Development Office (EDO) explained two years ago the Economic Development Council had made the decision to apply for an Economic Development Grant from the EDA for Administrative Funding for the Economic Development Office to alleviate some of the pressure off of the Board of County Commissioners from providing funding to their office out of general revenue. She went on to explain that this was their second year receiving the funding and all the money went into the operating budget of the EDO and was used for the operations of their office including rent, phone, salaries, internet, and any overhead costs that was associated with running the office. Mr. Kuhlman explained he had a problem with that. He went on to explain that the charter of the EDA stated their money was to be used for creating jobs and infrastructure not administrative costs for a completely different agency that was supposed to be funded by the BCC. He also stated he thought the Mosaic Agreement stated \$100,000 a year was supposed to go to the EDO and he did not feel the EDA money should be going to the EDO. He touched on how the EDO should receive their money from the BCC and be required to submit a budget for it. He stressed how the EDA Charter did not allow for the money to be used to pay for the overhead costs at the EDO. He touched on an invoice that was provided by Mr. Lambert and Mrs. Pelham back in March of 2010 to the EDA for \$19,599.98 and how Mr. Lambert was the Chair of the EDA at that time and the Director of the IDA. Chairman Royal advised Mr. Kuhlman his time was up. Mr. Kuhlman asked if someone was telling the Chairman his time was up because they did not want him to discuss the issue. Chairman Royal explained that he had heard the buzzer go off twice and Mrs. Meeks, Office Manager explained she was reminding the Chair because he needed to advise her on resetting it. Mr. Kuhlman stated he would just bring the issue up later.

Motion carried unanimously with Pelham abstaining.

- III. Motion to approve amending minutes of October 29, 2013, Item IV. Adding that the Grant Award Agreement "*dated October 15, 2013*".

Chairman Royal stated a date needed to be corrected. Pelham advised that in the minutes the date needed to be inserted. **MOTION by Atchley, second by Pelham** to amending minutes of October 29, 2013, Item IV. Adding that the Grant Award Agreement "*dated October 15, 2013*". **Motion carried unanimously.**

- IV. Request approval of budget amendments. These are needed to true up the 2013/2014 budget to actual left.

Chairman Royal asked if the County Manager wanted to say anything regarding the amendments. County Manager Albritton stated that the Clerk had worked with Mrs. Meeks on those and they were needed to true up the budget. **MOTION by Pelham, second by Atchley** to approve the budget amendments. **Motion carried unanimously.**

- V. Discuss renewing IDA Grants for the Spec Building & Sheriff Substation from Cycle 9.

Mrs. Pelham, Economic Development Coordinator, Economic Development Office explained they were requesting the two grants be renewed because they were not finished with the projects and still had additional work to be done. She further explained the Sheriff Substation Grant was also a grant in conjunction with the Pretreatment Facility that would be at the Commerce Park. She advised they had been working with Park Winter, Hardee County Director of Utilities on a location for the facility and they would be using the remaining funds from the grant and then requesting additional funds this cycle to complete the facility. She explained for the Spec Building grant they had not drawn any funds from it as of yet, but it was beginning its first stages of development now and they would like to renew the grant, so they could continue on the development of the building. Chairman Royal asked which spec building it would be for. Mrs. Pelham stated the Florikan building. Doubleday asked about the additional building for the Sheriff Substation Grant. Mrs. Pelham explained the Grant Award was actually titled Sheriff Substation/Pretreatment Facility and that the Sheriff Substation had been constructed, but at that time they were not ready for the Pretreatment Facility, so now that they were ready, they needed to request an extension. She stated they had their specs in place and had the design, so the remaining funds in that grant were to go for the Pretreatment Facility. Doubleday stated so there were no changes being requested just an extension. Mrs. Pelham stated yes. Mrs. Pelham touched on how originally the Pretreatment Facility was to be located on the same lot as the Sheriff Substation, but now that they had been working with Park Winter they had decided on a

different location most likely closer to the Utilities Department and their infrastructure. She added they would note that in the Project Description of the Grant Agreement. **MOTION by Atchley, second by Dickson** to renew the IDA Grants for the Spec Building & Sheriff Substation from Cycle 9.

