

**LORAIN PORT AUTHORITY  
Board of Directors  
Regular Board Meeting  
December 11, 2017**

**Board of Directors:** Ms. Carr, Mrs. Cook; Messrs. Bansek, Davila, Kuszniir, Mullins, Nielsen, Zellers and Zgonc

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

**Guests:** Rick Payerchin, Morning Journal  
John Wargo, Citizen  
Gary Davis, Gardens of Charleston  
Marge Walker, Citizen  
John Schrenk, Citizen  
Annette Stevenson, Ariel on Broadway  
Radhika Reddy, Ariel on Broadway  
Beth Henley, Lorain First Ward Councilwoman-elect  
Anthony Giardini, Attorney representing Spitzer Great Lakes  
Dennis Flores, Lorain Second Ward Councilman  
Mary Springowski, Lorain City Council-at-Large

**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. Disposition of Meeting Minutes**

- A. Mr. Zgonc moved to accept the October 10, 2017, Regular Board Meeting minutes. Mr. Zellers seconded the motion. Motion carried.
- B. Ms. Carr moved to accept the October 26, 2017, Emergency Board Meeting minutes. Second by Mrs. Cook. Motion carried.
- C. Mr. Kuszniir moved to accept the November 14, 2017, Regular Board Meeting minutes. Ms. Carr seconded. Motion carried.

### III. Report of Officers

#### A. Chairman

##### 1. Correspondence received:

- a. Main Street Lorain/Lorain Growth Corporation membership: Mr. Brown said Lorain Growth is in a transition phase to become a Main Street organization again. They're looking for memberships. Mr. Brown suggested being a member at the appropriate level. He suggested the \$500 business partner, which includes benefits plus banner advertisement on their website and a booth at the International Festival. Mr. Zellers asked if we've been a member historically. Mr. Brown said he believed we had been members previously, but he wasn't sure if we were active members currently despite our attending their meetings. Mrs. Smith said we were not members last year. Mr. Zellers asked about what they do. Mr. Brown said the Lorain Growth Corporation hosts monthly meetings where they try to engage business and development along Broadway. Their mission is to develop the Broadway corridor and they need to meet certain benchmarks before becoming an actual Main Street group. Mr. Zgonc moved to go with \$500 pledge. Mr. Nielsen seconded. Motion carried.
- b. Community Foundation of Lorain County Campaign for Emerging Opportunities: Mr. Brown said the Community Foundation of Lorain County is having a fundraising campaign. Now that we're nearing the end of the year, Mr. Brown said there's not as much money available in the promo account and he wanted to see what the board would be comfortable with as far as a dollar amount. Ms. Carr said this fundraising effort is in connection with Brian Frederick's retirement. Mr. Brown said this year's campaign based on healthy living for all and ends Dec. 31. Ms. Carr said the Community Foundation is an amazing organization. They give grants out of various endowments and funds and their overhead is less than 2 percent, meaning the money goes toward the cause it is intended to. It's an extremely well-run group. Mr. Brown said this year the Community Foundation received \$1.4 million in requests and had

\$820,000 to give out. Ms. Carr asked about what the budget allows. She proposed \$500 and moved to donate the money toward the campaign. Mr. Davila seconded. Motion carried with dissent from Mr. Zgonc.

## **B. Executive Director**

1. Broadway Building: Mr. Brown said tonight we have the donation and lease agreements for the Broadway Building. He said the city has been through some ups and downs with the building. The Spitzer group made a large investment in the 1990s and it didn't pan out the way they wanted. In an effort to help the city with the development of downtown Lorain and the Broadway corridor, Mr. Brown said he and his staff began reaching out to different people. He said he was lucky enough to be introduced to Radhika Reddy and Annette Stevenson and together they have been working quietly and diligently for the last two months. Mr. Brown said he's excited to introduce them and allow them to share their vision. They see potential in Lorain. He said it's nice when people come to town and see the value here. Mr. Brown said they've been working on concepts and have been working with Anthony Giardini, the attorney representing Spitzer Great Lakes, as well. Mr. Brown said he wasn't sure if the board would be able to formally act tonight. While he would love to say everything is perfectly financed and wrapped in a Christmas bow, but the tax reform bill that's in front of our Congress and Senate has created a sliding scale where no one knows exactly what the environment will be. Mr. Brown said we may be premature in some respects and it's difficult to obtain financing when the rules surrounding it are up in the air. He felt it was better to at least have a presentation for Reddy and Stevenson to share their ideas and concepts. It may be more useful to have an additional meeting before the end of the year. If we don't act prior to December 31, we would lose the federal historic tax credits. That's a lot of money. It would greatly help the development deal, but Mr. Brown said he wants some safeguards built in for not only the Port Authority, but for the developer and the Spitzer group as well. He said a project of this magnitude could take six to 12 months to put

