

**Lorain Port Authority  
Board of Directors  
Regular Meeting  
Tuesday, December 11, 2018, at 7:00 p.m.**

**Board of Directors:** Mrs. Cook; Messrs. Bansek, Davila, Kuszniir, Mullins, Nielsen, Sommers 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:** Rick Payerchin

**I. Roll Call**

A. The meeting was called to order at 7:10 p.m. by Chairman Brad Mullins with roll call indicating a quorum present.

**II. Pledge of Allegiance**

**III. Disposition of Meeting Minutes**

A. August 14, 2018, Regular Board Meeting: With no questions or comments by the board, Mr. Nielsen moved to accept the meeting minutes. Mr. Sommers seconded the motion. Motion carried.

**IV. Report of Officers**

**A. Chairman**

**1. Correspondence:**

a. Historical Society Yard Sale sponsorship request: Mr. Brown explained the Port sponsored this event in 2018. The Indoor Yard Sale serves as a fundraiser for the Lorain Historical Society. It's executive director, Ms. Barb Piscopo, sent in a letter requesting the first week in April. Mr. Brown said there were zero issues in 2018 and he recommends the board proceed with sponsoring the event again in 2019. The Port Authority currently partners with the Historical Society for History Excursions on the shuttle boats, and those were nearly all sold out in

2018. Mr. Bansek moved to sponsor the Indoor Yard Sale. Second by Mrs. Cook. Motion Carried.

- b. Mexican Mutual Society Thank You Letter: Mr. Brown said the Port purchased a sponsorship package in support of the Mexican Mutual Society's 90<sup>th</sup> Anniversary Celebration. The sponsorship entitled the Port to exposure as sponsors of the 2019 Cinco de Mayo Parade and the 2019 Mexican Mutual Society Scholarship Steak Fry. The letter thanked the Port for its donation and served as a reminder of the 2019 events.

**B. Executive Director**

- 1. Submerged Land Lease: Mr. Brown said this type of request comes up periodically. This person is a neighbor to Mr. Brown. The related resolution states the Port has no use for the property for Port purposes. It won't in any way interfere with Port operations.

Mr. Mullins presented:

**A RESOLUTION FINDING THAT CERTAIN DESCRIBED SUBMERGED LAND ABUTTING THE CITY IS NOT NECESSARY FOR THE CONSTRUCTION OR MAINTENANCE OF VARIOUS IMPROVEMENTS.**

Mr. Nielsen moved to approve Resolution No. 2018-39. Second by Mr. Zgonc. Roll call vote as follows:

**Ayes: 7                      Nays: 0                      Abstain: 0                      Resolution Passed**

- 2. Levy Renewal Intent to Proceed: Mr. Brown said a resolution related to the levy renewal was passed again at the last board meeting following a quick update to the language as requested by the Lorain County Board of Elections. That was step one, and the resolution included on tonight's agenda is step two. Our intent is to be on the May 7, 2019, ballot during the primary election. If passed, Mrs. Smith will drop off the paperwork to the County Auditor and Board of Elections tomorrow.

Mr. Mullins presented:

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE LORAIN PORT AUTHORITY AUTHORIZING REQUEST FOR RENEWAL OF AN EXISTING TAX LEVY FOR ALL PURPOSES OF THE LORAIN PORT AUTHORITY, INCLUDING ITS CONTINUING WATERFRONT DEVELOPMENT ACTIVITIES AND ECONOMIC DEVELOPMENT ACTIVITIES, AND FOR THE SUBMISSION OF THE RENEWAL TAX LEVY TO THE ELECTORS WITHIN THE JURISDICTION OF THE LORAIN PORT AUTHORITY IN THE MAY 7, 2019, PRIMARY ELECTION.**

Mr. Kuszniir moved to approve Resolution No. 2018-40. Mr. Nielsen seconded. Roll call vote as follows:

**Ayes: 7                      Nays: 0                      Abstain: 0                      Resolution Passed**

3. Horizon Education Centers Tax Exempt Revenue Bonds: Ms. McClelland introduced David Smith who is the executive director of Horizon Education Centers. She said she's looking to reissue the tax-exempt revenue bonds for Horizon's project, much like what occurred in 2008. Smith explained Horizon Education Centers has been around for 40 years and the tax-exempt bonds issued by the Port Authority in 2008 were used to develop centers for children in moderate to low income families. The bond Smith and McClelland are hoping to receive board approval on tonight would cover eight different properties. Two are in Lorain, three are in Elyria and the rest are in Cuyahoga County. Smith said Horizon appreciated the support in 2008 and that area again looking for support this time around. Ms. McClelland said the goal is to close December 19. She mentioned that minor updates, such as changes in addresses, were made to the documents included in the board packet.

