

**Lorain Port Authority
Board of Directors
Regular Meeting
Tuesday, April 9, 2019, at 7:00 p.m.**

Board of Directors: Mrs. Cook; Messrs. Bansek, Davila, Kusznr, Mullins, Nielsen, Sommers, Zellers (7:03 p.m.) and Zgonc

Staff: Tom Brown, Executive Director
Yvonne Smith, Accountant
Tiffany McClelland, Economic Development Specialist
Kelsey Leyva, Office Manager
Michael Brosky, Esq., Legal Advisor

Guests: Dennis Flores, Lorain Second Ward Councilman
Rick Payerchin, The Morning Journal
Carolyn Sipkovsky, Lorain Lighthouse Foundation
Frank Sipkovsky, Lorain Lighthouse Foundation

I. Roll Call

A. The meeting was called to order at 7:00 p.m. by Chairman Brad Mullins with roll call indicating a quorum present.

II. Pledge of Allegiance

III. Disposition of Meeting Minutes

A. October 9, 2018, Regular Board Meeting: Moved to approve by Mr. Sommers. Second by Mr. Kusznr. Motion carried.

B. November 13, 2018, Regular Board Meeting: Mr. Kusznr moved to approve. Second by Mr. Davila. Motion carried.

IV. Report of Officers

A. Chairman

1. Election of Officers: Mr. Brown took the floor and took nominations for chairman. Mr. Nielsen nominated Mr. Mullins. Second by Mr. Sommers. Mr. Brown asked two additional times with no additional nominations. Unanimous vote for Mr. Mullins carried. Vice Chair nominations open. Mrs. Cook nominated Mr. Nielsen. Mr. Mullins seconded. Mr. Zellers nominated Mr. Sommers. Mr. Nielsen seconded. Mr. Zgonc nominated Mr. Kusznr.

Mr. Davila seconded. Mr. Brown asked for input on voting procedure. Mr. Mullins suggested counting the votes.

Mr. Nielsen: Mr. Mullins, Mrs. Cook, Mr. Bansek, Mr. Sommers, Mr. Kuszniir

Mr. Sommers: Mr. Zellers, Mr. Nielsen

Mr. Kuszniir: Mr. Zgonc, Mr. Davila.

Mr. Brown announced Mr. Nielsen as Vice Chair. Nominations for secretary commenced. Historically the executive director is secretary, but anyone can be nominated. Mr. Sommers nominated Mr. Brown. Mr. Zgonc seconded. Mrs. Cook moved to close nominations. Motion carried, and nominations closed with Mr. Brown being named secretary. Mr. Zellers didn't think the timeline was good for the process. Mr. Brown explained election of officers was almost left off the agenda completely, but we can better prepare for next year. Mrs. Cook said in all honesty we've had a year to see every member's performance, so she doesn't need to think about it. Will look at possible changes to the Bylaws for future elections.

2. Correspondence:

- a. Morning Journal – Journal Jog 5k Sponsorship Request: Long-standing relationship with the local newspaper. Event serves as a fundraiser. Race registration and finish is here at Black River Landing. Mr. Sommers moved to approve. Second by Mr. Davila. Motion carried.
- b. Late correspondence: Mr. Brown said Second Harvest was in a bind last year and we helped them out by offering our site, Black River Landing, for one day as a distribution location for their food program. It ended up being four days total. They're now asking for four days this year in July, August, September and October. Staff will make sure they submit an application and clean up after themselves. It doesn't conflict with anything on the schedule. Mr. Zgonc moved to allow Mr. Brown to work with Second Harvest. Mrs. Cook seconded. Motion carried.