together and they've tried to do it in about 70 days. They've been aggressive despite not knowing the climate.

- a. Ariel on Broadway Lease Agreement: Ms. Reddy thanked Mr. Brown and the board for the opportunity. She said Ariel on Broadway is 100 percent women owned and they are mission-driven developers. Their basic business is tax credit financing. They've assisted real estate developments all over Cleveland and across the country. About five years ago when she was preparing to retire, she decided to create a one-stop international center in Cleveland. At the time she didn't realize Lorain was known as the International City. Similar in size, Ms. Reddy said they developed a 66,000-square-foot building. She explained Mr. Brown attended an event at the center in Cleveland, heard about what they were doing and then explained Lorain had a similar building he wanted them to come and see. Ms. Reddy said they had already done two or three other developments, in lower income areas nearing an upward swing, and she sees that potential in Lorain. After visiting Lorain several times and meeting with contractors, Ms. Reddy said she was able to bring the cost down significantly in comparison to the previous developer. She believes the redevelopment of the Broadway Building can be done, but without historic tax credits it won't work. Their dream, having seen the lake, is to convert half the fourth floor to an event space. The rooftop will also have event space, similar to what they've previously done in Cleveland. The basement is set to have a gym and laundry facility and the hope is to leave the first floor as restaurant and catering facility. Ms. Reddy said she's already been in contact with catering companies and plans to bring them here to show them the space and see if they're interested. They have also been working with Mr. Giardini to find a hotel operator to lease second and third floor. Part of their goal is to try to sub-contract cleaning companies and others to make it work. Ms. Reddy said they want to be creative and cost effective. Ms. Stevenson said as soon as she and Ms. Reddy saw the building and the street it reminded them of Cleveland and

they became very excited about the opportunity. It was soon after the first visit that everyone started to work together to put the pieces and financing together. Unfortunately, Ms. Stevenson said they're caught in the midst of a tax reform bill. Both the House and the Senate have passed tax reform bills and they are now trying to reconcile those bills to have it on the president's desk no later than December 22, 2017. The House bill eliminated the federal historic tax credits all together. The Senate bill retains the credits but it changes the way they work and would diminish the value of the credits. Current law states that 100 percent (%) of the credits are generated immediately once the building is in service. The Senate bill would spread the credits out over a five-year period and so for an investor it diminishes the return because it takes longer to take advantage of the credits. In either case, there is a significant detriment. In both cases there is a transition rule that states if you, by the end of December 2017, are the owner of the property via a long-term lease you are grandfathered under the old rules. Ms. Stevenson said they're really trying to get to that point and is why there is a bit of a rush. She said it's a very quick turnaround but they are confident in their plan and ability to pull this off. Mr. Mullins asked if project was dead without tax credits. Ms. Stevenson said yes. She said a project like this is difficult to pull together financing wise and the historic tax credits are a significant part of the financing pool. They are relying on both state and federal historic tax credits. Ms. Stevenson said from what they understand the state is extremely supportive of the Broadway Building. It was previously granted state credits and that development didn't come to fruition, but the state is very open to reissuing the credits. Their plan is to submit an application for the state tax credits by the end of March. Mr. Mullins asked if other financing in place. Ms. Stevenson said they're working on it right now and putting it together as quickly as they possibly can. They have meetings this week and expect to have it soon, but at this point they can't say it is absolutely financed.

