

LORAIN PORT AUTHORITY

Board of Directors

Regular Board Meeting

Tuesday, May 8, 2018

Board of Directors: Ms. Carr, Mrs. Cook; Messrs. Bansek, Davila, Kuszniir, Mullins, Nielsen and Zellers (Mr. Zgonc was absent.)

Staff: Tom Brown, Executive Director

Yvonne Smith, Accountant

Tiffany McClelland, Economic Development Specialist

Kelsey Leyva, Office Manager

Lil, Goose Dog

Guests: None

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. Disposition of Meeting Minutes

A. January 9, 2018, Regular Board Meeting: Mr. Bansek moved to accept the minutes from the January 9, 2018, Regular Board Meeting. Ms. Carr seconded. Motion carried.

B. February 13, 2018, Regular Board Meeting: Ms. Carr moved to accept the minutes from the February 13, 2018, Regular Board Meeting. Mr. Zellers seconded. Motion carried.

C. March 13, 2018, Regular Board Meeting: Mr. Kuszniir moved to accept the minutes from the March 13, 2018, Regular Board Meeting. Mrs. Cook seconded. Motion carried.

D. April 10, 2018, Regular Board Meeting: Ms. Carr moved to accept the minutes from the April 10, 2018, Regular Board Meeting. Mr. Kuszniir seconded. Motion carried.

IV. Report of Officers

A. Chairman:

1. Correspondence: Mr. Brown said he has two items to present. First, LifeLine Screening sent a letter requesting a fee waiver. The group used the building last September for community preventative screenings and paid the rental fee. The group is asking to be able to pay the 2017 rate of \$200 deposit and \$200 rental fee instead of the 2018 rate, which is a \$400 deposit and \$400 rental fee. The group treated about 50 people throughout the day last year. Mr. Brown said he would hate to start approving waivers like this since the fees were recently updated. He understands it's a good cause, but knows the customers do pay a fee for the screenings. Mr. Zellers said he thinks it's important to keep the rates where they are and not make exceptions. He then asked if the Port Authority could make a donation of \$200. Mrs. Smith said it's not a nonprofit, so we likely can't donate to them. Mrs. Cook asked about the time. Mr. Brown said about eight (8) hours. Ms. Leyva explained patients pay \$149 for three to five tests. Mr. Brown said LifeLine is a national company. Mr. Bansek said he agreed with Mr. Zellers and would rather not deviate from the fee structure. He believes it's a good cause, but when do we decide we don't have a fee structure. Mr. Zellers said if we turn the group down, they'll go someplace else. Mr. Zellers then moved to maintain the fees as they currently stand. Mr. Brown said he attempts to handle these things without needing input from the board, but this a reduction in fees and he didn't feel comfortable changing the rates again when they were so recently set. Mr. Nielsen seconded. Motion passed with one opposed.
2. Second: Mr. Brown said the Lorain International Association submitted their application and request for a fee waiver for use of Black River Landing for the 2018 International Festival. The dates

are June 22-24. He reminded the board of the ongoing issues with the shed. In the past, we've waived the fee for the Princess event at the Train Station in April. Mr. Brown said he played the bad guy this year and didn't accept any fee waiver requests until the shed was moved. This resulted in the International Association paying for their use of the Train Station on April 29, 2018. The shed has since been moved to an acceptable location. Mr. Brown said historically, the International Association pays for electric. He's asking the board to accept \$1,500 as a normal rate for electricity and credit the \$800 from the International Princess event in April. Mr. Bansek is happy the shed is moved. Mr. Mullins asked for clarification and how this fee waiver is different from one requested by a group providing a public service. Mr. Brown said the ongoing policy with the International Association is to have them pay for the electric they use during the festival. The Princess Reception has no fee associated with it and is a meet and greet for the princesses and their families. Mr. Brown said he believes the reception is a community event the Port Authority should support. Mr. Bansek said a long running, community-wide cultural event like the International Festival is much different than 50 people getting screened for \$149 each. Mr. Bansek said International Festival was in mind when Black River Landing was built. Ms. Carr said the International Association did have some input on the design. Mr. Zellers moved to credit the International Festival on the electrical charge the \$800 put down for the building rental on April 29, 2018. Mr. Bansek seconded. Motion carried

B. Executive Director:

1. Maintenance update: Mr. Brown said a few items were discussed during the Contract Committee Meeting and he will touch on those later. There will also be a budget amendment. We're well underway

on the LED proposal. Since we aren't financing the project, unencumbered monies will be moved into the capital account to cover the cost of the lighting upgrade. Mr. Brown also encouraged all board members to walk the site as MTC Horticultural Services has added stone and spillways around the stage to prevent erosion, rose bed is completely done. A new entryway sign has been ordered. Mr. Brown said later in his report he will discuss the fence proposal, but the Pier sidewalk is 90 percent done. Quotes are coming in for sidewalk at Grumpy's to address safety concerns. Purchase order in for the pathways. Orange barrel in the front will also be gone. The manhole in front of the office is also on the docket to be fixed.