Mr. Mullins presented:

**A RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF NOT TO EXCEED \$7,600,000 IN AGGREGATE PRINCIPAL AMOUNT OF TAX-EXEMPT REVENUE BONDS, SERIES 2018 (HORIZON EDUCATION CENTERS PROJECT) FOR THE**

**PURPOSES OF (A) CURRENTLY REFUNDING THE OUTSTANDING PRINCIPAL AMOUNT OF THE ISSUER’S ADJUSTABLE RATE ECONOMIC DEVELOPMENT REVENUE BONDS, SERIES 2008 (HORIZON ACTIVITIES CENTER PROJECT) (THE “2008 REFUNDED BONDS”), (B) REFUNDING CERTAIN TAXABLE LOANS (THE “REFUNDED LOANS”), THE PROCEEDS OF WHICH WERE USED FOR CERTAIN CAPITAL EXPENDITURES RELATED TO THE HORIZON EDUCATION CENTERS’ CASCADE CENTER, MARKET SQUARE CENTER AND ADMINISTRATIVE CENTER, (C) FINANCING THE ACQUISITION, CONSTRUCTION AND EQUIPPING OF A FACILITY FOR USE BY THE HORIZON EDUCATION CENTERS AT 13700 TRISKETT AVENUE, CLEVELAND, OHIO (THE “TRISKETT PROJECT”), (D) SUBJECT TO APPROVAL OF BOND COUNSEL, REIMBURSING CERTAIN CAPITAL EXPENDITURES PREVIOUSLY MADE BY HORIZON EDUCATION CENTERS, AND (E) PAYING CERTAIN COSTS OF ISSUANCE OF THE BONDS; AUTHORIZING THE EXECUTION AND DELIVERY OF A LOAN AGREEMENT AND A TRUST INDENTURE TO PROVIDE FOR THE PAYMENT OF BOND SERVICE CHARGES ON THOSE BONDS AND OTHER INSTRUMENTS, STATEMENTS AND DOCUMENTS IN CONNECTION WITH THE ISSUANCE OF THE BONDS; AND AUTHORIZING AND APPROVING RELATED MATTERS.**

Mr. Sommers moved to accept Resolution No. 2018-41. Second by Mrs. Cook. Roll call vote as follows:

**Ayes: 7                      Nays: 0                      Abstain: 0                      Resolution Passed**

4. Financial Advisor: Ms. McClelland said based on the CDFA assessment, it highly advises looking at the market for a financial advisor. She said three firms have been interviewed so far in addition to Long EDA, our current advisor. The goal is to identify who will assist us the most in accomplishing our five-year plan. Ms. McClelland said to expect something in January as far as a request or recommendation for 2019 moving forward. Mr. Mullins asked for clarification on the role of the financial advisor. Ms. McClelland said the financial advisor would handle the funding side of things. For

example, they would assist with revenue bonds or tax-increment financing. They have the expertise to determine if a deal is a good idea to pursue. Mr. Brown said on a state or regional level, the financial advisor should be making connections and bringing developers to us. Mr. Tim Long knows about the process we're going through. Mr. Long is countering and wants to stay on. Mr. Mullins asked how the advisor would be paid. Ms. McClelland said currently the structure includes a retainer fee and a per-deal fee. The organization we end up working with will determine the structure. The majority set a retainer around \$1,000 a month. If and when a deal is closed, the advisor would then get a portion of the proceeds or closing costs.