Henry Kuhlman, Citizen, Fort Green asked how much money was left in the Sheriff Substation Grant. Mrs. Pelham advised approximately \$86,000. He then asked how much was left in the Spec Building. Mrs. Pelham advised that was \$1,000,000. Mr. Kuhlman stated he thought that was \$2,000,000. Mrs. Pelham stated it was \$2,000,000 not \$1,000,000. Mr. Kuhlman stated he thought that was educational information and if he was sitting on the board and someone wanted to renew grants that should have already been completed; he would want to know what kind of numbers they were talking about. He further stated how she was a million dollars off and had no idea on the spec building. He went on to state how they had come before the board previously and asked for \$400,000 for the Pretreatment Facility and the reason for the request was because the plant was getting all bogged up with algae, etc. from the companies in the Commerce Park putting things in the water and the Environmental Protection Agency (EPA) was there and was inspecting and he had heard they were shut down for six weeks and then the next thing he knew, they needed \$400,000 and they would either get it from the EDA Board or somewhere else.

County Manager Albritton stated he did not know how many statements that were made by Mr. Kuhlman that were false. He touched on the location of the Pretreatment Plant and that there was a slug that was discovered, but how that was not unusual for an Industrial Park. He also stated the plant was not down. Mr. Kuhlman spoke again on the issue and advised he would get the board a copy of the meeting tape.

Roberson stated she just wanted to make everyone aware that the Board members knew the amounts of the grants because they were listed in the Clerk's Financial Report.

Mr. Lambert, Director, Economic Development Office asked for clarification on the two spec buildings that the IDA had grants on through the EDA. He explained one was a generic spec building that had been allocated for a rail spur construction related to Bionitrogen and the other was a \$2,000,000 grant that was allocated for Lot 13 & 14 in the Commerce Park which would be occupied by Florikan. He then asked Mrs. Meeks for clarification on the one that would require an amendment for extension. Mrs. Meeks, Office Manger BCC explained that the Spec Building from Cycle 9 for \$1,000,000 was the one that would be expiring in September 2014. He then requested the Board table the request until the funding cycle and they could address it at that time. He also stated that Mr. Kuhlman had made many misstatements regarding the Pretreatment Facility and the Sheriff Substation. Atchley asked if they were moving forward on the Pretreatment Facility because the motion on the floor involved both requests. Mr. Lambert explained yes. Chairman Royal advised they needed to amend their

motion just to include the Sheriff Substation. Atchley stated he would withdraw his motion and Dickson stated she would withdraw her second.

MOTION by Atchley, second by Dickson to renew the IDA Grant for the Sheriff Substation/Pretreatment Facility from Cycle 9.

Mr. Kuhlman, Citizen spoke on how confused he was getting on the spec buildings and the discussions that they had on them during the meeting.

Motion carried unanimously.

- VI. Discuss amendments for the Water/Sewer Corridor Grant from Cycle 9 and the Incubator Project from Cycle 10.

Mrs. Pelham, Economic Development Coordinator, Economic Development Office spoke regarding the amendment on the Water/Sewer Corridor. She explained they were requesting the Project Description on the grant be amended. She further explained they had been working with the City of Wauchula and how a lot of the development would be taking place on the Highway 17 corridor. She then read the current project description and advised they just needed to add the words “to include the Wauchula Service Area” at the end of the second paragraph. Doubleday asked how that would change the original grant. Mrs. Pelham explained it would not change the grant. Mr. Lambert stated there was a difference in political, city limits, and service area boundaries and how if they did not put the Wauchula Service Area in the description they would end up with a gap. **MOTION by Atchley, second by Miller** to amend the Water/Sewer Corridor Grant adding the Wauchula Service Area wording.

Mr. Kuhlman, Citizen asked why the City of Wauchula was not requesting and managing the grant. Chairman Royal stated he would answer that. He explained how it had been a joint effort that they had tried to do ever since the Hurricanes came though trying to improve the Water/Sewer Corridor down Highway 17 and decided instead of each municipality and county doing their own parts; they would do them together in a joint effort. **Motion carried unanimously.**

Mrs. Pelham then spoke regarding the amendment for the Incubator Grant. She explained since they had applied for the grant they had developed a more defined budget which everyone should have a copy of. She also explained how this was a work in progress and how they would need to come back before the board from time to time to amend, but this would give them a good starting point. She then went over the budget and the category amounts. Chairman Royal asked when they might be moving in the building. Mrs. Pelham explained it would be soon and how they were around two weeks ahead of schedule. Doubleday asked about the individual names on the budget. Mrs. Pelham then went over each name and their involvement/role. Miller asked if the fill line equipment was under building improvements. She stated yes. Chairman Royal stated the fill line would also be used for many different products.