B. Executive Director

1. Lorain Sailing & Yacht Club Lease: Mr. Brown said it's the city's property that works through the Port Authority. Lorain Sailing and Yacht Club is merging with Westlake. The liquor license transfer requires City and Port approval. Renovations require City and Port approval, too, as well as the proposed changes to the financials. The city said if there are any changes to the current lease, which would run through 2038, the revenue would then all go to the city at that point. Mr. Brown said he told the city that if the Port got no revenue, we would want to be removed from the lease entirely. It was a good run. The lease change was passed by city council. They're asking us to accept it. If we do, we are out of the lease completely. Mr. Brosky confirmed the new language removes the Port from the lease. The lease was created in the 1980s and revised in 2002. Mr. Brown said Lorain was struggling and Westlake lost its home. The city is approving the liquor license request. In a positive sense, this gives the yacht clubs the opportunity to work together and thrive. We're accepting the amendment, which takes us out of the lease. Mr. Mullins asked what that means financially. Mrs. Smith said it's about \$9,000 lost. Mr. Brown said he's working on a plan to recoup the money. Mrs. Cook moved to give Mr. Brown the authority to sign us out of the lease. Mr. Davila seconded. Motion carried.
2. Marina EOI Report: Mr. Brown said the Port received promising submittals. A team met Monday morning. We've reached out to interested parties and will start interviews/negotiations in the next two to three weeks. Encouraged by responses. We reached out to those we aren't moving forward with also. We will keep applications on file in case we need to circle back in the future. Mr. Zgonc asked about the number of applicants. Mr. Brown said six submitted and four were asked to interview.

V. Economic Development Specialist

- A. PACE Workshop: Ms. McClelland said she wanted to give an update on the workshop on June 5. We're hosting in conjunction with NOPEC, Bricker

Eckler and our new financial advisor, Baker Tilly. This is one of the steps in the strategic plan, to have PACE more prominent and to educate the public. We will have registration and more details soon. Hosting in conjunction with Mr. John Veard and a PACE project he recently commenced. He will be upgrading windows and making other small improvements. His is the second project in the city to use PACE. Mr. Zgonc asked who is invited. Ms. McClelland said everyone: City of Lorain, surrounding communities, government officials, possible businesses or industries, developers and companies that may do these types of improvements. It will be a vast array of individuals at the Antlers building on Washington Avenue. Any city that touches the city of Lorain right now can take advantage of PACE. As we add in others, it's any city that touch those other cities, too. That's not to say we should exclude other people at this point. This is more informational. Ms. McClelland said even if they don't touch the city of Lorain, we want them here.

- B.** Mr. Mullins asked about the hotel. Ms. McClelland said it's still on schedule, though the schedule has shifted. The last coat of concrete was poured on the parking deck today. The whole project is going well. Ms. Radhika Reddy signed a term sheet for our finance package. It's set out for the next five years to get \$10,000 every year continuously. Mr. Brown said tomorrow a crane might be lowering a new car in the elevator. They're repairing the vault in the front. Windows have been an issue. The first mock up didn't pass criteria. Once the windows go in, then drywall can start. Fourth floor is gutted. HVAC is going in the event space. Atrium is off. Buckeye Metals is doing the frame. Giant shop windows and steel roof. No more curved glass. Ms. McClelland said Ms. Leyva has taken photos to document the progress. Mr. Brown said Ms. Reddy is also working on a contract for the basement. She is still looking for a restaurant to fill the space in the first floor and to do catering for the event space. The project is on schedule for the end of the year. Elevator may be the last piece.

VI. Report of Committees

A. Contract Management Committee

1. Mr. Zgonc said he had nothing to report. Mr. Brown said he may need a meeting regarding the Marina in the future.
2. History Boat Tour Agreement: Ms. Leyva said the History Excursions were popular and successful again last year and we're wanting to continue the partnership with the Lorain Historical Society. Only one change this year due to demand. We added in a rate for private history tours. It follows the same fee structure as private tours and we would include a \$75 fee for the historian.

Mr. Mullins presented:

A RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR OR HIS DESIGNEE TO ENTER INTO AN AGREEMENT WITH THE LORAIN HISTORICAL SOCIETY REGARDING THE 2019 HISTORY BOAT TOURS.

Mr. Zgonc moved to approve Resolution No. 2019-13. Seconded by Mr. Bansek. Roll call vote as follows:

Ayes: 9 Nays: 0 Abstain: 0 Resolution Passed

3. Lighthouse Tour Agreement: Ms. Leyva said this agreement stayed the same as it was in 2018. Mr. Ron Mantini, the Lighthouse Foundation president, is comfortable with the agreement.

Mr. Mullins presented:

A RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR OR HIS DESIGNEE TO ENTER INTO AN AGREEMENT WITH THE LORAIN LIGHTHOUSE FOUNDATION, INC. REGARDING THE PROVISION OF THE 2019 SHUTTLE BOAT SERVICE TO THE LORAIN LIGHTHOUSE.