2. Change Board Approval Thresholds: Mr. Brown said the current threshold for purchases that require board approval is \$5,000 with three quotes. In order to get things done in a rapid fashion as we go into the summer season, he asked for a temporary increase to \$10,000 before needing board approval. After the CDFA report, then we can set a permanent threshold. Mr. Brown said he doesn't want to have to call meetings to get things approved. The threshold is delaying projects. When Mr. Brown gets a contract or quote, he wants to be able to go. Mr. Mullins asked about the number of bids. Mr. Brown said he's using some discretion when he has a background in the subject and knows the market. For example, Mr. Brown said tonight he will be asking for approval for a fencing quote for just over \$7,707. The fence, when finished, will enclose the site entirely. Mr. Brown has done and knows fencing and he feels comfortable with the quote. Also, Ofandiski Fence installed all of the fence currently on the site and they're willing to move existing pieces for cost savings. Mr. Nielsen moved to increase threshold to \$10,000. Mr. Bansek seconded. Motion carried with Mr. Davila

voting no. Ms. Carr clarified that by “bids” the board and staff actually mean quotes.

3. Fence Proposal: With the topic of fencing on the table, Mr. Brown asked that the board reaffirm his authority to move forward with Ofandiski and the fencing project. The work was ordered today to have it complete before the season starts. Ms. Carr moved to ratify the action of getting the quote. Mr. Nielsen seconded. Motion carried unanimously.

V. Report of Committees

A. Contract Management Committee

1. Insurance Proposals: Mr. Zellers said there have been two meetings to discuss the Port Authority’s insurance coverage and two proposals were submitted. One from Insurance Partners, the current provider, and a second from Somers Agency. Somers Agency previously had the contract. The recommendation is to go with Somers Agency. They had options to potentially go with a three-year lock-in and they’re a Lorain firm employing Lorain residents. Mr. Zellers said he believed Somers did a little more homework than Insurance Partners and in the end the committee voted for Somers.

Mr. Mullins Presented:

A RESOLUTION AUTHORIZING PAYMENT TO SOMERS AGENCY, LLC FOR INSURANCE COVERAGE POLICIES FOR THE AGENCY.

Ms. Carr moved to accept Resolution No. 2018-14. Mr. Kuszniir seconded. Roll call vote as follows:

Ayes: 7

Nays: 1

Abstain: 0

Resolution Passed

2. Leadership Lorain County Intern Agreement: Ms. McClelland said the Port Authority is once again partnering with Leadership Lorain County to find interns for this summer. Leadership Lorain County covers 50% of the interns' salary. We pay them a rate of \$10 per hour and Leadership Lorain County pays half up to a certain hour. Ms. McClelland said Leadership Lorain County is actually offering two interns this year. Mr. Mullins asked if there was a limit as far as hours. Ms. McClelland explained each intern can work up to 30 hours a week. In other words, for \$3,000 we have two interns in the office for 10 weeks for 30 hours each a week. Ms. McClelland has identified two individuals she is interested in hiring. One is Dana Pinter the other is Marecciea Rivera. Mr. Zellers asked about the interns having enough work to stay busy. Ms. McClelland said yes, without a doubt. The interns will work Monday through Thursday and receive an hour, unpaid lunch. On Fridays the interns will be with Leadership Lorain County for various activities. Sometimes the interns will do evening work as well for Jet Express Trips, shuttle boat tours or Rockin' on the River concerts. Ms. McClelland said last summer's intern was instrumental in getting the office caught up on record retention, which hasn't really been touched since having an intern. She said she also has a running list of projects for both positions without input from other staff members yet.

Mr. Mullins presented:

A RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR OR HIS DESIGNEE TO ENTER INTO AN AGREEMENT WITH LEADERSHIP LORAIN COUNTY IN REGARDS TO SUMMER INTERN STAFFING.

Mr. Bansek moved to accept Resolution No. 2018-15. Mrs. Cook seconded the motion.

Roll call vote as follows:

Ayes: 8 Nays: 0 Abstain: 0 Resolution Passed

3. Lorain Historical Society Shuttle Boat Agreement: Ms. McClelland said the agreement is identical to last year's agreement. We've done the same agreement for two years now. We partner with the Lorain Historical Society and they provide a historian to ride along and serve as the narrator. It's a two-hour excursion. The price of the trip is increased from our typical \$16 to \$20 and the extra \$4 goes to the Historical Society as an offset for the historian. Most of the trips sell out and that in large part is due to the Historical Society's marketing and great following. Ms. McClelland highly recommends keeping the agreement the same this year.

