

**Lorain Port and Finance Authority
Board of Directors
Contract Management Committee Meeting
Zoom
Tuesday, February 9, 2021, at 6:00 p.m.**

Committee Members: Messrs. Kuszniir, Nielsen, Sommers, Zellers and Zgonc

Board of Directors: Messrs. Bansek, Mullins, Scott and Veard

Staff: Tom Brown, Executive Director
Tiffany McClelland, Economic Development Director
Yvonne Smith, Accountant
Kelsey Leyva-Smith, Office Manager
Mike Brosky, Attorney (6:58 p.m.)

Guests: Stephanie Moore-Koscho, LoCo 'Yaks
Judge Mark Mihok, Lorain Municipal Court (6:50 p.m.)

I. Roll Call

A. The meeting was called to order at 6:02 p.m. by Chairman Jeff Zellers with roll call indicating a quorum present.

II. Disposition of Meeting Minutes

A. November 11, 2020, Contract Management Committee Meeting: Without question, Mr. Zgonc moved to approve the meeting minutes. Second by Mr. Sommers. Motion carried.

III. Report of Chairman

A. Chairman

1. AAble Rents Stage Top Proposals: Mr. Brown stated it is relatively the same contract as the last multiple years. There is a \$465.00 difference (increase) in the Contract this year for .15 per square foot storage. Mr. Brown asked for board support. Mrs. Leyva-Smith stated it is for the stage top, arms and other pieces parts they store for us. Mr. Zellers clarified the length of the contract, of going out three years. Mr. Brown said this is only for one year. We did the repairs to the tent last year, which should last four to five years. We will go year to year on this because of their price

changes, gas prices, labor, etc. Also, we rolled in the tightening of the stage top after two weeks of installation, which will be their responsibility. Mr. Zellers asked about increases over the years. Mr. Brown said it is pretty consistent. Mr. Zellers asked about Covid-19 restrictions. Mr. Brown said we will keep a pulse on things. Last year, we really thought we would have more events. If Covid-19 numbers get worse again and we do not think we have approval for concerts, we will save that money. Mr. Zgonc said there was \$3,300.00 last year. Kelsey Leyva-Smith said the first step is cleaning, install, remove, clean it, and storage. She also said the .15 per square foot is new. The \$465.00 would be for the canvas itself. Mr. Mullins said we have bid this out before and no one comes close to or is able to do it. Mr. Nielsen moved to recommend approval to the full board. Second by Mr. Sommers. Motion carried. Mr. Brown further stated the Contract will be reviewed in the morning for a comparison to last year's price for storage.

2. LoCo 'Yaks Sublease Agreement 2021-2023: Mr. Brown said Steph and Rob from LoCo 'Yaks are in attendance. In 2016, we entered into an agreement for them to occupy the steel building at Riverside Park. It was renewed a couple of times for \$1 per year provided they started the kayak business, litter clean up, furnish reports, pay utilities, start to build the business. Expired December 31, 2020. Where we are at now, this is a 3-year lease, renewable each year. We have the paddle enhancement grant, which should drive more business to that site. It is difficult to launch with variable water levels. More of a retail and open place with the new launch. One consideration is the lease amount has always been the dollar amount. We cleaned up the flaws and structural errors. Attachment of the city ordinance that prohibits certain things for 2021 and includes a map that delineates the lease area with the launch facility, too. Mr. Zellers asked about the rent. Mr. Brown said he thinks it is a conversation. We have expenses from the park. The launch changes the dynamic down there with having launch hours. The grant guidance is attached to the

lease, which requires regular hours, too. They will operate based on weather conditions. The grant implies we will be open for business. Mr. Mullins inquired about changes that they have made. Mr. Brown turned the floor over to Mr. and Mrs. Koscho. Mrs. Koscho said not a lot of changes inside. Inside the building they opened up the sliding barn door to get kayaks easily in and out. They also added a desk from Arkinetics when they closed. With it changing to a business from an office space we ordered 14 more, so 34 kayaks for the summer. There is no room in the building. Even the ones in the building are stacked all over machining it dangerous for staff. They would like the outdoor storage unit, which is the shipping container. Riverside Park is not the most inviting, she said. She thinks having a presence will make a difference. They took out the weeds and want to plant a pollinator garden. That will be around the container, too. They plan to paint it white to match building as required by the ordinance or a beautiful mural coordinated with Lorain FireFish to hopefully bring more people. They will have full-time staff. We plan to be open 5-days a week, maybe 7 days a week. Last year they were booked solid Thursday through Sunday. last year. Monday night paddle events, but we did not offer rentals for it last year. Those will launch from Riverside Park this year. Thursday-Monday having full-time hours. Closed Tuesday and Wednesday. She said they want to pay rent as well. Last year it was a per-launch fee. They are open to suggestions from the Board. Percentage of sales or monthly fee would be the choices. She suggested \$60-\$80 per month paying all year. She opened to questions. Mr. Brown added the city reached out to us about container. They will not accept the permit application until our board approves and not get a refund as no refunds at the city level. If approved, we can send out renditions. There are questions about the location, too. There may need to be a variance at the city level. But it needs to be on a driveway, and we cannot really do that there. ODOT also wants some property for bridge access. We have to be aware it may need moved in the future. Mrs.

