

HARDEE COUNTY
ECONOMIC DEVELOPMENT AUTHORITY (EDA)
(INDEPENDENT BOARD)
COUNTY COMMISSION CHAMBERS
412 WEST ORANGE STREET, ROOM 102
WAUCHULA, FLORIDA 33873
May 24, 2016 8:30 a.m.

MINUTES

Members:

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

Donna Doubleday, Excused
Terry Atchley, P
Sue Birge, Vice-Chairman, P
Steven Southwell, P

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

County Manager Lexton H. Albritton, Jr., P

Kenny Miller led the invocation followed by the Pledge to the Flag.

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

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

MOTION by Atchley, second by Pelham to approve the minutes for the regular meeting on April 05, 2016, at 8:30 a.m. Motion carried unanimously.

AFFIDAVIT OF PUBLICATION –The Herald Advocate 05/05/16 & 05/12/16 & The Florida Administrative Weekly 05/13/16.

- I. Discuss Cycle 13 and answer any questions Applicants may have.

Chairman Royal asked for County Manager Albritton to lead the discussion. County Manager Albritton gave a brief description and touched on the requirements of each of the applications Job Creation, Infrastructure, Joint, and Economic Development.

Chairman Royal explained the meeting was for anyone who was planning on applying for a grant and had questions. Carrie, Britt, Sr. IS Project Manager Implementation Specialist, Tenet Healthcare asked if virtual jobs in software would be able to apply. County Manager Albritton explained it would fall under the Job Creation Application and if it was a legitimate corporation and the employees lived in Hardee County it could work. Brittany Mercer, Steele Equine Veterinary Services, explained she was at meeting for Dr. Steele and she wanted to know if she would be

able to answer any questions from board members prior to the meeting that was on timeline for 09/27/16 which was for the applicant's presentation and to award funds. County Manager Albritton stated no, but she could always schedule a meeting with him with any questions she may have. Ms. Mercer also explained Mrs. Steele realized the risk of funding an expansion project on private property, but wanted to know if it would be more attractive for the Board to hold a lien to the land or building or for her to privately borrow up to 50% of the grant as matching funds. County Manager Albritton advised the County Attorney was not at meeting, but stated the EDA board could not own property. He went on to explain that would be an Economic Development Application and it would be up to the board. County Manager Albritton advised the Board they would need to address this issue sooner or later.

Southwell encouraged all applicants to look at the minutes from the last meeting because the board had a good discussion on what they were wanting to see moving forward.

- II. Tricia Floyd, CPA, MBA, CliftonLarsenAllen – Request approval of the Financial Statement & Independent Auditor's Report for period ending 09/30/2015
- III. Mike Carter, Principal and Tricia Floyd, CPA, MBA, CliftonLarsenAllen came before the board to present the Financial Statement & Independent Auditor's Report for period ending 09/30/2015. Mr. Carter stated the board should have received their Draft Financial Statements and a Governance Letter. He touched on the Independent Auditor's Report. Mrs. Floyd went over the Financial Statements. Mr. Carter then went over the Management Letter, Independent Accountants' Report, and Auditors' Report on Internal Control. He explained they did find one Significant Deficiency which involved the timely payment of reimbursement requests. He went over the issues with the requests and explained some of the problems had been cured. He also went over their recommendations which were listed on Page 21 of the Audit. He then asked if there were any questions. Pelham expressed his concern over the words "improper documentation" used in report. Mr. Carter explained the problem was all of the information that was being redacted. Chairman Royal stated that all of the problems had been resolved and they should not run into this problem anymore because they were not funding operating costs anymore. County Manager Albritton reminded board they still have the agreements they just funded. Chairman Royal stated they had discussed all the issues and everyone felt they were on the right track. Pelham stated he wanted to see the word "improper" removed. Southwell explained he agreed because did the issue involve completeness of the documents being submitted or was the documentation totally wrong that was submitted. Mr. Carter advised they would reword that paragraph. Birge stated she agreed with Pelham on the word "improper".

