

**LORAIN PORT AUTHORITY
Board of Directors
Regular Board Meeting
Tuesday, October 9, 2018**

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

Staff: Tom Brown, Executive Director

Yvonne Smith, Accountant

Tiffany McClelland, Economic Development Specialist

Kelsey Leyva, Office Manager

Michael Brosky, Esq., Legal Advisor

Lil, Goose Dog

Guests: Rick Payerchin, Morning Journal

I. Roll Call

A. The meeting was called to order at 7:04 p.m. by Chairman Brad Mullins with roll call indicating a quorum present.

II. Pledge of Allegiance

III. Educational Session: Port of Lorain Economic Impact Study – Ms.

McClelland said she'd give a brief overview of the American Great Lakes Port Association, the impact study on the Great Lakes and the seaway, and the economic impact study on shipping and the Port of Lorain. The Lorain Port Authority has been a member of AGLPA for years. AGLPA was founded in 1977 as an advocacy group for the Great Lakes' ports, partners, and the shipping industry. Ports are in the US and Canada. The organization has two meetings a year to discuss topics such as investment, infrastructure, dredging, ballast water issues, boarder control. This agency goes to capitol hill and advocates on behalf of the ports. In 2011 a study was done to review the Great Lakes. The plan is 150-page document. A main highlight is they were able to show how important the Great Lakes are and the economic impact they have based on four individual channels. 143 million metric tons transported, equaling \$15.2 billion in cargo. 237,868 jobs and \$35 billion in economic activity. After the impact study was

released, ports wanted a study about their specific economic activity. Looking at Ohio, cargo moved was nearly 40 million tons, which generated \$2.2 billion. The information is broken down in a few ways, including direct, induced and indirect jobs. 33,168 jobs created in Ohio through Port Authorities. The reality is we need to know how we're impacting the Great Lakes. Lorain was one of 19 in the US ports asking for a specific study. For the Port of Lorain, there are 129 jobs – 63 are direct, 55 are induced and 11 are indirect. That resulted in almost \$32 million in economic activity. Nearly \$10 million in income generated. There is a good impact locally. The state receives nearly \$1 million in taxes from our Port and \$4 million is generated for federal taxes. Mr. Mullins asked if there was a ranking system for Ohio ports. Ms. McClelland said somewhat. We're probably the fourth busiest in Ohio. We're up there, but compared to the whole Great Lakes region, she isn't sure. Cleveland, Toledo and Fairport are active Ports. Mr. Brown added that not every port did a port-specific study. Some were satisfied with the 2011 report. Mr. Mullins asked how the study helps us. Ms. McClelland said grants are a huge part of this. The Fastlane grant, transient dockage grant, the tiger grant and others are types of grants that we're looking at that this study can support. The study is also useful to developers interested in properties with rail and a deep-water port. Ms. McClelland said this is also great for educational purposes. Some people in Lorain still don't know this is a commercial port. Mr. Mullins asked about tonnage. Mr. Brown said we're still down due to the lack of steel production. We improved last year. He said he also believes this study helps with dredging. This study shows we're still an active commercial port. Sometimes people forget our maritime component. Ms. McClelland said this study was done in 2017 and we have shipping through nearly every seaway except the Soo Locks. It looks attractive to potential business owners when we can show we ship internationally. Ms. McClelland will send the studies to board members.

IV. Disposition of Meeting Minutes

A. June 12, 2018, Regular Board Meeting: Mrs. Cook moved to approve the meeting minutes. Second by Mr. Nielsen. Motion passed.