**b. Donation Agreement:** Mr. Brown said they're crafting language so if the board accepts the donation by Dec. 31, and enter into the lease by December 31, it will then preserve the federal tax credits. If the historic tax credits are eliminated or financing isn't achieved, then Ariel on Broadway would have a way out of the lease and the Port Authority would have a mechanism through which to return the building to the Spitzer group by July 1, 2018. Ms. Reddy said she feels comfortable with that arrangement. Mr. Giardini said 3.5 years ago there was an agreement for a developer to buy the hotel for a little over a million. The developer said the deal was contingent on the federal and state historic tax credits, which ended up being close to \$4 million. Mr. Giardini said the developer gave the impression that he received the historic tax credits, which the Spitzer group applied for, and then they couldn't move forward with the project because the other forms of financing didn't work out. The developer at the time then wanted building for free. Mr. Giardini said Mr. Spitzer has about \$8.5 million invested in the building. While they weren't willing to give the building away, they were willing to donate it to the city or the port authority. Spitzer also turned down a \$1 million deal that would have converted the building into subsidized housing. Spitzer made a policy decision in conjunction with the city to not do that. Mr. Giardini said we already have "a disproportionate amount" of subsidized housing in Lorain and the Broadway Building is a key piece of property. He said the historic tax credits were lost several months ago, but the state did encourage them to reapply for the tax credits and to do something with the building. Now, Ariel on Broadway has come along and has indicated, through Mr. Brown, they would like to go forward with the donation agreement to put the building back together again. Mr. Giardini said Congress is looking at taking away or diminishing the historic tax credits and the only way to protect the historic tax credits is to give Ariel on Broadway control of the building now. Congress has made it impossible to wait. In the last deal involving the Broadway Building, the historic tax credits were about 25-30

percent state and about 75 percent federal. Mr. Giardini said he's talked with Mr. Spitzer and he is comfortable executing a separate donation agreement with the Port Authority in the unlikely event that Ariel on Broadway has to terminate its lease agreement with the Port Authority. This way, the developer gets several additional million dollars in equity needed for the project. Mr. Giardini said he is convinced Ariel on Broadway will run a great facility. It's a great property with great views. He said he can introduce Ms. Reddy to a few boutique hotel operators and believes a model like that could be successful. People are starting to discover Lorain and the waterfront. We need to keep the momentum going. Mr. Giardini said Lorain being a city of its size and not having one hotel is ridiculous. Lorain doesn't have a first-class event center either. Mr. Mullins said he noticed how positive the Spitzer Group seems to be when considering this proposed deal. Mr. Mullins then asked Ms. Reddy what her group still needs as far as financing. Ms. Reddy said they're looking for conventional bank financing and are meeting with local banks such as Northwest and Buckeye. She said 80 percent of banks don't lend funds for hotels. For example, PNC wants to lend, but hotels are prohibited for commercial lending. Ms. Carr suggested reaching out to Chemical Bank. Ms. Reddy said they didn't have time to meet with every bank they wanted to before the board meeting but they've met all of the construction people and were able to bring the cost down from 14 to 7.5 million. She said the group plans to reuse a lot. The historic tax credits will make up about \$2 million, \$1 million will be in equity and \$4 million in debt. Mr. Brown said each entity is working hard to get this finished. He said it's not a borrowing issue and believes if the hotel component weren't a factor the group would have had financing two weeks ago. It's the nature of the animal. Ms. Carr asked what is needed from the board at this point. Mr. Brown said he believed legal counsel for those involved would need to review the documents before moving forward with an agreement. Ms. Carr said she's been an attorney for 20 years in the Cleveland area working in finance

