

Lorain Port and Finance Authority
Board of Directors
Regular Meeting
Port Office
Tuesday, March 14, 2023, at 7:00 p.m.

Board of Directors: Ms. Bonilla and Kiraly; Mrs. Silva Arredondo; Messrs.
Mullins, Scott, Veard, Zellers and Zgonc (8)

Staff: Tom Brown, Executive Director
Tiffany McClelland, Assistant Director
Yvonne Smith, Accountant
Kelsey Leyva-Smith, Office Manager
Mike Brosky, Esq., Port Attorney

Guests: None

I. Roll Call

A. The meeting was called to order at 7:00 p.m. by Chairman Brad Mullins with roll call indicating a quorum present.

II. Pledge of Allegiance

III. Disposition of Meeting Minutes

A. February 14, 2023, Regular Board Meeting: Mrs. Leyva-Smith said she had two corrections. She said she added Mr. Nielsen to the list of board members on page one. She also corrected who seconded the motion on page nine. It was changed from Ms. Kiraly to Ms. Bonilla. Mr. Veard moved to approve the meeting minutes as corrected. Second by Mr. Scott. Motion carried.

IV. Report of Officers

A. Chairman

1. Correspondence received:

a. Board elections in April: Mr. Brown said the board members can discuss nominations, if they wish, for chair and vice chair. Mr. Zellers asked what Mr. Mullins wanted? Mr. Mullins said he wants what the board wants. He'll do it another year. Mr. Zellers asked if Mr. Mullins knew how Mr. Nielsen felt about being vice chair again? Mr. Mullins said he thinks Mr. Nielsen feels the same way and would serve again. Mr. Brown said Mr. Nielsen is

open to someone else running, but if no one else wanted to, he was happy to be vice chair again. Mr. Scott said he thinks it would make sense to continue with the same leadership due to the ongoing projects. Mr. Zellers agreed. He said Mr. Mullins and Nielsen are doing a great job. Mr. Mullins said if something changes, just reach out.

- b. Rockin' on the River Lineup Announcement March 22: Mr. Brown said this is the first sign of spring. We'll be in the conference room on Wednesday, March 22 at noon for the lineup announcement. Mr. Mullins asked about the future? Mr. Brown said he talked with Mr. Bob Earley in depth and they are under contract until 2024 and they will fulfill their obligation. Mr. Mullins asked if discussions about the transition have started? Mr. Brown said yes. Hypothetically, if we were to buy them out early, the value is greater than if it's at the end of the contract. Ms. McClelland said we're looking into everything now, which is why we went forward with the liquor permit. The goal is to have everything in place and for people to not notice Mr. Earley even left. Mr. Mullins asked if we need a backup plan? He wants to put something in writing. We need to understand every facet of his operations. Mr. Brown said he and Ms. McClelland have done that in the last few years and will do that even more now. Ms. McClelland said we've talked about the legalities, the name, the buyout, etc. Mr. and Mrs. Earley aren't ready to do it today, but they know they will eventually need to put it in writing. Mr. Brown said we'll be ready if they don't want to go through 2024, but they've hinted they want to. Mr. Scott wondered about an option about first right of refusal, so they can end when they want to, but we get the option first. Mr. Mullins said he's had those conversations with Mr. Earley. He gets the feeling Mrs. Earley wants to keep going, and Mr. Earley is ready to retire. Mr. Brown said Mr. Earley knows about his commitment through 2024. He will not be making any retirement announcements. We're getting so many requests for events after Rockin' on the River, he is about ready to close the calendar. It's very difficult to make the transition between back-to-back events. We're going to have to

tell people no or we set the calendar in March. We're getting some interesting requests this year, which eat into staff time. This is the time of year when the applicants come knocking. Mr. Mullins just wants to be proactive, and he appreciates the staff working with the Earleys and having a great relationship with them.

- c. Mr. Brown said the liquor license field agent contacted him last week. They had good dialogue today. She'll be on site visiting next week to figure out the parameters of food licensing, etc.. It was an encouraging conversation. They're going to treat our application much like Progressive Filed or the Cleveland Browns Stadium.