Mr. Bansek moved to approve Resolution No. 2019-14. Seconded by Mrs. Cook. Roll call vote as follows:

Ayes: 9 Nays: 0 Abstain: 0 Resolution Passed

4. Shuttle Boat Captain Agreement: Ms. Leyva said this contract also stayed the same from 2018. Five captains are returning to work from June through October. Regular captains receive \$20 per hour and the captain supervisors receive \$22 per hour.

Mr. Mullins presented:

A RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR OR HIS DESIGNEE TO ENTER INTO AN INDEPENDENT CONTRACTOR AGREEMENT WITH SHIP CAPTAINS RELATIVE TO THE OPERATION OF THE SHUTTLE BOAT VESSELS IN 2019.

Mr. Sommers moved to approve Resolution No. 2019-15. Seconded by Mr. Kuszniir.

Roll call vote as follows:

Ayes: 9 Nays: 0 Abstain: 0 Resolution Passed

B. Strategic Development Plan Committee

1. Mr. Mullins said he had nothing to report.

C. Marketing and Public Affairs Committee

1. Mr. Bansek said he had nothing to report.
2. 2019 Shuttle Boat Tour Schedule: Ms. Leyva said a copy of the shuttle boat schedule was in the board packet. Not many changes from 2018 to 2019. She looked at demographics and reports to see analyze customer activity. We're switching the Sip & Sways on Saturdays instead of Friday. On Tuesdays we'll be running Lighthouse Sunset Dinner with the Lorain Lighthouse Foundation. Mr. Sommers asked the cost. Ms. Leyva said it's \$130 per person. It's a four-course meal paired with wine, the boat ride and a tour of the lighthouse.
3. Craft Beer Cruise Friday, June 14, 2019: Mr. Brown said we did a trip like this in the fall. On Thursday, June 13 the Lorain County Chamber is having their Jet Express event. The Port normally sponsors tickets for that. On Friday, June 14, we're partnering with BrewFest Waterfront District to do a craft brew cruise. They're creating literature and hyping the event. The brewers will be the same as last time: Avon Brewing, Railroad

Brewing, Franklin Brewing and Bascule Brewing. Mr. Zgonc asked about the number of tickets available. Mr. Brown said the Chamber event usually limits it to 220, and the Beer Cruise will likely limit it to 200-220.

D. Grounds Maintenance and Capital Improvements Committee

1. Mr. Nielsen said he's waiting on the Victory Park deed. Mr. Brown said he's had the landscaping company look at the area and he wants to contact a tree company to provide a quote as well. Mr. Nielsen said a meeting will likely take place after the property transfer. Mr. Brown said he would like to see movement before Memorial Day. Mr. Mullins asked if there would be a dedication. Mr. Brown said he would like to have something. If not by Memorial Day, maybe Veterans Day. Mr. Zgonc asked what the issue was with the transfer. Mr. Brown said it's being handled by the City Law Department. Mr. Zellers asked about the maintenance plans for 2019. Mr. Brown said one of the big projects is the painting at Black River Landing. It's anticipated to be a \$50,000-\$60,000 project. Another is Victory Park. We have enough for a good head start this year. Mr. Zgonc asked about the work needed on the pavilions. Mr. Nielsen said all need repainted. They haven't been painted since they were installed in 2003. Some rust has formed.

E. Financial Planning and Audit Committee

1. February 2019 Financial Statement: Mr. Davila said Mr. Kuszniir met with Mrs. Smith to look at the records. Mr. Kuszniir said he reviewed February and March, and everything looks great. He reviewed all receipts and payments. Mr. Mullins asked if there was a system they used to check the financials. Mr. Davila said the auditor gave a few pointers. They look at expenses, records of employees and that there is an invoice for all payments. The UAN accounting system tracks everything to prevent fraud. Mr. Davila moved to approve the statement. Mr. Kuszniir seconded. Motion carried.
2. March 2019 Financial Statement: With no questions, Mr. Kuszniir moved to approve the statement. Mr. Sommers seconded. Motion carried.

3. Budget Amendment: Mrs. Smith said the only thing needing changed in the budget is to increase revenue in economic development. It's on page two of the handout. We had two term sheets close and we have \$32,600 to add. We are not increasing any expenditures.

Mr. Mullins presented:

A RESOLUTION RATIFYING EXPENDITURES AND AUTHORIZING THE EXECUTIVE DIRECTOR TO REVISE THE 2019 OPERATING BUDGET, TRANSFER AND APPROPRIATE FUNDS AND REQUEST AN AMENDED CERTIFICATE OF ESTIMATED RESOURCES FROM THE COUNTY AUDITOR.