and commercial real estate and knows Ariel Ventures is the real deal. She said she has a level of trust with them. Conceptually, Ms. Carr said the board understands the need for port option, but the devil's in the details to ensure the Port Authority is protected. Mr. Mullins asked when the documents would be ready. Ms. Carr said she could see the details being ironed out by the end of the week. Mr. Brown said a special meeting could be called at the board's discretion once the agreements and resolutions are finalized. In Speaking to other groups involved, Mr. Brown said he found it productive to have them attend the meeting. Mr. Zellers asked about the federal tax credits and the time frame to obtain them. Ms. Stevenson said under current law federal tax credits are easier than the state because it's automatic. If the building qualifies and you do the rehabilitation in accordance with the standards, you qualify for the tax credits which are available and unlimited up to 20% of rehabilitation cost. State tax credits need reapproval, but Ms. Reddy said she is confident they will receive them. Mr. Zellers asked when the financing would be in place. Ms. Reddy said it would be about three months because they'll apply for the state historic in March. June 30 is the announcement. The last piece is six months away. Ms. Stevenson said they should have a good indication in March as far as what they may receive, but they won't officially know until June. Mr. Zellers asked about the construction period. Ms. Reddy said based on how they rehabbed a prior building, once the financing is in place they want to get a hotel operator in place to get some kind of lease in place. From start to finish, the project will take about one year before opening. Mr. Zellers then asked if that included design time. Ms. Reddy said yes, preliminary construction and engineering drawings are already done. They already sent out for bids and have quotes for HVAC, mechanical, plumbing and electrical. Mr. Brown said while Ms. Reddy and Ms. Stevenson go after the conventional financing, he has also reached out to the city, the county and others. Ms. Reddy said she and Ms. Stevenson are also considering a good low-cost loan for energy



improvements through the state. Mr. Zellers asked about the possibility of something happening to the building from January 1, 2018 until June 2018. Ms. Reddy said Ariel on Broadway will have insurance covering the building. Mr. Zgonc asked if the contractors who would be doing the work are local to Lorain County. Ms. Reddy said the HVAC company, sprinkler installer and plumbing company are local. A local masonry worker was asked to provide a bid, but his prices were much higher than a company in Cleveland. They're getting two bids on everything. Mr. Brown said Ms. Reddy reached out to the entire development team previously involved to allow them to submit bids if they were interested. The architect is also local. The engineer is the same as Ms. Reddy used while developing another building. Mr. Mullins asked if a rendering of the exterior was available. Ms. Reddy said the building won't be very different on the outside. Their plan is to match the current bricks and fix the broken ones. Ms. Stevenson said the exterior will be restored to what it once looked like. Mr. Zgonc asked whether or not the parking garage was inspected. Ms. Reddy said one structural engineer said 40 percent of the garage would need destroyed, but another engineer said he thought a good amount could be salvaged. About 25 percent of the concrete may need redone. Mrs. Cook asked about how many people from Lorain would have the opportunity to get a job. Ms. Reddy said the goal is to hire local people and they've already started conversations with Lorain County Community College. She said they hope to have local people in the event center, hotel and restaurant. They're looking for feedback from locals, like Mr. Brown, Mr. Giardini and the board, to provide feedback and point them in the direction of who to contact. Mr. Giardini said nearly all of the former hotel employees were from Lorain and many people walked to work. Ms. Reddy said she and her organization believe in transformation and believe this can be a catalytic project. She said it's rewarding to transform an area and they've been able to do so with the other buildings they've developed. Ms. Reddy said they're also thinking of bringing in clients to look at other

empty buildings in Downtown Lorain. She said she would love to do others, but wants to stabilize first. Mr. Zgonc moved for a vote of confidence. Ms. Carr seconded the motion. Motion passed. ☺

2. Costal Management Assistance Grant Program Grant Application: Mr. Brown said we put in a couple of preliminary applications for the Costal Management Assistance Grant Program. One of our proposals was chosen. The proposal would be redoing the boardwalk at Riverside Park, 123 Alabama Avenue, making it handicapped accessible and adding a kayak launch. They've now asked us to submit a full application. In order to do so, we need approval from the board. The grant requires a 20 percent match, but because we plan to use recycled material for the deck top, we're hoping to leverage another grant to reduce our local match amount. Mr. Mullins asked about the estimated cost. Mr. Brown said the project is estimated to cost \$85,000, so the match would be \$17,000. He explained we have it budgeted for 2018 as we increased the maintenance account. Mrs. Smith then pointed out that in the first "Whereas" of the resolution, it said "Ohio Department of Natural Resources" and it should have said "Ohio Department of Natural Resources Office of Costal Management."