B. Executive Director

1. Washington DC legislative fly in: Mr. Brown said last week he and Ms. McClelland attended for the first time. All the ports are invited. He said they flew in and immediately went into meetings and sessions. They went to the Canadian Embassy. They met in the Kennedy Room in the Senate. It was nonstop federal funding information, corps of engineers reports and different things about ports. They made a lot of good connections and learned a lot about different funding mechanisms. He said it was a great educational opportunity. Ms. McClelland said it was a very beneficial time to be in DC. They were in front of the lawmakers they needed to be. The main purpose was to express our needs and she thinks they did a good job getting that message across. Mr. Brown said Rep. Marcy Kaptur isn't our congressperson anymore, but she remembers us. They got about 5 minutes in private to talk about the stage project, and she mentioned arts and culture money in the budget. We emailed her staffer our press packet yesterday. We're hoping to hear back from her. Mrs. Silva Arredondo asked if we had spoken to our new representative? Mr. Brown said no, they were not able to connect yet. Mr. Mullins asked if there was talk about the submarine yard? Mr. Brown said no. He thinks they've moved on from the drydock model.
2. Construction Manager at Risk progress: Mr. Brown said the committee including our two architects, Ms. McClelland and Mr. Zellers met. They

interviewed four and have the leader. Discovery meetings with that firm have begun and they've sent over a contract, Mr. Brosky is reviewing it and Mr. Zellers is offering insights. The survey should be wrapping up in the next couple of weeks, and we'll send them that information as soon as it's ready so they can come up with a price estimate for our contract. If we get that in the next week or two, we may need a special call. We'll play it by ear. We need a few things cleaned up in the contract but we're well on our way.

3. Jatt Riverside, LLC Riverside Building Sublease Agreement: Mr. Brown said we're finally here and have a sublease put together. Mr. Brosky red lined it and we went back and forth a couple of times with the city. They asked for a full resolution and this was passed at the city level last week. They had no objections. Unfortunately, Jatt Riverside be up against the clock with ordering pieces, liquor license and everything else. They've probably lost a season, but the lease is incremental in price. If passed, Mr. Brown suggested starting the sublease April 1 so it's at the start of the month. Mr. Brosky said there are two typos to clean up. Mr. Mullins asked if it was a seasonal business? Mr. Brown said yes. Mr. Zellers asked when it started? Mr. Brown said April 1 if there are no objections. First six months at \$0 per month. Ms. Bonilla asked if it's transferable? Mr. Brown said no. Mr. Scott asked if we knew the people behind the LLC. Mr. Brown said yes, it's the members of the Jeff Neal family.

Mr. Mullins presented:

A RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR OR HIS DESIGNEE TO ENTER INTO A SUBLEASE AGREEMENT WITH JATT RIVERSIDE LLC. FOR THE RIVERSIDE MARINA BUILDING AND RELATED SITE.

Mr. Zgonc moved to approve Resolution No. 2023-09. Second by Mrs. Silva Arredondo.

Roll call vote as follows:

Ayes: 7 Nays: Abstain: 1 Resolution Passed

C. Assistant Director

1. Ms. McClelland said she had no report.

V. Report of Committees

A. Contract Management Committee

1. Electric and Gas Rates: Mr. Zellers said Mrs. Smith worked hard collecting numbers for us to compare. Mrs. Smith said she went to PUCO for electric and gas. One company gave a verbal rate. They won't give it in writing until we sign up, so she recommends against it. She prefers to have it in writing up front. Integrity is a broker that got back to us today with their rates for electric and gas. Mr. Zellers spoke with someone in his office who recommended Integrity. They have good rates that are all in line with the market. The gas rate with Integrity is .559. She was going to ask tomorrow why it isn't the same as PUCO, which is .529, and then go with the lowest rate. Mr. Zellers asked when she needed to have this done? Mrs. Smith said we're not under contract currently, so she wants to get under contract as soon as possible. Mr. Zellers wants to get more information about how long to lock in the rate. He's going to talk to people in his office and get back to Mrs. Smith about the recommended number of months for the contract. Mr. Scott said he's comfortable with Mrs. Smith moving forward after Mr. Zellers investigates and gets back to Mrs. Smith. He then moved to approve Mrs. Smith moving forward with a contract not to exceed the 60-month rate and/or 48-month rate as shown on the spreadsheet. Second by Ms. Kiraly. Motion carried.

B. Strategic Development Plan Committee

1. Mr. Zgonc said he had no report.
2. Mr. Brown said the RFP is getting ready to go out. We're hoping to call a committee meeting in the future to talk about properties.

C. Marketing and Public Affairs Committee

1. Mr. Nielsen was absent. Mr. Scott said no report.
2. Meeting Date to be announced: Mr. Brown said Mr. Nielsen wants to call a meeting to talk about a walleye fishing tournament potentially in 2024, unless we want to discuss that tonight. Other agenda items would be what we want to do for promotion for Rockin' on the River/BRL this summer and the Solar Eclipse in 2024. We are close to ground zero on April 8, 2024, for the full solar eclipse. Avon Lake is ground zero. Mr. Nielsen wants a full-blown event. Different places in the county are doing different things.

