

LORAIN PORT AUTHORITY
Board of Directors
Regular Board Meeting
Tuesday, March 12, 2019

Board of Directors: Mrs. Cook; Messrs. Bansek, Davila, Kusznir, Nielsen, Mullins, Sommers, Zellers and Zgonc

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

Guests: Rick Payerchin, Morning Journal

I. Roll Call

A. The meeting was called to order at 7:01 p.m. by Chairman Brad Mullins with roll call indicating a quorum present.

II. Pledge of Allegiance

III. Disposition of Meeting Minutes

A. **September 11, 2018, Regular Board Meeting:** Mr. Nielsen moved to approve the meeting minutes. Second by Mr. Davila. Motion carried.

IV. Report of Officers

A. Chairman

1. Strategic Plan Update: Mr. Brown said Mr. Zellers proposed the idea of having updates for progress made with the strategic plan and we plan to continue with periodic updates moving forward. Ms. McClelland said everyone can follow along in their book. The highlighted areas are the ones we've started on. If it's in purple, we've started on that objective and plan to build on it every quarter. Objective number one is negotiating and signing a Memorandum of Understanding with the City of Lorain for economic development. She and Mr. Brown have been talking with Mayor Ritenauer and the administration to get there. Lines of communication are being established and this item is to be

continued. Mr. Zellers noted the Mayor was favorable regarding the Port at the Mayor's Address. Ms. McClelland agreed and said the relationship with the Mayor is positive. Objective number two is establishing a structure and we're starting to do that. At the beginning of the year we began setting the president that all economic development comes here. Another item is developing a comprehensive staffing plan. Reorganizing staff member priorities and having Ms. McClelland focus solely on economic development. We're also making internal divisions with separate accounts for development and operations. Part of the goal is to also receive funding from the city, and that would fall under the MOU negotiations. Moving down to action item five is maintaining port activities. This is the ongoing management of our site and upkeep of contracts. We're continuing to conduct events and build on existing partnerships. Objective number six is affirming and strengthening partnerships with local entities. Action item number two under that is establishing a formal partnership with Lorain County. We have started going down that path. Mr. Brown is working actively with the county commissioners and administrators to begin conversations on how to strengthen the partnership. Mr. Mullins asked about banking partnerships. Ms. McClelland said we have not prioritized that yet, but it absolutely needs to be. Mr. Brown said that will happen in the first year. One of the events we will host is a meeting with local bankers to start those partnerships and show them what we can do. We've worked with Northwest Bank and Buckeye Community Bank in the past. Working with Ms. Radhika Reddy also brought Chemical Bank into town, and we've worked with PNC. We just haven't had our first bankers' breakfast yet. Building the relationship with the Ohio Council of Port Authorities is also high on the priority list for Ms. McClelland. She and Mr. Brown are attending the quarterly meetings and plan to continue doing so. Vision number two talks about the

financing end of our operations. Action item one is establishing the Port as the redevelopment agency within the city and launching our financing programs. Establishing the TIF agreement with the City of Lorain falls under that. We haven't yet started on the advertising piece but discussions for the MOU are underway with the Mayor. Mr. Brown said the TIF agreement has been in place for a number of years, six or seven. Before it was a three-way agreement where the city would work with us and we would pay our financial advisor. The change is we will now be managing the TIF program and the agreement is exclusively with us. Next is facilitating the local Brownfield effort. We already have a Brownfield program with assessment funding. We're down to about \$30,000. We have applied for another grant cycle for assessment dollars. We tried to work with the city to apply for a grant to clean the Pellet Terminal site, but it didn't work out because we actually owned the property in the 1970s. Mr. Zgonc asked if the Port was involved with the Stoveworks site. Ms. McClelland said yes, the Port spent about \$70,000 for the assessments on that site. This led to the city investing the additional \$1.7 million to clean the area. Vision two, action item, three objective focuses on commercial and residential PACE. We have started on our commercial initiative. We were able to establish this program with the Broadway Building. Ms. McClelland said she is looking at going to City Council soon because she and Mr. Brown are working with Broadway businesses who need these dollars and programs for improvements to their properties. NOPEC has three applications so far for potential PACE deals. NOPEC is a low interest partner in the program. She's expecting another deal to close soon, which would make that two in the last three months. Mr. Brown said we may work more closely with NOPEC later on as we bring them more applications. Ms. McClelland said the agenda includes an item related to the Energy Special Improvement District (ESID) that we created. We