Mr. Mullins presented:

**A RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR OR HIS DESIGNEE TO FILE AN APPLICATION WITH THE OHIO DEPARTMENT OF NATURAL RESOURCES OFFICE OF COASTAL MANAGEMENT FOR THE OHIO COASTAL MANAGEMENT ASSISTANCE GRANT PROGRAM.**

Mr. Nielsen moved to accept Resolution No. 2017-51. Ms. Carr seconded the motion.

Roll call vote as follows:

Ayes: 9

Nays: 0

Abstain: 0

Resolution Passed

## IV. Report of Committees

### A. Contract Management Committee

1. King Fishery Lease Agreement: Mr. Zgonc said the Contract Management Committee met prior to the scheduled board meeting. The committee discussed the King Fishery Lease Agreement at a cost of \$400 for the season and recommended the full board approve it.

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.**

Ms. Carr moved to accept Resolution No. 2017-52. Mrs. Cook seconded the motion.

Roll call vote as follows:

Ayes: 9                      Nays: 0                      Abstain: 0                      Resolution Passed

2. 2018 Grounds Maintenance bid proposals: Mr. Zgonc said the staff went out seeking a contract that could last as long as three years. He said the recommendation is to have staff go back and talk with the top companies to submit bids. The committee would then meet again in January or February to determine which company is the best fit.
3. Fireworks proposal: Mr. Zgonc said the fireworks display will be on Wednesday, July 4, 2018. The committee recommended that the American Fireworks bid be accepted as proposed. Mr. Nielsen moved to accept the proposal. Ms. Carr seconded the motion. Motion carried. Mr. Brown said a resolution would be presented at the January regular board meeting to ratify the motion.
4. Murray Ridge Contract: Mr. Brown said it's the yearly contract for outdoor facility maintenance. He said the group does a fine job and we've added winter pickups due to the busy winter last year. Mr. Zgonc said it's a win-win

for both organizations and they've done a fantastic job in the past. He said they keep our facilities looking good.

Mr. Mullins presented:

**A RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR OR HIS DESIGNEE TO ENTER INTO A CONTRACTUAL AGREEMENT WITH THE MURRAY RIDGE PRODUCTION CENTER, INC. FOR THE GENERAL CLEAN-UP OF LITTER AND DEBRIS GROUNDS SERVICES FOR PROPERTIES OWNED BY THE LORAIN PORT AUTHORITY.**

Mr. Bansek moved to accept Resolution No. 2017-53. Ms. Carr seconded the motion.

Roll call vote as follows:

Ayes: 9                      Nays: 0                      Abstain: 0                      Resolution Passed

5. Spectrum Consulting Services Proposal for Transportation Center: Mr. Zgonc said the committee recommended further discussion on this proposal. The committee is curious to see if any other groups would be interested in subcontracting the building. Mr. Davila said he has concerns about the other organizations who have used the building without paying. He asked about how the transition would be and if we would lose our ability to offer the building to organizations at no cost. Mr. Nielsen said he would think that could all be negotiated with Spectrum. Ms. Carr said if we're going to find any organization that's competent to run the Train Station and catering, we have to balance what we negotiate so we don't negotiate ourselves out of the opportunity. If we take away too many dates, it makes the project less attractive to take on. Ms. Carr added that we would need to make a decision and negotiate it in a timely manner so we can get the word out and people planning can take it into consideration. We need other options for a more complete picture. Mr. Mullins said he thinks we need to find a professional.

Mr. Brown said the staff is trying to find a somewhat long-term solution. We'll keep researching and reaching out.

6. Long EDA Contract: Mr. Zgonc said this item was also much discussed. A tentative bid was submitted but it is the recommendation of the committee that Mr. Long be invited to a future board meeting to discuss the proposal and see how it fits with our future. Mr. Brown thinks it's a good idea to have Mr. Long come in.