Koscho said it would need moved six inches to be behind building. May need another camera and they are hoping it is in the right spot once inspected. With the lease, adding on the dock area and launch to the leasing area, insurance premium may go up significantly if we include the dock and the new adaptive launch boardwalk. Mr. Brown said the old map had the dock. Mr. Brown said some was included in case they launched from there. He said the map is a copy just updated. Mrs. Koscho said the launch, to cover it, that's almost \$30,000 worth of equipment so it will increase the premium. Mr. Zgonc asked about the size of the container. Mrs. Koscho said it is the normal 40 ft x 8 ½ ft. Mr. Mullins asked if they purchased it. She said they purchased it. There are 4 x 4's underneath it. Mr. Mullins asked if they have done a revenue forecast. She said they expect at least the same as last year because of the increase of kayaks, but it is weather dependent. Location has to be taken into consideration. It is really hard to forecast. A basic report of the sales from 2020, part of June, July, August and one week in Sept, taxable sales tax \$36,735, paid \$2,500 in Lorain County taxes and Oasis charged \$1 per boat launched fee. Mr. Mullins asked about number of employees. Mrs. Koscho said there were 2 full-time employees last year. This year they hope to start with 4, maybe 5 eventually. There are posted consistent hours. Minimum of Thursday-Monday, depending on weather. They post when they close for weather. Mr. Zellers asked if the container and lease were separate issues. Mr. Brown said he believed so under Section 2 of the Lease Agreement. Mr. Zellers asked what happens if the city does not approve the container. Mrs. Koscho said that's a tough question. They do not know where else to put 34 kayaks. She is not sure what direction they would take if they cannot have the container, they need to be safe. Mr. Zellers asked about the insurance. Mr. Brown said we have copies of their insurance certificates have been provided. Insurance will include the launch facilities. Mr. Zellers asked about bathrooms. Mrs. Koscho said they have bathrooms in the building and then there is the facility by the

boat launch, handicap accessible also. They pay electric, water, and gas. Mr. Zellers asked about landscaping. Mr. Brown said we handle Riverside Park, and they handle around the building. Mr. Zellers asked about waste removal. Mr. Brown said we pay Murray Ridge for litter clean up and the lease includes help from LoCo' Yaks with the litter. That could save us some money. Mrs. Koscho said because of the pandemic they did not have their big clean up last year or this year. There will be a reward system for cleaning up garbage with Downtown Lorain businesses. Mr. Zellers asked about a dumpster. Mrs. Koscho said they do not really need one yet. Right now, they can use the one at the boat ramp. Mr. Sommers asked about the timetable with the city for the container? Mr. Brown said they are essentially waiting on us and then he will contact Mr. Kliener. Mr. Zellers asked how many kayaks they expect to launch in a year. Mrs. Koscho said last year with 20 kayaks in the livery and using 14 and launching 4 days a week, they launched about 1,000 kayaks. That was with a late start to the season. They did not get to start until late June through Labor Day Weekend. The weather is too iffy after that. They expect a minimum of 1,000 launches this year. If weather is good, they could do as many as 2,000 phrased as a rental. Mrs. Koscho mentioned the grant language and not conflicting with the requirements or as a per rental. Mr. Mullins recommended going with \$80 per month. They are employing more people for the City of Lorain. Mrs. Koscho thanked Mr. Mullins. Mr. Sommers said we could see how the year goes and adjust if needed. Mr. Zgonc suggested the LoCo 'Yaks come up with a reasonable amount based on the unknowns and approve the lease as presented with negotiations pending. Mr. Brown clarified Mr. Zgonc's suggestion by stating accept the dollar per year and come back in March and make that presentation. Mr. Sommers said on the contract, page 8, Rick Novak's name is in there. That needs corrected. Mr. Sommers moved to approve the lease with negations to take place on rent. Mr. Zgonc seconded. Motion carried.