had to create a separate entity to have the ESID. Ms. McClelland is the chairperson of the entity. Five individuals sit on the board, including Ms. McClelland, Mr. Joe Koziura, Ms. Radhika Reddy, one of Radhika's partners and Mayor Chase Ritenauer. The ESID board has already elected to enter into an agreement with the Port Authority to be the managing partner for the ESID. On top of that, we plan to conduct annual PACE workshops. We plan to work with NOPEC to expand their services and our services here in Lorain. Mr. Brown explained contractors and business owners would attend a half-day session with breakfast to learn how these programs can help their business. Mr. Mullins asked about the timing. Ms. McClelland said she and Mr. Brown are weighing the options with the election coming up. Strategically, they are trying to get something in place as the current TIF agreement expires at the end of March. There is no set date, but we wanted to establish that this year and Ms. McClelland believes we're on track to do so. Discussions with the auditor's office to establish responsibilities. Action item five talks about the continuing the facilitation of services, which includes the new market tax credits and historic tax credits in town. Vision three is the governance and efficiency of the organization. Action item one is the updating bylaws and personnel policy. Mrs. Smith and Mr. Brown have been working through that to update everything. Those will be coming soon. Action item three is continuing to empower the staff and providing professional training. Objective one is having a detailed job description for everyone. Objective number two is establishing the right mechanism for professional development training. We've always had this in place so we're continuing that. Objective number four talks about becoming a self-sufficient agency. Item two involves establishing a clear fee structure for our services and Ms. McClelland has been doing research to establish the structure. We're not even finished with

the first quarter yet, so there is a lot more to come. Board members thanked Ms. McClelland. Mr. Zellers mentioned becoming more self-sufficient. Ms. McClelland said the Port is taking steps to get there. The fee structure will no longer be a flat rate coming in. When we have a deal, we'll close it with continual fees, ideally for five-years. At that point, we'll be able to show the additional funds coming in. Mr. Zellers said he noticed Ms. McClelland was focusing more exclusively on economic development and asked about the need for more staff members. Mr. Brown said year one was fixing the salaries. Bringing in Ms. Leyva helped alleviate some of the maintenance issues and scheduling that Ms. McClelland used to handle. And Ms. Leyva is able to have Mrs. Van Wagnen handle the phones and front office. He feels the Port was proactive in bringing in Ms. Leyva. He also believes three-year agreements make things easier and more efficient for staff. Not spending as much time on the little things. As we grow, we might need more staff in the future. The budget is now split so we can definitively see the revenue driven by our financing programs. Ms. McClelland said strategic plan updates will continue quarterly.

2. Correspondence received:

- a. BrewFest Sponsorship Request: Mr. Brown said he received a letter from BrewFest. He said he remembered a conversation last year where the board agreed it wanted to be a perpetual cosponsor of BrewFest. Since they sent the letter, Mr. Brown wanted to present it to the board. They organize and we provide the space. He is looking for board approval to respond and say we want to be a sponsor as long as they have the event. Mr. Mullins asked what being a partner entailed. Mr. Brown said the group uses the site and takes care of all the planning. The rental fees are waived, and we're listed on all advertisements. Mrs. Cook asked what the Port gets in return. Mr. Brown said exposure and advertising. The event

grows every year. We put next to zero staff time into it. Mr. Mullins said he likes it better at Black River Landing versus when the event was on Broadway Avenue. Mr. Zellers asked what happens in the event the BrewFest organizers decide to change the event or the Port no longer wants to be a sponsor. Mr. Mullins said the Port can be a perpetual sponsor and require a request letter every year. Mr. Zellers agreed with that plan. Mr. Bansek moved to partner with BrewFest. Second by Mr. Nielsen. Motion carried.

- b. Coalition for Hispanic/Latino Issues and Progress (CHIP) Hispanic Leadership Conference Sponsorship Request: Mr. Brown said we have been a sponsor in years past. We gave \$500 last year. That entitles us to tickets and a table at the business session. He believes that could be a good opportunity to push the levy or financing if possible. Mr. Davila said he has worked the table before collecting email addresses and a few people would win shuttle boat tickets through a raffle. They give us exposure and it's held at LCCC. Mr. Zgonc moved to support the event at the \$500 level. Second by Mrs. Cook. Motion carried.