## **B. Strategic Development Plan Committee**

1. Ms. Carr said she's been working with Mr. Brown and Mr. Mullins to put together a framework for how to build a strategic plan. The discussion determined some short-term goals and action items, as well as long-term goals, to provide better guidance and direction to the staff when it comes to prioritizing and allocating time. Ms. Carr said she didn't call a meeting due to it being the holiday season, but plans to have a meeting in January. Mr. Mullins said it is a very comprehensive plan and Ms. Carr put a lot of thought, energy and time into it. He said he's excited to see it put into action. Ms. Carr said the long-term goals would be revisited in the fall following the CDFA assessment and their input on our future. The plan will then be worked into the 2019 budget. Once the plan has been nailed down, it can then be revisited and updated as the board deems fit. Mr. Mullins suggested quarterly reviews of the budget to see where we're at. He said he believed forecasting was also a good idea. Mrs. Smith agreed. Ms. Carr said there's a synergy for how the committees will work together.

## **C. Marketing and Public Affairs Committee**

1. Mr. Bansek said he had nothing to report.
2. Shuttle Boat and Jet Express Operations: Ms. McClelland said she's pleased to announce the shuttle boat operations profited this year. She said in prior years the operations experienced a huge deficit but this year we'll have money to reinvest in the shuttle boats. In 2017 we increased the number of trips by 38 percent. Ridership increased by 40 percent this season. Ms. McClelland said she believed policy changes such as not cancelling trips

contributed to the success of the shuttle boats in 2017. Being consistent regardless of the number of passengers was a huge benefit. Our cancellation rate went down to 7 percent compared to 36 percent in the previous season. Our average number of passengers also rose. In the past it was an average of 12 and that increased to 14 passengers in 2017. We came out with a profit just shy of \$3,000. Ms. McClelland said that sounds great, but we do have aging boats. She said this year we almost doubled the money put into boat maintenance and still profited, which is great, but the boats will need more work. The Jet Express did not do so hot in 2017. We cancelled about half of our trips. She said unfortunately with the transition of staff in 2017, the Jet Express wasn't the highest priority. Ms. McClelland said we continued our trip to the Put-in-Bay islands and trips to the Browns games, and they were mildly successful, but we did not profit or come near breaking even. Moving forward, the hope is to maintain the Jet Express trips while trying to find a different method through conversations with the Jet representatives. Mr. Mullins asked how long the contract with the Jet Express was. Mr. Brown said the contract has seven years remaining. He said he's had preliminary conversations with the Jet Express representatives and there's no simple or easy solution, but we need to be creative. He wants a creative plan ready to go before the meeting with the Jet Express representatives and hopes to find ways to drive up ticket sales. Mr. Zellers strongly recommended having a meeting before going back to negotiations. Mr. Mullins said sometimes Maritime Laws are cited as reasons for why the cost is so high on our end and he recommended reaching out to an expert to talk about Maritime Law and the options we have. Mr. Brown said he wants to get more Jet Express appearances in Lorain. Mr. Zellers asked how much we've lost from the shuttle boat operations in years past. Ms. McClelland said last year we lost \$849 and the year before that lost \$13,713. Mr. Zellers asked if the policy changes were the reasons for the shuttle boat successes. Ms. McClelland said after the 2015 season the staff to a hard look at operations. In doing so, she said she determined the pricing of tickets was wrong, overhead was too high, etc. In making some changes

from 2015 to 2016, the deficit dropped from more than \$13,000 to \$849. Mr. Zellers then asked how much the website had to do with the successes. Ms. McClelland said she thinks there are a lot of factors that go into it, such as having a set schedule, having the dates on our website and making policy changes. Ms. Carr said it's hard to determine how much each factor contributed to the positive change. Mr. Zellers asked about the captains and noted the lack of complaints in comparison to 2016. Ms. McClelland then explained that in 2016 if we didn't meet a minimum number of passengers, we'd cancel the trip, call those individuals and move them to a new date. Then we'd get walk-ons who thought the captain didn't show. We didn't run into that issue in 2017. Ms. McClelland also gave credit to Susan Scott and Scott Ross who serve as head captains. She said they helped coordinate with the captains, which grew to a fleet of eight. Mr. Brown said he thought partnerships with the Lorain Historical Society and Lorain Lighthouse Foundation also helped. He said it was a lot smoother and the only trips cancelled were ones with no passengers. Mrs. Cook asked on how much was spent on advertising the boat tours. Ms. McClelland said we advertise in the Lorain County Magazine and the Morning Journal. Mr. Mullins said we also need to look into creating an accrual fund to help refurbish or replace the boats.

