

AUGUST 3, 1988

The Manatee County Civic Center Authority met in SPECIAL SESSION at the Civic Center, Palmetto, Florida, Wednesday, August 3, 1988, at 8:04 a.m.

Present were Members:

W. Stuart Gregory, Chairman  
O. M. Griffith, Vice-Chairman  
A. Robert Hynton  
P. Allen Schofield  
Thomas W. Harrison  
Russell A. McInerney

Eugene Wiseman entered during the meeting.

Also present were:

John Graham, Director  
Kim Umana, representing R. B. Shore,  
Clerk of Circuit Court

Representatives of the various news media were present.

The meeting was called to order by Chairman Gregory.

LAVENTHOL & HORWATH - FOOD SERVICE APPRAISAL

John Okenfuss, Laventhol & Horwath, reviewed a draft report of an appraisal of Diversified Food Service (DFS) contract (six years remaining on contract). Based on discount rate ranging from 11 to 20 percent, the value was determined to be between \$330,000 and \$430,000. (Enter Mr. Wiseman)

Discussion: Comparison of national averages; manager's salary; no good will or depreciation figured; discount rate; kitchen equipment; sales tax; figures from unaudited statements, etc.

Request was made to add historical and national percentages to the final appraisal report.

John Graham, Director, stated that DFS had offered a \$325,000 purchase price. In his opinion, the contract was worth \$200,000 to \$250,000.

Discussion: Quality of food and service not provided; interest rate of 60 to 70 percent of prime; depreciation, etc.

Suggested options for purchase price and terms were:

Mr. McInerney - \$200,000 with three year pay back.  
Mr. Hynton - \$105,000 divided into two payments.  
Mr. Harrison - No specific figure.  
Mr. Wiseman - \$225,000 with three year pay back.  
Mr. Schofield - \$50,000.  
Mr. Griffith - \$250,000.  
Mr. Gregory - \$225,000 to \$250,000.

Discussion: Court action may be necessary; quality of service/food violated contract, etc.

Motion - Failed

Mr. Wiseman moved to send negotiating team to DFS and point out the lack of satisfactory performance, the terms of the contract and the fact that we can have the authority to take over the contract if for any reason satisfactory performance is not forthcoming and offer him a pay out not to exceed three years or approximately \$225,000. Motion was seconded by Mr. Hynton.

Discussion: Deleting three year pay back; citing terms of contract.

Voting "Nay" were all members. Motion failed.

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(Cont'd)

Motion - Amount

Mr. Wiseman moved to negotiate with DFS/Jim Hager an amount to buy out the contract not to exceed \$225,000. Motion was seconded by Mr. Hynton.

Discussion: No need to negotiate, just send offer; ability to obtain financing, etc.

Motion - Amended

Mr. Harrison moved to amend the motion by making it contingent upon ability to obtain financing. Motion was seconded by Mr. Griffith. Voting "Aye" were Mr. Harrison, Mr. Griffith, Mr. McInerney, Mr. Hynton, Mr. Wiseman and Mr. Gregory. Voting "Nay" was Mr. Schofield. Motion carried.

Voting "Aye" on the motion, as amended, were Mr. Wiseman, Mr. Harrison, Mr. McInerney, Mr. Mr. Griffith and Mr. Gregory. Voting "Nay" were Mr. Schofield and Mr. Hynton. Motion carried.

Recess/Reconvene. All members present.

The Chair advised Mr. Hager was not available, however, he would communicate the offer.

ROOF

The Chair read a letter from Greg Haller, construction counsel, regarding a lawsuit with Denard and Moore for roof construction. He suggested accepting Jack Olsen's, consultant, estimate to repair flashing on the roof (\$9,000).

Discussion: Bid procedures; emergency situation, etc.

Motion

Mr. Hynton moved to accept Mr. Olsen's bid, provided that this is not a violation, have it reviewed by the Purchasing Department, and if there is no problem, proceed with repairs. Motion was seconded by Mr. Wiseman.

Discussion: This does not affect lawsuit, only repair roof; funding source, etc.

Motion - Amendment

Motion was made by Mr. Hynton, seconded by Mr. Wiseman and carried unanimously, to amend the motion subject to cash availability.

Motion, as amended, carried unanimously.

TOURIST DEVELOPMENT COUNSEL

Mr. Wiseman reported on a recent Tourist Development Counsel meeting regarding budget requests.  
(Depart Mr. Griffith)

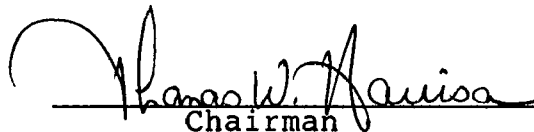
MEETING ADJOURNED

There being no further business, the meeting was adjourned.

Attest:

APPROVED:

  
\_\_\_\_\_  
Clerk

  
\_\_\_\_\_  
Chairman

Adj: 10:06 a.m.  
/sgf