- a. Shipping Container Approval: Mr. Zgonc moved to approve the shipping/storage container, providing city and state approvals are met. Second by Mr. Sommers. Motion carried.
- b. Lease Agreement. Mr. Sommers moved to approve the Lease and take to the full Board at tonight's meeting. Seconded by Mr. Zgonc. Motion carried.
3. Financial Advisor Agreement: Ms. McClelland said this is an agreement for our financial advisor. We have had one on retainer for the last 10-15 years to execute business deals. This contract, which is the same as the last two (2) years. \$15,000.00 payable monthly. We keep them on retainer for any of our financial transactions. For example, a bond deal. We work with Brian at Baker Tilly for his expertise. It has been a great relationship. Brian is an asset to us. We will do this year by year. They have agreed to have a three-year deal. Renewable yearly. \$15,000 per year, payable monthly. Want to be prepared for any transactions coming forward. She expects a few projects this year. Mr. Brown said we are very happy and have gotten great service. Internally, he and Ms. McClelland debated if we could handle more in house, but they want to stick with it for now, another year. We have to stop trying to do financial transactions ourselves and need to call our expert. Mr. Zellers asked if we are utilizing them as much as we should? Ms. McClelland said yes, that was this firm specifically. She does not talk about them much, but anything complex we need them. She does not talk about them as much as we utilize them here in the office. Mr. Zellers said he sees us utilizing them more and more. He likes that our plan is to use them more and that the financial advisor has expertise. Mr. Kuszniir moved to recommend the Professional Service Agreement with Baker Tilly to the full board. Second by Mr. Nielsen. Motion carried.

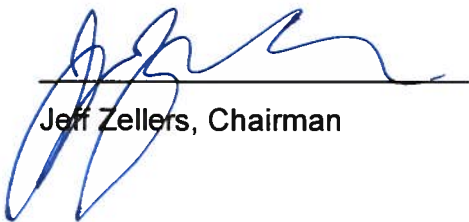
IV. Other Business

- A. Ms. McClelland said she wanted to mention the Kelley's Island change order. Really what that means is in some aspect there is a variance from the contract. This is just something that happens while building. A cost goes up,

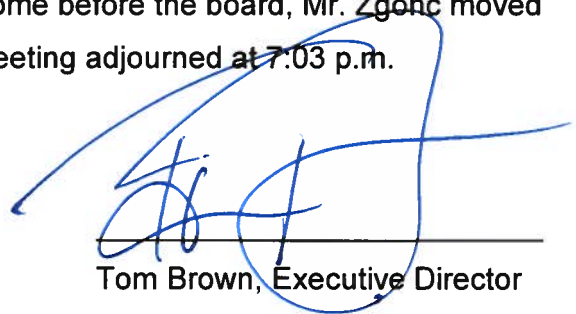
or an operator wants something different. We have processed two change orders so far, but she expects a few more. Needs to charge a fee on the change orders. The first was \$22,000. Second was \$42,000 tacking an extra 5% charge. It's not a large amount, but it is extra money. I am asking for a motion for change orders \$50,000 and under, no fee. We are asking for pennies, we are getting a fair fee and not a lot of change orders, Kelley's Island is the operator that has to put forth the fee. Mr. Zellers asked if there was a pushback. Ms. McClelland said yes. Mr. Brown said the last change order was \$42,000. Ms. McClelland said on the last change order, Kelley's Island said the engineer should have paid but they did it to avoid losing more time. She thinks they are a good partner, and she wants to keep it the same. Mr. Mullins asked how long it takes to make a change order. Ms. McClelland said it has been very smooth. A little bit of work, but the past change order was completed all in a 24-hour period. Mr. Sommers said he sees that as a reputational thing, too. We will make those fees up elsewhere. No other change orders discussed as of today. Mr. Zellers thinks it is somewhat of a bad precedent by waiving the fee. He said he is in support of waiving the fee because it was our consultant who may have had some culpability in not catching it to begin with. But in general, he feels we should follow the contract and get our 5 percent on top of that. Mr. Brown said he thinks that is fair. Mr. Brown said we will put under his report at the full Board.

V. Adjournment

- A. There being no further business to come before the board, Mr. Zgonc moved to adjourn. Second by Mr. Zellers. Meeting adjourned at 7:03 p.m.



Jeff Zellers, Chairman



Tom Brown, Executive Director