Atchley asked Mrs. Victoria Rogers, Hardee County Clerk of Courts if she felt they had addressed all the issues or if she had any recommendations. Madam Clerk explained they had discussed the issues and went over a checklist with all the Staff involved. She further stated she did feel they needed some guidance from the board or for the board to develop some policies on the operating expenses, inventory, and draws. She did state she didn't think they would have the same issues moving forward, but they did have some grants still open that would have operating expenses. She also stressed that their greatest hurdle was having the grant cycles overlap. Pelham explained he was not present during all the meetings, but stated the statute did state the Clerk would reimburse expenses when two members signed invoice, but did not state how the Clerk would validate the expense. He further stated how it was a legal issue. Madam Clerk explained that it could be a legal issue and the attorney's would need to handle that. She also explained if she signs a check, she was personal liable for it. County Manager Albritton explained he did not agree with the Clerk disbursing funds without validating the backup. Pelham stated he agreed the invoices needed to be validated. Birge stated she signs the invoices and she was comfortable and wanted the Clerk to make sure everything was right. Pelham explained he understood, but understood at one time there were almost \$1 million dollars in reimbursement requests not being processed. Chairman Royal explained this was all new, but since they had their meetings and everyone discussed the issues, they should not have problems in the future. Birge stated they did need to be very clear on the operating expenses and provide some guidance for the contracts they just funded. County Manager Albritton touched on the budgets that were attached to the contracts and reminded the board they would have two more audits that would involve operating expenses. He also touched on how the statute provided guidance to the Clerk on the timeliness of payments. Roberson explained she liked having the Clerk taking a second look and verifying information. Pelham stated he didn't have problem with that, but did with the timeliness issues. Atchley expressed his appreciation to everyone for working hard and playing their part in the process.

IV. Public Comment.

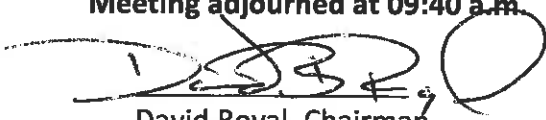
Mr. Donald Samuels, Ollie Roberts Road advised at the last IDA meeting the County Attorney advised them the EDA Board would be discussing the Stream2Sea Amendment and he didn't see it on the agenda and it hadn't been discussed. Chairman Royal stated the agreement was between the IDA and Stream2 Sea. Mr. Samuels stated that the EDA Board awarded the money to the IDA and the EDA Board should make the decision not the IDA. County Attorney Evers explained Mr. Samuels was right. He further explained they just wanted to inform the board that Stream2Sea had a law suit filed against them in Volusia County alleging several things one of them being violating trade secrets. He went on to explain Ms. Blum was defending, the law suit was without merit and the IDA approved an amendment to their sub-grant agreement at their last meeting requiring Ms. Blum guarantee all the monetary repayment provisions in the subgrant agreement with the IDA specifically included a modification

to the indemnification provision that required that she defend and indemnify the IDA and EDA officers, etc regarding any losses regarding the lawsuit. He further explained the IDA felt the amendment was sufficient enough and approved it at their last meeting.

Mr. Samuels asked if the board was okay with how the IDA handled it. Birge said for her she was. He then stated it was okay with them that the lawsuit was filed in January and they did not know about it until last month and she didn't inform them about it when she had filed her new application. Birge explained they have to listen to what their attorney tells them and he just clarified those issues. Mr. Samuels stated the money needs to be protected and how serious the issue was. He then stated was she stating all five commissioners were okay with this. Birge stated she wanted it to be very clear, she was only speaking for herself. Mr. Samuels stated a personal guarantee was useless and they should protect the money. Atchley asked Mr. Evers if he was concerned about the actions taken by the IDA. County Attorney Evers explained he was comfortable with the action taken by the IDA and how personal guarantees are used by financial institutions. He further stated he shared Mr. Samuels' concern and he would have liked to have known when it happened, but didn't know if they could develop a policy to stop funding a grant agreement when a lawsuit was filed. He further stated over the years, he has learned anyone can "allege" anything. He also stated litigation could take years, but he was comfortable with the action taken by the IDA. Southwell asked if they had any discretion because their contract was with the IDA. County Attorney Evers stated there was not a provision in the agreement to stop funding, but as a granting authority you do retain some authority. Birge stated she was comfortable with the decision of the IDA. Miller asked what would the total risk would be if she lost the law suit. County Attorney Evers advised he didn't have any way to measure that.

MOTION by Atchley, second by Pelham to adjourn. Motion carried unanimously.

Meeting adjourned at 09:40 a.m.



David Royal, Chairman