Mr. Mullins presented:

A RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR OR HIS DESIGNEE TO ENTER INTO AN AGREEMENT WITH THE LORAIN HISTORICAL SOCIETY REGARDING THE 2018 HISTORY BOAT TOURS.

Mrs. Cook moved to accept Resolution No. 2018-16. Ms. Carr seconded the motion.

Roll call vote as follows:

Ayes: 8

Nays: 0

Abstain: 0

Resolution Passed

4. Asphalt Quotes: Mr. Brown said two items from the most recent Contract Committee Meeting last week didn't make the agenda but need to be ratified at tonight's meeting. He then went on to explain the committee considered three quotes and recommended going with Terminal Ready Mix in the amount of \$20,700 to reseal all of the asphalt at Black River Landing. The Grounds Maintenance and Capital Improvements Committee previously discussed doing the sites in phases and the Black River Wharf Boat Launch will likely be the next location for asphalt work next year. Ms. Carr moved to

approve the quote provided by Terminal Ready Mix. Mr. Kuszniir seconded the motion. Motion carried with one nay.

5. Lorain Lighthouse Trailer Proposal: Mr. Brown said the second item needing ratification is a request from the Lorain Lighthouse Foundation. They wanted us to pay for the trailer they want to use as a gift shop to sell merchandise and tickets. The committee instead recommended donating \$1,000 to the foundation for them to apply to whatever they needed. Mr. Nielsen moved to donate the \$1,000. Ms. Carr seconded. Motion carried.

B. Strategic Development Plan Committee

1. Ms. Carr said as Mr. Brown starts revving up the process regarding the Marina, we'll have to put together a Request for Proposals. She and Mr. Brown have had preliminary discussions about what needs to be included and considered. Ms. Carr said a Strategic Development Plan Committee Meeting, separate from the Regular Board Meeting date, would be scheduled in the near future. A set of questions will be included in the board packet and Ms. Carr really wants the committee members to review the questions and give them some thought ahead of time. The purpose of the meeting will be for input and ideas for structuring the RFP. Once the RFP is ready, it will then be presented to the full board. Mr. Zellers asked if there were consultants available who help organizations like the Port Authority formulate RFPs. Mr. Brown said yes, and that will likely be one of the topics of discussion. Ms. Carr agreed. Mr. Zellers asked about the duration of the current lease. Mr. Brown said 32 years. Ms. Carr added the lease ends on December 31, 2019. Mr. Zellers said this is a big deal for us. Mrs. Cook suggested a survey of the building and property to determine its condition. She wants a better picture of the circumstances. Mr. Mullins said the owner of the restaurant thinks he has a lease with Spitzer, the

marina operator, that outlives the lease of the marina. Mr. Mullins said it could get interesting. Mr. Davila asked how much the lease is for. Mrs. Smith said the Port Authority receives \$37,500. Mrs. Cook said it used to be more than that, but Spitzer asked for a reduction and the Port Authority granted it. Mr. Mullins said a few groups have expressed interest and he believes capital improvements will play a large role in the decision-making process. He said the marina could use a face lift. Mrs. Cook asked if the Port Authority has inspectors ensure the marina operator is doing what he should. Mr. Brown said the staff visit the property, but there isn't a program in place. Mr. Mullins said he's been there quite a few times and nothing appears broken.

C. Marketing and Public Affairs Committee

1. Jet Express Schedule: Ms. McClelland presented the 2018 Jet Express schedule and said nine trips are being offered to the public. A 10th trip is being tentatively planned for developers. Depending on the interest, we very well may be bringing the Jet Express. It's up in the air at this point. The other nine trips are very similar to what we do every year: Wine Tasting, Beer Tasting, Ladies Night Out, etc. This year, instead of necessarily attempting to break even, the idea is to set the prices based on the number of tickets sold historically. Staff wants to set the price at \$39.95 for adults for all trips and children 12 and under will be \$20. The way it'll work out is If we sell 80 percent on all 9, we'll break even. The likelihood of that isn't that high, so we may end up losing some money. We're hoping to get more people on the vessel. We also want to try to set the new standard that these trips run no matter what, just like our shuttle boat tours. We want people to be able to get their tickets the same day, which is common now. There is a risk factor in changing policy, but at the end of the day we have to