B. Executive Director

1. Cabela's MWC 2020: Mr. Brown said Cabela's Master's Walleye Circuit isn't coming to Lorain in 2019, but they want to come back in 2020 for a regional competition. We're asking the board to see if they're supportive of it. Regional tournaments are a bit easier for us. They want to be paid to come and we're negotiating an alternative agreement where we provide dinner. Looking for support tonight. Everyone said yes to Mr. Brown furthering the discussion with Cabela's.

C. Economic Development Director

1. Financial Advisor Engagement: Ms. McClelland said the resolution was included in the board packet but there were a few last-minute updates to the agreement, which is before you now. This is for a financial advisor. Long EDA was our former advisor for the last 15+ years. The Strategic Plan advised looking into new firms. We brought in three firms and started negotiating. We initially began negotiating with Umbaugh Advisors and two Fridays ago they merged with Baker Tilly. They have a municipal advisory firm and we will work with predominately Brian Cooper. He was recommended by the CDFA. He has a lot of experience in Ohio and is based in Columbus. Most advisors are based in Cincinnati or Columbus. She and Mr. Brown think Mr. Cooper will be a great fit. The agreement is for two years, \$15,000 a year. Similar to what we had in the past with LongEDA. For a long time, it was \$24,000. Then it went down to \$15,000 and last year it was \$12,000. We think \$15,000 is fair for the services provided by Baker Tilly. Mr. Brown said their strengths were municipal background. And other organizations recommended Baker Tilly, too.

Mr. Mullins presented:

A RESOLUTION AUTHORIZING A PROFESSIONAL SERVICES AGREEMENT WITH BAKER TILLY MUNICIPAL ADVISORS, LLC.

Mr. Sommers moved to accept Resolution No. 2019-08. Second by Mr. Kuszniir. Roll call vote as follows:

Ayes: 9 Nays: 0 Abstain: 0 Resolution Passed

2. Energy Special Improvement District (ESID) Management: Ms. McClelland said this is for the Port Authority to manage the ESID we established in the City of Lorain. The EDIS board approved the Port being the managing agency, and now we're looking for the Port Board to accept that responsibility.

Mr. Mullins presented:

A RESOLUTION APPROVING AND AUTHORIZING THE EXECUTION OF A

PROGRAM ADMINISTRATION SERVICES AGREEMENT WITH THE LORAIN ENERGY SPECIAL IMPROVEMENT DISTRICT, INC.

Mr. Bansek moved to approve Resolution No. 2019-09. Second by Mr. Nielsen. Roll call vote as follows:

Ayes: 9 Nays: 0 Abstain: 0 Resolution Passed

V. Report of Committees

A. Contract Management Committee

1. Boat Launch Agreement with Robert Fowler/Grumpy's Bait and Tackle:

Mr. Zgonc said he read through the agreement and didn't think it was necessary to call a committee meeting because it is essentially a renewal. There are no significant changes. He and Mr. Brown felt comfortable moving forward with the agreement. Mr. Mullins clarified the duration of the agreement. Mr. Zgonc said it would be a one-year agreement, with the option to renew for another year.

Mr. Mullins presented:

A RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR OR HIS DESIGNEE TO ENTER INTO AN AGREEMENT WITH ROBERT FOWLER dba GRUMPY'S BAIT AND TACKLE FOR THE 2019 OPERATION AND MANAGEMENT OF THE AGENCY'S LAUNCH RAMP FACILITIES, (BLACK RIVER WHARF AND EAST SIDE LAUNCH RAMP).

Mr. Kuszniir moved to accept Resolution No. 2019-10. Second by Mr. Zgonc. Roll call vote as follows:

Ayes: 9 Nays: 0 Abstain: 0 Resolution Passed

B. Strategic Development Plan Committee

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

C. Marketing and Public Affairs Committee

1. Mr. Bansek asked about the need to advertise our shuttle boat tours. Mr. Brown said the Black River tours do pretty good, but he said he would meet with staff and get back to Mr. Bansek about possibly

advertising more about our financing programs and our Jet Express trips.