## **V. Report of Committees**

### **A. Contract Management Committee**

1. Joint Self-Insurance Health Care Benefit Agreement: Mr. Zgonc said the board packet included an agreement with Lorain County that has been in effect since 2001 for the staff. He talked with staff and there are several plans or options for them to choose from. He didn't find it necessary to go to committee for several reasons. The agreement is long-standing, staff is comfortable with the package and the cost, and Mr. Zgonc didn't feel the committee should discuss it much further since the Bylaws and Personnel Committee may be meeting soon to make changes to policies or regulations. He recommends another three-year term. Mr. Mullins asked if there was an increase. Mrs. Smith said it's about \$100 per-month increase for family and a little less than that for single. She said there is normally a moderate increase each year, and she explained that joining the county health plan is how Port employees get a group rate. Mr. Brown said the City of Lorain dropped the Port from its insurance plan when it ran into financial issues.

Mr. Mullins presented:

### **A RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO RENEW THE**

**AGREEMENT WITH THE COUNTY OF LORAIN FOR HEALTH INSURANCE FOR LORAIN PORT AUTHORITY EMPLOYEES AND TO PROVIDE ALL NECESSARY ASSURANCES.**

Mr. Zgonc moved to approved Resolution No. 2018-42. Second by Mr. Nielsen. Roll call vote as follows:

**Ayes: 7                      Nays: 0                      Abstain: 0                      Resolution Passed**

**B. Strategic Development Plan Committee**

1. Mr. Brown said a new chairperson needs to be appointed and the vice chair is absent. He mentioned the unveiling of the Strategic Plan in November and said if there are no questions, requests or revisions, a formal resolution adopting the plan would likely appear on the January agenda. Mr. Brown opened the floor to questions, comments or concerns and none were expressed.

**C. Marketing and Public Affairs Committee**

1. Waterfront Winterfest Report: Mr. Bansek said Waterfront Winterfest went well. He thinks it was more successful than some anticipated with the high number of changes. Mr. Bansek wants to meet and lay out a plan to grow what was started and continue Waterfront Winterfest at Black River Landing. The only hard part Mr. Bansek foresees is the actual lighting of trees and structures. Maybe fireworks to music in 2019. During the event there wasn't a lot of adult fun available. Mr. Bansek sees this as something to consider and discuss. Mr. Mullins said it was well-attended, nice event.
2. 2018 Shuttle Boat Operations: Ms. Leyva passed out support documentation related to the 2018 shuttle boat operations. The documents provided expenditures, revenues, passenger counts, and other statistics related to the shuttle boats. While the Port didn't make a profit, it is important to keep in mind a lot was done as far as maintenance. In 2018, both boats received new instrument panels, among other repairs, and at the end of the season the Lady Charleston was found to have

barrier blisters. These will be taken care of in the off season and the Lady will be ready for the 2019 season. Ms. Leyva said a new type of trip, the Sip & Sways, were introduced this year. Passengers could bring a limited amount of beer or wine on board. Captured 182 passengers. The Port partnered again with the Lorain Historical Society to offer history tours. Of the five History Excursions that ran in 2018, four were completely booked. The Port also continued the policy of not cancelling trips based on passenger counts, reinforcing to the public we are consistent. Jet Express trips went well this year, and Ms. Leyva said she believes the decision to remain consistent contributed to that. Only one Jet trip was cancelled due to weather and the other eight trips ran. Overall, Ms. Leyva said she believed it was a good season. She and Mrs. Smith are working on ways to make 2019 even better. Mr. Brown said 2017 and 2018 were catch-up years as far as maintenance. When the boats splash in May-June 2019, they'll be good to go. Mr. Nielsen asked about a "squawk sheet" or a method for the captains to report issues with the vessel. Mrs. Smith said she implemented a pre and post trip vessel inspection sheet years ago. Mr. Mullins asked about the number of passengers necessary for a trip to break even. Ms. Leyva deferred to Ms. McClelland as the no cancellation policy has been in place since she was hired. Ms. McClelland said she believed it was up for review every year. Before running the numbers about three year ago, there was no data collection related to the shuttle boats. Ms. McClelland said she doesn't think the price of the trip is way off or that we're not capturing enough passengers; she believes the maintenance schedule over the next few years will influence our decisions moving forward. Mr. Mullins said he just wanted to be sure we were diligently reviewing the structure. Mr. Zgonc asked if passengers ever offer testimonials. Ms. Leyva said yes, in person and on social media. Ms. McClelland said the Port ranks among the top on Trip Advisor as far as activities or things to do in Lorain. Ms. Leyva created gift cards over the holiday season for a customer wanting to gift our tours to a friend.