D. Financial Planning and Audit Committee

1. February 2023 Financial Statement: Ms. Bonilla said she met with Mrs. Smith, and everything was in order. Mrs. Smith said the financials were in the board packet. She opened the floor to questions. Mr. Scott said last month he asked about projected expenses and what we spent, and he thanked Mrs. Smith for her hard work and providing the information. Mrs. Smith said she's always open to providing further explanation. Mr. Scott said money market rates are going up ever so slightly, and he thinks 1 or 2 percent on our money could make a difference down the road. Mrs. Smith said we'll have to review where the money comes from. She can review the funding sources and get back to him. Mr. Mullins asked if Mrs. Smith ever worked with a sweep account? Mrs. Smith said yes, but not currently. The port had them at one time. She can look into that, too. Mr. Zellers moved to approve the February financial statement. Second by Mr. Veard. Motion carried.

E. Bylaws and Personnel Committee

1. Mr. Veard said he had no report.

VI. Other Business

- A. Masters Walleye Circuit: Mr. Brown said we're their number one choice and he wants to lock them in. He said they're asking for about the same as what they did in 2017. He asked for a motion to budget \$25,000 in 2024 to bring the tournament to Lorain. That would likely be worst case scenario. It could be 300-350, two-person teams competing. We've engaged Visit Lorain County and need to engage the city and potential sponsors. The anglers fish weeks in advance and area hotels would fill up. Mr. Zellers said he's all for it, but how would the financing work? Mr. Brown said we partnered with the county last time. We'll have in-kind contributions, too, such as our rental hall. Mr. Zellers asked if he expected us to have partners to chisel that amount down? Ms. McClelland said no. It's valued at about \$45,000 total. The cash ask is \$25,000. For example, if we get a hall donated for 750 people, now we don't have to cover that. The actual cash is \$25,000. We have \$15,000 committed from the county to help with hotel rooms and the dinner. We want them to step up more. Ms. McClelland said

she thinks the worst case could be about \$30,000. Mr. Mullins thinks it's a small price to pay for the exposure. Mr. Scott asked him to elaborate. Mr. Mullins said it benefits restaurants and other businesses. The people competing come to the area to fish for weeks before the tournament. Mr. Veard said these are professional fishers. Mr. Brown said these anglers have to qualify to compete. There were 250 teams in 2017. Mr. Veard said they're buying snacks, fuel and bait. Mr. Brown said it's televised, and one team won \$300,000. Ms. McClelland said as far as the numbers go, anglers are here an average of 5 extra days. They spend on average \$2,000 just for the tournament. When you factor in 250 teams, the projected economic impact is \$1.6 million to the area, not including the media coverage. That hits so many different markets, it's valued around \$1 million. Mr. Brown said this would be May 2024. Ms. Kiraly asked how many people? Ms. McClelland said not exactly. They are teams of two, so 500 minimum, and they all bring their families. They want us to host a dinner for 750 people. Mr. Brown said it's 70 hotel rooms just for staff. Mr. Brown said he'd reach out to a lot of organizations for assistance or partnership opportunities. It's a well-run event. They want to come back because we have the big walleye. Ms. McClelland said they will be on the great lakes in 2024, it's just a matter of where. We want it to be here. Mr. Mullins said he could talk to the county commissioners. Mr. Scott and Mr. Zellers asked what was needed? Mr. Brown said he needed a motion to authorize him to sign the contract for up to \$45,000. Ms. McClelland said that's the absolute worst case. Motion by Mr. Zellers. Second by Ms. Bonilla. Motion carried. Ms. McClelland asked those in attendance to not make any announcements regarding the tournament as we will not be announcing until the organizers do. They're planning to do so in June.

VII. Public Comment

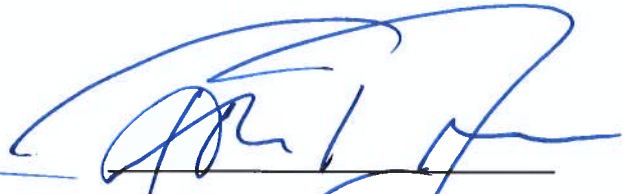
A. None.

VIII. Adjournment

A. There being no further business to come before the board, Mr. Veard moved to adjourn. Mr. Scott. seconded. The meeting adjourned at 7:50 p.m.



Brad Mullins, Chairman



Tom Brown, Executive Director