

**SPECIAL REVIEW OF JOB GROWTH INCENTIVE (JGI) PROGRAM
Agreement with Jamco, Inc.**

REPORT NO. 103018

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DIVISION OF INSPECTOR GENERAL
Grant Maloy, Clerk of the Circuit Court and Comptroller
Seminole County, Florida

November 28, 2018

To: The Honorable Chairman and Members of the Board of County Commissioners

We have completed the enclosed Special Review of Job Growth Incentive Program Agreement (JGI) with Jamco Inc.

We would like to acknowledge the Office of Economic Development & Community Relations for their assistance with the review.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "W. Carroll".

William Carroll, CPA, CFE, CIG
Inspector General
Division of the Inspector General

Approved by

A handwritten signature in black ink, appearing to read "Grant Maloy".

Grant Maloy
Clerk of the Circuit Court and Comptroller
Seminole County Florida



Special Review Report No. 103018
Job Growth Incentive Program - Jamco Inc.

GRANT MALOY
CLERK OF THE CIRCUIT COURT AND COMPTROLLER

William Carroll, CPA, CFE, CIG
Inspector General

Auditor Assigned:
Viola Saine, CPA

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INTRODUCTION

Background

The Seminole County Code of Ordinances, Chapter 218 – Publicity and Promotion provides the basis for Job Growth Incentive Program (JGI) of the county. In October 2001, the Seminole County Board of County Commissioners (BCC) established this program to remain competitive by either attracting new business or encouraging the expansion of the existing small and large businesses within the area.

Jamco Inc. (Jamco) is engaged in equipment rental and a worldwide exclusive distributor of forklifts, pallet trucks and other forklift related components. On March 12, 2012 Jamco applied to Seminole County for a JGI award. The County awarded Jamco \$20,000 with the condition that the company spend \$1.4 million on the project which includes renovations of a 23,000 square foot facility and for the purchase and installation of new equipment; and, to create 12 new high paying jobs over a 5 year period.

Objectives of Review

This special review was performed to determine compliance with the terms and conditions of the job growth incentive program agreement, and applicable rules, laws and regulations.

Jamco as a grantee of the JGI award agrees to:

- Create 12 new permanent jobs with an average annual salary of \$51,000;
- Spend \$1.4 million in renovations, equipment and relocation expenses;
- Provide a performance bond or letter of credit for \$20,000 as security;
- Report to the County the jobs created and investments annually; and,
- Announce job vacancies locally, and to Workforce Central Florida and Community Services.

Scope and Methodology

The scope of this review included:

- The JGI agreement between the company and the county;
- The County's Code of Ordinances, policies, procedures and other applicable laws, and regulations;
- Examination of company's annual performance reports and its supporting payroll, investment and other documentation;
- Research online to see company's profile, status, corporate public filings and property construction and acquisition; and,
- Interview of employees.

Overall Evaluation

Jamco is in compliance with terms of the agreement.

Jamco has created the twelve (12) permanent jobs as agreed upon with an average annual salary of \$72,679, compared to \$51,000 requirement. The company invested over \$1.4 million in Seminole County by buying property, machinery and equipment, and also leased expense amount of the office for approximately \$200,000 annually. Additionally, a \$20,000 irrevocable standby letter of credit was provided from Toronto-Dominion Bank and the company has submitted five (5) Annual Performance Reports.

There are, however, a few minor issues that should be considered in future reporting. Jamco did not fulfill the contractual requirement to notify the Community Services Department and Workforce Central Florida for job vacancies, and to advertise locally as required by the contract. Also, Jamco did not timely submit the annual performance reports. These issues are insignificant as the company complied with all of the jobs creation and investment requirements of JGI program.

Based on Jamco's compliance with the agreement, we recommend that the County close out the contract and release the irrevocable standby letter of credit as scheduled in June 2019.

The Schedule below high-lights compliance with the terms and condition of the contract.

Analysis of Compliance with Agreement			
Contract Requirements:	Required	Company Reported	Per Audited
(1) Job Creation	12	14	12
(2) Ave. Annual Salary	51,000	75,800	72,679
(3) Investment	1,400,000	1,455,000	1,428,186
(4) Letter of Credit	20,000	20,000	20,000
(5) Annual Performance Report	5	5	5