V. Report of Officers

A. Chairman

1. Correspondence received: Mr. Brown said he handled a few items. One was a sponsorship for the Lorain Historical Society and one was a sponsorship for the Mexican Mutual Society's 90th Anniversary. Both are active partners. Ms. Leyva added that on Oct. 13, 2019, the MSS would have their celebration at Rosewood Place on Oberlin Avenue. As a sponsor, the Port received two complimentary tickets. Any board or staff member is welcome to take the tickets. History on the Rocks, the Historical Society fundraiser, is on the same night. Board and staff members are attending that as well. Mr. Davila expressed interest and claimed the tickets for the MMS fundraiser.
2. Rotary Club trivia Fundraiser: The Lorain Rotary Club is having a trivia fundraiser on Nov. 2, 2018. Mr. Brown said he can handle this item, however, he wanted to see if there was any interest in forming a team. If anyone is a trivia master, there are cash prizes. Anyone interested in a team? If no interest, we can just donate.

B. Executive Director

1. Connie Carr Commendation: Mr. Brown said the resolution highlights Ms. Connie Carr's contributions to the board.

Mr. Mullins presented:

A RESOLUTION COMMENDING CONNIE CARR FOR HER OUTSTANDING SERVICE, DEDICATION AND COMMITMENT TO THE LORAIN PORT AUTHORITY.

Mr. Davila moved to accept Resolution No. 2018-27. Second by Mr. Nielsen. Roll call vote as follows:

Ayes: 8 Nays: 0 Abstain: 0 Resolution Passed

2. Election of Vice Chair: Mr. Brown said Ms. Carr previously held this position and a new vice chair needs to be elected. Mr. Mullins

opened the floor to nominations. Mr. Davila nominated Mr. Zellers and Mr. Nielsen nominated Mr. Kuszniir. Mr. Mullins seconded the nomination of Mr. Zellers. Mr. Zgonc seconded Mr. Kuszniir's nomination. With a vote of 6-3, Mr. Kuszniir was voted vice chair.

3. CDFA Rollout: Mr. Brown said the meeting is set for Thursday, October 11 from 4-7 p.m. There is a conference call with CDFA tomorrow to iron out some details. Going to be coming to some conclusions on releasing it to the public. It's aggressive and a big mission, but Mr. Brown thinks we're up to it. The whole CDFA team will be here. They're excited, and so are we.
4. Levy Fundraiser: Mr. Brown said the fundraiser is next week on Thursday, October 18. He said ticket sales will need to be finalized Monday or Tuesday at the latest. Sales are going well. Keep up with the phone calls and networking. People are excited about the menu. The paperwork process had begun and the levy lommittee will likely convene after the holidays.
5. Levy Renewal Resolution: Mr. Brown said Mrs. Smith prepared the document. This is the first step in the process to renew the levy. In talking with Mrs. Smith, Mr. Brown felt it made most sense to renew instead of replacing. We're at .996 something right now. A replacement adds taxes to people and it's not a huge benefit to us. Mr. Brown thinks it is time to become more self-reliant, as the CDFA plan recommends, meaning we shouldn't ask for additional dollars. We will send this to the county and then we get the valuation from them. Then we submit to get on the May ballot. Mr. Nielsen asked about the deadline to petition for the main ballot. Mr. Brown said it's February. We're starting early.

Mr. Mullins presented:

A RESOLUTION REQUESTING THAT THE COUNTY AUDITOR, PURSUANT TO OHIO REVISED CODE SECTION 5705.03, CERTIFY TO THE LORAIN PORT

AUTHORITY THE TOTAL CURRENT TAX VALUATION OF THE CITY OF LORAIN THAT HAS TERRITORY LOCATED IN LORAIN COUNTY/COUNTIES, AND THE DOLLAR AMOUNT OF REVENUE THAT WOULD BE GENERATED BY ONE (1) MILL(S) FOR THE PURPOSE OF PORT AUTHORITY OPERATING UNDER 4582.40. THIS TAX IS TO BE LEVIED UPON THE CITY OF LORAIN OF THE SUBDIVISION. SUCH LEVY WILL BE A RENEWAL, AND BE PLACED UPON BALLOT AT THE MAY 7, 2019, ELECTION. SAID BALLOT MEASURE SHALL BE SUBMITTED TO THE CITY OF LORAIN OF THE SUBDIVISION. SUCH LEVY WILL BE PLACED UPON THE TAX LIST AND DUPLICATE FOR THE CURRENT TAX YEAR, BEGINNING IN 2019 FIRST DUE IN CALENDAR YEAR 2020, IF A MAJORITY OF THE ELECTORS VOTING THEREON VOTE IN FAVOR THEREOF FOR FIVE (5) YEARS.