#### **D. Grounds Maintenance and Capital Improvements Committee**

1. Mr. Nielsen deferred to Executive Director Brown. Mr. Brown said in 2017, we created a punch list of the top safety and appearance issues. He said we accomplished the list in 2018 while adding to it. Items completed, in no specific order, include: repair of the sunken concrete at the pier, fill walking paths with gravel at Black River Landing, LED lighting upgrade at all sites and buildings with timers, resurface parking lots and walking paths at BRL with black top, fences and gates at Black River Landing, new entry sign at BRL, revamped entry bed at BRL, stage landscaping, took out the south beds at BRL, tackled the "Rick Novak Way" bed, irrigation controller was fixed, repair, fill and reseed multiple areas at BRL. The entryway flower bed experienced some failures related to tree trimming. The plan is to retry the entry bed in 2019. Four overgrown or obsolete beds taken out. The maintenance cost related to those should go down. A storm caused damage at Lakeside Landing, resulting in the removal of a few trees. Storm drains at Black River Landing were repaired. The security cameras at the office were fixed. Mr. Brown said this was a substantial investment in the Port's sites and he thinks it shows. In 2019, he foresees two large items. One is the crack seal and blacktop at Black River Wharf. Second is painting the rails and steel components at BRL. Initial cost estimates for painting is in the \$50,000 range. It's a lot of prep and epoxy paint, which is expensive. The goal is to send out a request for quotes to possibly have work done in the spring. Mr. Nielsen noted the steel components haven't been painted since being installed 2003. Mr. Brown agreed and said some are starting to show rust.

#### **E. Financial Planning and Audit Committee**

1. Budget Amendment: Mrs. Smith said she fine-tuned the 2018 budget to be closer to what was actually spent. It boiled down to Increasing revenue overall by \$4,417 and \$60,000 in capital was moved to carryover.



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.**

Mr. Kuszniir moved to approve Resolution No. 43-2018. Mr. Sommers seconded. Roll call vote as follows:

**Ayes: 7                      Nays: 0                      Abstain: 0                      Resolution Passed**

2. Then and Now Certificate: Mrs. Smith said there were no then and now certificates that require board approval.

**F. Bylaws and Personnel Committee**

1. Mrs. Cook said the committee recommended giving the Executive Director authority to adjust the staff salaries beginning in 2019. Mr. Nielsen moved to accept the recommendation. Mr. Sommers seconded. Motion carried.

**VI. Other Business**

- A. Mr. Nielsen said Mr. Frank Sipkovsky with the Lighthouse Foundation called asking about the July Fourth Fireworks Display. Mr. Brown the board previously wanted to go with the Fourth. He informed the city of this and was met with silence. The Lighthouse Foundation is planning their picnic. July Fourth is a Thursday in 2019.
- B. Mr. Zgonc asked about the dredging of the Black River. Are we involved and what impact does it have? Mr. Brown said it is a positive impact because we'll have a place to put dredge material. He mentioned attending meetings about beneficial reuse and working with the Corps of Engineers for a wetland study.
- C. Mr. Brown said he and Mr. Mullins recently met a group through Mr. Mullin's group. People are looking at waterfront properties. Between our plan announcement and the opportunity zones, the Port's phones are

ringing. Mr. Mullins said at an economic forecast summit in Cleveland, experts say the growth will continue through 2021.

**VII. Public Comment**

A. None

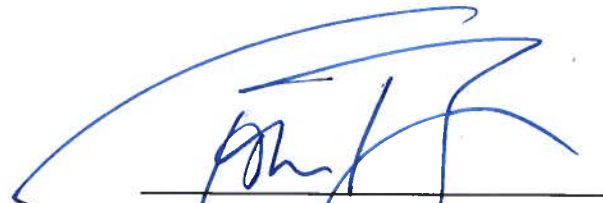
**VIII. Adjournment**

A. There being no further business to come before the committee, Mr. Bansek moved to adjourn. Mr. Zgonc seconded. Meeting adjourned at 8:06 p.m.



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Brad Mullins, Chairman



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Tom Brown, Executive Director