D. Ground Maintenance and Capital Improvements

1. Mr. Nielsen said he needs to talk with Mr. Brown and have a meeting. At the next board meeting there will be a report.
2. Mr. Brown said dormant pruning and elimination of beds took place in the winter months. The hope is in the spring you'll notice more improvements.
3. Mr. Nielsen asked about Victory Park. Mr. Brown said he is trying to push the city, but the property hasn't been transferred yet. He would like to reach out to the veterans' organizations to get their input and possible plan fundraising events. His goal is to also have the sidewalks repaved by the city.

E. Financial Planning and Audit Committee

1. February 2019 Financial Statement: Mrs. Smith said she did not have time to go over the financials with Mr. Davila or Mr. Kuszniir prior to tonight's meeting.
2. 2019 Permanent Budget: Mr. Davila said the average carryover in the last six to seven years has been nearly \$500,000. Currently he sees the budget projecting the Port Authority operating at a loss. He plans to have a meeting in three months to see how the budget is going. The committee felt comfortable in moving forward with the current budget. Adjustments can be made as necessary. Mrs. Smith said our average carryover is \$483,000 a year for the last five years. The average additional amount is \$175,000. We are always in the black, never in the red. Overall, we never spend all that we have to spend. She hoped that would help with the comfort level of the board members. Mr. Brown said we aren't able to spend more than the budget dictates. Mr. Zellers said he likes to see what the carryover was from year to year.

Mr. Mullins clarified that we always need a carryover in order to operate for the first two months of the year. Mrs. Smith said yes.

Mr. Mullins presented:

A RESOLUTION MAKING PERMANENT APPROPRIATIONS OF THE LORAIN PORT AUTHORITY FOR CALENDAR YEAR 2019.

Mrs. Cook moved to approve Resolution No. 2019-11. Second by Mr. Davila. Roll call vote as follows:

Ayes: 9 Nays: 0 Abstain: 0 Resolution Passed

3. Then and Now Certificate: Mrs. Smith said this is for the city's utility department. The money was budgeted, but it was initially in the wrong account, so the purchase order was closed and then reopened. The way they're adding more to the bills, the cost almost doubled. It was about \$6,700 in 2016, then about \$10,000 last year and now we had to do a budget amendment to have enough to pay it.

Mr. Mullins presented:

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

Mr. Davila moved to accept Resolution No. 2019-12. Mr. Sommers seconded. Roll call vote as follows:

Ayes: 9 Nays: 0 Abstain: 0 Resolution Passed

F. Bylaws and Personnel Committee

1. Mrs. Cook said she had nothing to report.

VI. Other Business

- A. Mr. Zgonc asked for an update on the trailer for the Lighthouse Foundation. Mr. Brown said we've been waiting on the budget to be able to open purchase orders, but he doesn't want to foot the entire bill. He asked for a full explanation of what the Lighthouse Foundation wants. Mr. Nielsen anticipates them returning to ask for another trailer.
- B. Mr. Zgonc also mentioned an upcoming opportunity to present information on the levy to the members of the AFL/CIO.

VII. Public Comment

A. None.

VIII. Executive Session

A. Property Disposition:

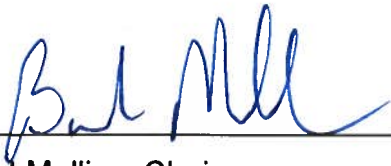
Mr. Davila moved to enter executive session. Second by Mr. Zgonc.

Ayes: 9 Nays: 0 Abstain: 0 Motion carried

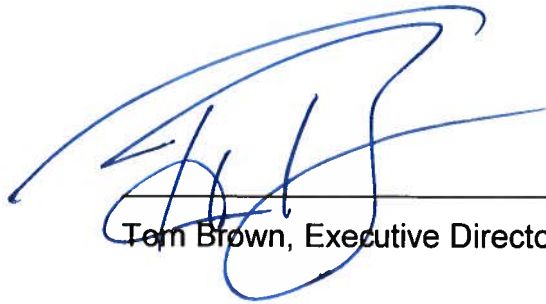
Mr. Zgonc moved to exit executive session. Second by Mr. Davila. Motion carried.

IX. Adjournment

A. There being no further business to come before the committee, Mr. Davila moved to adjourn. Mr. Kuszniir seconded the motion. The motion carried, and the meeting adjourned at 8:22 p.m.



Brad Mullins, Chairman



Tom Brown, Executive Director