Mr. Davila moved to accept Resolution No. 2018-28. Seconded by Mr. Nielsen. Roll call vote as follows:

Ayes: 8 Nays: 0 Abstain: 0 Resolution Passed

6. Fish Hook Proposal: Mr. Brown said FireFish had an 18-foot hook for the festival. The hook lit the ceremonial fish. The group wanted to keep it at Black River Landing. He explained a proposal would need to be submitted and approved by the board. Mr. Zellers asked what the question is. Mr. Brown said we need to decide if we're going to purchase the hook. There would be a cost to add it to the site. Mr. Nielsen said he wasn't impressed with it. Mr. Mullins said he couldn't in good conscience spend the tax payer's money on this. Mr. Brown said he has no interest in making it moveable. If that's the final price, a fundraiser may be a smarter approach. Mr. Zgonc asked when the proposal was submitted. Mr. Brown said he was approached after the festival. Mrs. Cook is afraid it would start a trend. Mr. Brown said he's been approached by the Lorain Arts Council. They want to do a sculpture. It's a cool concept, but they

need to submit a proposal. The site lends to public viewing, but it's up to the board. It's good to be cautious. Mr. Zellers, Kuszniir and Mrs. Cook agreed to say no. Mr. Sommers also disagreed with purchasing the sculpture.

7. King Fishery Lease Agreement: Mr. Brown said this didn't go to the Contract Committee because this is a mechanical thing we've done yearly. He explained there is a dock that stretches onto our property about 50 feet. The agreement 10 years ago or more was \$400 per year to dock during their season. Mr. Zellers asked why this agreement was brought up again so soon. Mr. Brown explained the 2018 agreement was discussed a little late. We're trying to be proactive for 2019 and allow the committee the ability to meet if they choose.

Mr. Mullins presented:

A RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO RENEW AN AGREEMENT WITH KING FISHERY TO LEASE A PORTION OF THE GROVE SITE FOR TEMPORARY STORAGE COMMERCIAL FISHING VESSELS.

Mr. Nielsen moved to accept Resolution No. 2018-29. Mr. Zgonc seconded. Roll call vote as follows:

Ayes: 8 Nays: 0 Abstain: 0 Resolution Passed

8. Altenheim 2012 Bonds Amendment: Mr. Brown said he spoke with our bond counsel from Frost, Brown & Todd and new tax codes are causing a lot of these bond issuances to be reset for tax implications. They are seeing this across the industry. This amendment was approved by Financial Advisor Tim Long and Frost, Brown & Todd. There will be a final review following board approval.

Mr. Mullins presented:

A RESOLUTION AUTHORIZING THE EXECUTION AND DELIVERY OF A FIRST SUPPLEMENTAL INDENTURE, A FIRST SUPPLEMENTAL LOAN AGREEMENT, A SUPPLEMENTAL TAX COMPLIANCE AGREEMENT AND OTHER INSTRUMENTS, STATEMENTS AND DOCUMENTS IN CONNECTION WITH AMENDMENTS TO TERMS OF ITS VARIABLE RATE REVENUE BONDS, SERIES 2012 (ALTENHEIM PROJECT) PREVIOUSLY ISSUED BY THE ISSUER; AUTHORIZING AND APPROVING RELATED MATTERS.