Mr. Kuhlman, Citizen spoke and asked what the request was for and what the agenda item was. Chairman Royal advised the discussion was on the Incubator Project awarded from Cycle 10. Mrs. Pelham clarified by stating when they were originally awarded the grant they had informed the board they would come back with a refined budget. Mr. Kuhlman stated the agenda showed a budget amendment, so was it an amendment or an update. Atchley explained as a board member it could go either way. Mr. Kuhlman went on to speak on how he had not received any timelines or any list of applicants for the Incubator. County Manager Albritton clarified that he had requested Mrs. Pelham present the budget to the Board as an amendment because it would be an amendment because included in the contract was the itemization and it needed to be reconciled so the reimbursement requests could be processed. **MOTION by Atchley, second by Pelham** to approve the amendment to the Incubator Grant Award Agreement. Mr. Kuhlman asked the Board did they realize what had just happened and did they realize the word amendment was on the agenda for a reason. Chairman Royal explained everything that went through the Board was a reimbursable receipt and asked Mr. Kuhlman how he could say they did not know what was going on. Mr. Kuhlman replied he was saying the agenda showed it was an amendment; Mrs. Pelham stated it was an update and then Mr. Albritton got up and explained it was an amendment because he needed it on the record. **Motion carried unanimously.**

VII. Discuss providing security for meetings.

County Manager Albritton explained that now the boardroom had a metal detector that would be utilized during Board of County Commission and IDA meetings and the Sheriff wanted to know if the EDA wanted to utilize it as well. He further explained if the EDA wanted to utilize the metal detector for their meetings, it would need to be staffed by an off duty deputy and the cost would be a minimum of three hours at \$30.00 per hour and the budget would need to be amended for that expense. Chairman Royal stated he felt they should be in line with everyone else and have security. **MOTION by Pelham, second by Dickson** to have security at their meetings like the BCC and IDA and have an estimate of the cost brought back to them. Mr. Kuhlman spoke in support of having security at the meetings, but stated the public was afraid of the board and he felt everyone should walk through the metal detector. **Motion carried unanimously.**

Chairman Royal advised they were going to have their presentation meeting on June 24, 2014, at 6:00 p.m. He explained the grants were due May 31, 2014, but that was a Saturday so they would change that to June 2, 2014.

Mr. Kuhlman advised he would continue what he started before and stated the IDA requesting administrative funds was not right and the Board should be keeping track of that. He then stated on the Rapid Systems grant, one of the invoices was for approximately \$19,500 and it was for hours and mileage from Mrs. Pelham and Mr. Lambert that they spent working on the grant. He went on

that Mr. Lambert was approving his own reimbursements because he was the Chair of the EDA.

Mrs. Pelham explained the IDA had no employees and the EDC had taken their employees and had contracted their employees to do the affairs of the IDA Office. She explained when they awarded the Rapid Systems Grant it was a partnership with the IDA. The IDA administered the grant and the staff of the EDC would be performing the functions of that grant. In spending time on that project, the hours it took to build a 4 million broadband project were long. The EDC and IDA thought it fair that the IDA reimburse the staff for the time spent on that project. She further explained how the reimbursements were approved and reimbursed through the EDA. She also stated at that time they were not receiving any funds from the EDA for admin costs and all of the funds were coming out of the General Revenue from the County budget. The year they had taken that draw from the EDA for the approx. \$19,500 they had reduced their draw from the county for that exact amount. The money was received from the EDA and directly deposited into the EDC's bank account. No money was put in her personal account or Bill Lambert's personal account.

Mr. Kuhlman spoke again about the project and was concerned why they only made one request when the project was over 18 months.

Mrs. Pelham explained they did not bill for every hour they spent on the grant because they spent over eight hours a day on it.

Meeting adjourned at 9:30 a.m.



David Royal, Chairman