Mrs. Cook moved to accept Resolution No. 2019-16. Mr. Davila seconded. Roll call vote as follows:

Ayes: 9 Nays: Abstain: 0 Resolution Passed

4. Then and Now (Tom Brown) Certificate: Mrs. Smith said this was with Baker Tilly. The contract started in March before the purchase order was open. We will work to prevent this in the future.

Mr. Mullins presented:

A RESOLUTION TO APPROVE APPROPRIATIONS (THEN AND NOW CERTIFICATE) FOR THE LORAIN PORT AUTHORITY.

Mr. Nielsen moved to accept Resolution No. 2019-17. Mr. Kuszniir seconded. Roll call vote as follows:

Ayes: 9 Nays: 0 Abstain: 0 Resolution Passed

F. Bylaws and Personnel Committee

1. Mr. Kuszniir recommended changing the bylaws to have the recipient pay the fee if they allow a check to expire. He noticed one check was nearing expiration and wants to prevent the Port from paying the fees. Mr. Mullins agreed.
2. Mrs. Cook said she had no report. Mr. Mullins suggested Mr. Zellers working with Mrs. Cook to change the Election of Officers timeline. Mr.

Brown said he'll email it out tomorrow. He thinks it can be as simple as a reminder in March. This may help avoid the blindsiding.

VII. Public Comment

- A. Mr. Payerchin thanked the Port on behalf of the Morning Journal and Mary Lee Tucker Clothe-a-Child program. He said he is thankful for the continued partnership and invited board and staff to participate August 4, 2019. The Mary Lee Tucker Program started in 1924. Donations are collected, and kids in need are matched up with volunteers to help them pick out clothes and other winter essentials.

VIII. Executive Session: Purposes of Property Disposition

- A. Mr. Bansek moved to enter executive session. Second by Mr. Zgonc. Roll call vote carried unanimously with nine (9) ayes.
Mr. Nielsen moved to exit executive session. Second by Mr. Bansek. Motion carried.


IX. Other Business

- A. Ms. McClelland said we're waiting on an opinion from Mr. Mike Brosky. It's an update on Kelleys Island Ferry Boat Line Project. We're in basically the final stages and are almost able to go out to bid. There are technical issues with LPA agreement with ODOT. ODOT wants an addendum to the agreement explaining the financing process for local match money and how it will be put in an escrow account, when it will be put in the account and how it will be spent. We passed the original agreement in 2017. It'll be an addendum to that. Ms. McClelland said we weren't sure if it was considered a substantial change that would require us to redo the resolution. The motion would be based on Mr. Brosky's opinion. Mr. Brown said this doesn't change the spirit of the resolution. We can do a special call if needed. The project was on life support 60 days ago and we're trying to get it to the finish line. This is one mechanical issue. Mr. Mullins said he wants to see the language and hear from Mr. Brosky first. Mr. Zellers asked about Kelleys Island. Ms. McClelland said yes, they're on board with the addendum. Kelleys didn't see the need for the addendum, but in ODOT's mind it's a change of procedure and they now

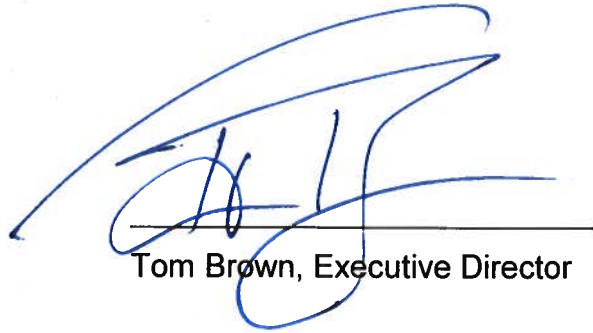
think the language must be written in the agreement. Mr. Mullins asked about the timing. Ms. McClelland said everything should be done this week. We could be out to bid next week in theory. She's hoping to get a motion tonight or a special call would be needed. The motion would be subject to legal approval. If not approved by Mr. Brosky, it comes back to board. Mr. Zellers moved to allow Mr. Brown to sign off on the addendum, pending legal approval. Mr. Bansek seconded. Motion carried with one nay.

X. Adjournment

A. There being no further business to come before the board, Mr. Davila moved to adjourn. Mr. Sommers seconded. Meeting adjourned at 8:18 p.m.



Brad Mullins, Chairman



Tom Brown, Executive Director