Mr. Zgonc moved to approve Resolution No. 2018-30. Mrs. Cook seconded. Roll call vote as follows:

Ayes: 8 Nays: 0 Abstain: 0 Resolution Passed

VI. Report of Committees

A. Contract Management Committee

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

B. Strategic Development Plan Committee

1. No report.

C. Marketing and Public Affairs Committee

1. Waterfront Winterfest: Mr. Brown said he received two letters from Waterfront Winterfest. One letter is asking for the sponsorship of a steel drum band. They're looking at May 2019, and he plans to talk with them about this type of fundraiser. Mr. Brown said he plans to renew our sponsorship of the Toy Soldier display. We didn't sponsor Waterfront Winterfest directly last year. Mr. Mullins asked if the festival would be at BRL. Mr. Brown said no, only Trees and Trains. The committee is doing a major fundraiser to get lighting for the streetscape. Mrs. Cook questioned the budget for donating to outside groups. Mr. Brown said he has a small fund to do so. He was just trying to be proactive.

D. Grounds Maintenance and Capital Improvements Committee

1. Mr. Nielsen said he had nothing to report.
2. Mr. Brown said it may be a good idea to meet at the end of the year to recap completed projects and to identify capital projects for 2019. He explained some of the ongoing landscaping projects at Black

River Landing, including seeding, flower beds and tree removal. Mr. Brown said he can provide a full report of projects and expenses. He anticipates four or five projects in 2019. LED is completed and that was a major undertaking. He's happy with the result. Asphalt was supposed to be redone in Black River Landing's south lot. The initial job was not acceptable.

E. Financial Planning and Audit Committee

1. July 2018 Financial Statement: Mr. Zgonc moved to approve the July 2018 Financial Statement. Mr. Nielsen seconded. Motion approved.
2. August 2018 Financial Statement: Mr. Nielsen moved to approve. Mr. Kuszniir seconded. Motion carried.
3. September 2018 Financial Statement: Mrs. Smith said there was no time to review the September financials prior to the board meeting. This item will be revisited in November.
4. Accepting Amounts and Rates for Calendar Year 2019: Mrs. Smith said the valuation for next year is estimated at \$815,363. She said that's around the status quo.

Mr. Mullins presented:

A RESOLUTION ACCEPTING THE AMOUNTS AND RATES FOR CALENDAR YEAR 2019 AS DETERMINED BY THE BUDGET COMMISSION AND AUTHORIZING THE NECESSARY TAX LEVIES AND CERTIFYING THEM TO THE COUNTY AUDITOR.

Mr. Mullins moved to accept Resolution No. 2018-31. Mr. Sommers seconded the motion. Roll call vote as follows:

Ayes: 8 Nays: 0 Abstain: 0 Resolution Passed

5. Then and Now Certificate: Mrs. Smith said the Port Authority had no then and now certificates requiring board approval.

F. Bylaws and Personnel Committee

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

VII. Other Business

- A. Mr. Nielsen asked about the Kelleys Island Ferry Boat Line project. Mr. Brown said Ms. McClelland is working very. We're ready to hit the ground running as soon as the funds are feed up.
- B. Mr. Zgonc asked about the snow removal contract. Mr. Brown said the contract is so small it falls under his prevue, but we are satisfied with Excel Management. MTC Horticultural couldn't compete with prices.

VIII. Public Comment

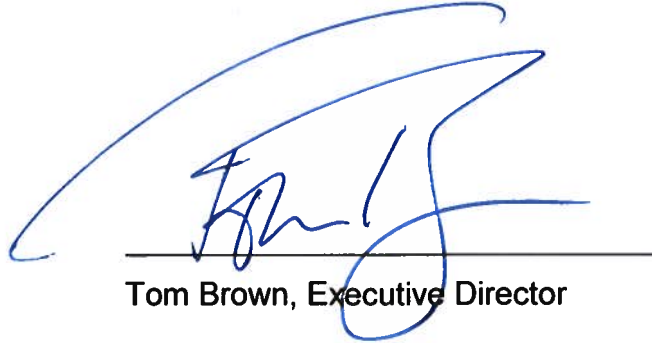
- A. None.

IX. Adjournment

- A. With no further business to come before the board, Mr. Davila moved to adjourn. Mr. Kuszniir seconded. The motion carried, and the meeting adjourned at 7:52 p.m.



Brad Mullins, Chairman



Tom Brown, Executive Director