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

1. Set meeting date for early December: Mr. Nielsen said there has not been a formal meeting, but he and Mr. Brown have met. He added that it was a tough time of year to work around everyone's schedule. Come January 1 when life returns to normal, Mr. Nielsen said he would call a meeting and aggressively pursue a plan of action. Mr. Mullins mentioned the upcoming 2018 concert season and preparing the sites. Mr. Nielsen said he and Mr. Brown have discussed several ideas and just need to discuss it among the committee.

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

1. November 2017 Financial Statement: Mrs. Smith said Mr. Brown only moved \$120 to meet the needs of the shuttle boat insurance. Revenues, total to date,

in the general fund were \$1,336,320.14. The expenditures, total to date, for the general fund were \$1,228,701. Expenditures to date for brownfield grant was \$35,205 and for the Marine Patrol it was \$34,560. The Marine Patrol is still wrapping up. We have an ending fund balance of \$638,031.32 in the general fund and \$4,000 in the brownfield fund and \$8,268 in the Marine Patrol fund at the end of November. Mr. Davila moved to accept the November 2017 financial statement. Ms. Carr seconded. Motion carried.

2. Then and Now Certificate: Mrs. Smith said no then and now required board approval.
3. 2018 Request for Marine Patrol Grant: Mrs. Smith said she prepared a resolution for the 2018 Marine Patrol Grant if the board is interested in pursuing it again.

Mr. Mullins presented:

**A RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR OR HIS DESIGNEE TO FILE AN APPLICATION WITH THE OHIO DEPARTMENT OF NATURAL RESOURCES, DIVISION OF PARKS AND WATERCRAFT FOR FUNDING THE 2018 MARINE PATROL ASSISTANCE GRANT PROGRAM.**

Mr. Zgonc moved to accept Resolution No. 2017-54. Mrs. Cook seconded the motion.

Roll call vote as follows:

Ayes: 9                      Nays: 0                      Abstain: 0                      Resolution Passed

4. Marine Patrol Year End Activity Report: Mrs. Smith said she included the report in the board packet. Mr. Ed Favre, the marine patrol captain, and/or another officer from the marine patrol typically attend the December board meeting to help present the year-end report, but the date change of the regular board meeting prevented them from being able to attend. Mr. Favre did, however, provide a summary. Mrs. Smith said there have been challenges with funding and mandates, but we're working through those.



We're hoping to have Officer Mark Tomlin from the Lorain Police Department more this coming season as he splits his time between the LPD and the Lorain Marine Patrol. She said we're doing the best with what we have. Mr. Brown said Mr. Favre does a great job and runs a very tight ship.

#### **F. Bylaws and Personnel Committee**

1. Recommended Raises: Mrs. Cook said Mr. Brown is recommending a raise of 3 percent for staff members in 2018. She said she thinks the raise is justified, especially with the addition of Lil, the goose dog. Mr. Brown said he believes the market and the budget can support a flat 3 percent raise. He said he went with the flat 3 percent in part because of the CDFR assessment and wants to be sure we're paying fairly or if we need to address certain positions. We've historically set a flat wage increase. Mr. Brown said he wanted board input before making a decision. Mr. Mullins said he and some other board members would like to see some type of evaluation system for the staff. He said hopefully the CDFR assessment could help us establish that. Ms. Carr said she appreciated how hard the staff works and how they have a good attitude while doing it. Mrs. Cook added the staff does a great job taking care of Lil. Mr. Brown said he was comfortable with 3 percent and thought the budget allowed for it. He said the staff is very positive and the office has a great work relationship. Adding Ms. Leyva's position has been a great advantage for the staff, Mr. Brown said. He explained there is now a consistent presence in the mornings and Ms. McClelland and Mrs. Smith continue to do outstanding work. Mr. Zgonc then moved for a 3 percent wage increase for the staff. Mr. Nilsen seconded the motion. Motion carried.