have a comfort level. Mr. Zellers asked about last year. Ms. McClelland said tickets were priced based on what was sold historically, what the ticket prices were, what the total cost of the trip was and then tickets would range from \$44 to \$52. She said changing the ticket prices will make it easier for the front office. She doesn't think we're going to lose a ton of money, but she's not sure we'll break even. It's something to be aware of, but the staff think it's worth it. The momentum on Broadway plays into it and the relationship with the Jet is moving in a positive direction. The goal is to grow the public's interest. Ms. Carr likes the reliability. If we are more predictable and have consistent pricing, then that builds confidence over time. Ms. McClelland said we may take a hit this year but building our reliability could likely help in the long run. Mrs. Cook asked if the Jet makes stops along the way during trips. Ms. McClelland said the Jet sometimes stops in Huron to pick up passengers for Browns games. Mrs. Cook asked if the Jet ade stops while going out to the Islands. Ms. McClelland said one of the trips is up to Put-in-Bay and three are to Cleveland. Mr. Brown said he anticipates the Put-in-Bay and Cleveland Browns trips to be a hot commodity because customers are getting a price break this year. We're hoping those trips sell out. The Jet needs to be in Lorain. We have to get people to remember and offer consistent marketing. Mrs. Smith said when the Port changed its policy to not cancel shuttle boat tours based on numbers, it had a positive impact on the number of tickets sold. Ms. Carr moved to go forward with instituting the new policies and prices for Jet Express trips. Mr. Kusznr seconded. Motion passed.

D. Ground Maintenance and Capital Improvements

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

E. Financial Planning and Audit Committee

1. March 2018 Financial Statement: Hold.
2. April 2018 Financial Statement: Hold.
3. Budget Amendment: Mrs. Smith said she prepared a budget amendment. The staff has discussed taking \$75,000 from the unencumbered amount and adding that to the capital account for the LED Lighting Upgrade Project. During the audit, which is still in progress, the auditors recommended that the Port set up an agency fund when selling tickets for events such as Rockin' on the River or Country Jam. Mrs. Smith said she can agree with the logic used by the auditors. The Rockin' on the River Entry Fees line item in the general fund will be reduced by \$15,000. Mrs. Smith said she will set up an agency fund for Rockin' on the River and use it for their ticket sales. In addition, minutes before the last board meeting the office received the approval for the Marine Patrol Grant. Our match is \$10,668. Mrs. Smith said she wasn't able to prepare a budget amendment that quickly, which is why it's on this month's agenda. Also included in this budget amendment is an increase in the shuttle boat fees for the captains because we are adding more trips. There is a \$1,000 increase to fees and \$8,000 increase to maintenance. Mrs. Smith encouraged all board members to take a trip on the shuttle boats as everything is caught up maintenance-wise, except the canvas. The office is hoping to have the canvas redone at the end of the season.

Mr. Mullins presented:

A RESOLUTION RATIFYING EXPENDITURES AND AUTHORIZING THE EXECUTIVE DIRECTOR TO REVISE THE 2018 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. 2018-17. Mr. Davila seconded the motion.
Roll call vote as follows:

Ayes: 8 Nays: 0 Abstain: 0 Resolution Passed

4. Then and Now: Mrs. Smith said we have no then and now certificates that required board approval.

F. Bylaws and Personnel Committee

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

VI. Other Business

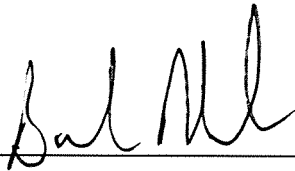
- A. Mr. Davila asked for an update on the status of the Broadway Building. Mr. Brown said a bit of cleanup has taken place, but we're currently waiting for the historic tax credit announcement. No major work can be completed until the announcement is made. If the announcement comes by June 21, Mr. Brown said he could see work commencing June 22. Following the announcement, the plan is to have a full press conference with the developer, partners and hotel chain to really kick that off. All systems are go; we're just waiting on the Ohio Historic Tax Credits. Mr. Zellers asked if the project was financed. Mr. Brown said yes and added Ms. Radhika Reddy explored a multitude of financing options. She's looking for better rates in some areas, but the project is financed. Masonry and roof work is expected to start soon after the announcement on tax credits.
- B. Mr. Davila asked about the train proposal previously presented to the board. Mr. Brown said he sent the group an email explaining the topic hasn't went to committee yet. Mr. Brown said we're still part of the area-wide planning grant and our south 8 acres is included in that. The group wanted a 5-year commitment and Mr. Brown said he's not in favor of a 5-year agreement. If the trains the group was talking about were fully restored, this would be a different conversation. We're not closing the door, but at this time not interested in the proposal.

VII. Public Comment

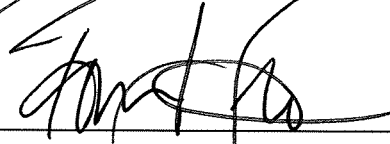
A. None.

VIII. Adjournment

A. There being no further business to come before the committee, Ms. Carr moved to adjourn. Mr. Davila seconded the motion. The motion carried, and the meeting adjourned at 7:59 p.m.



Brad Mullins, Chairman



Tom Brown, Executive Director