#### **V. Other Business**

- A. Ms. Carr said she noticed the Port Authority experienced a lot of changes this year, including the addition of a new board member, a new chairman of the board and new executive director. While serving as vice chairwoman, Ms. Carr said she's had a ringside seat to see just how hard Mr. Mullins and Mr. Brown work. She then presented posters to Mr. Mullins and Mr. Brown as a token of her

appreciation. Mr. Brown said the photo could be titled "Port Leadership." Both Mr. Mullins and Mr. Brown thanked Ms. Carr for the gift.

- B.** Mr. Brown mentioned the Brownfields Conference he and Ms. McClelland attended in Pittsburg, PA, last week. The trip was paid for by the grant. He said he and Ms. McClelland learned a lot and attended a lot of educational sessions. Mr. Brown said the staff has some research to do, but confirmed there is funding available and we have no shortage of brownfields in our corridor. We're also part of the team for the Lorain County Brownfield planning grant and that will be kicked into gear in January or February. Mr. Brown said he hopes that leads to an RFP process for the Brownfields, to include possible the pellet site, our eight acres and parcels down the river further. Pittsburg is a pretty impressive city, Mr. Brown said and he appreciated the ability to attend the event.
- C.** Ms. McClelland said the first CDFA site visit will be January 17-19. During the site visit, the CDFA members want to meet with each and every board member. Mr. Zgonc asked what would happen when they visit. Ms. McClelland said they'll be interviewing and answering questions. Mr. Zellers asked if it would be in person or over the phone. Ms. McClelland said in person. Mr. Brown said one CDFA representative helping with the assessment is from a very large-city background. The other is from Allegany County, PA, which is a little smaller scale. He thinks it's a nice arrangement of little and big city to act as evaluators. Mr. Mullins asked about the time frame. Ms. McClelland said the group would prefer to conduct the interviews during office hours, but would be flexible to accommodate schedules.
- D.** For clarification, Mr. Zgonc said there was discussion in September about the lawn maintenance contract. He explained the idea was to seek a three-year contract with three one-year options and wanted to confirm that was right. Ms. Carr said that is correct. Mrs. Cook asked about the frequency of the mowing and if it coincided with the concerts. Mr. Brown said there is a set schedule, but if the grass is okay in length, then the landscapers would handle other jobs to spruce up the site. Mr. Mullins said he remembers one company being proactive and making suggestions as far as possible improvements.

**VI. Public Comment**

A. Mrs. Springowski, Lorain councilwoman-at-large, said she came from the Lorain City Council meeting and believes a council member is trying to denigrate the efforts of the Port Authority and the mayor in terms of economic development. She said she disagreed with that. Mr. Mullins thanked Mrs. Springowski for her support. She explained the disgruntled councilman then tried to propose the city hire an economic development director. It would cost roughly \$340,00 out of the general fund and there's no guarantee the city would recoup any of those expenses. Mrs. Springowski said she remained adamant that economic development should remain with Port Authority and the mayor. She said Mr. Brown and the board, in conjunction with the mayor, are doing a great job considering the current economic climate.

**VII. Executive Session**


Ms. Carr moved to enter executive session for the purpose of discussing pending litigation. Mr. Zgonc seconded the motion. Roll call vote as follows:


Ayes: 9                      Nays: 0                      Abstain: 0                      Motion Passed

Mr. Davila moved to exit executive session. Ms. Carr seconded the motion. The motion carried.

**VIII. Adjournment**

There being no further business to come before the Board, Ms. Carr moved to adjourn. Mr. Davila seconded the motion. Motion passed. The meeting adjourned at 9 p.m.

  
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Brad Mullins, Chairman

  
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Tom Brown, Executive Director