

Lorain Port and Finance Authority
Board of Directors
Regular Meeting
Port Office
Tuesday, October 10, 2023, at 6:00 p.m.

Board of Directors: Mses. Bonilla and Kiraly; Messrs. Mullins, Nielsen, Scott,
Veard, Zellers and Zgonc (8)

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

Guests: Jack Bradley, Lorain Mayor
John Falbo Jr., Terminal Ready Mix

- I. **Roll Call**
 - A. The meeting was called to order at 6:01 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, Financial Planning & Audit Committee Meeting: Mr. Mullins asked if there were any changes or corrections? Mrs. Leyva Smith said yes. ON page one, the “lone” wad corrected to “loan.” Mr. Scott moved to approve as corrected. Second by Mr. Veard. Motion carried.
 - B. April 11, 2023, Marketing & Public Affairs Committee Meeting: Mr. Mullins asked if there were any changes or corrections? Mrs. Leyva Smith said yes. One page one, she corrected transposed numbers to “12-6p” and on page two she mistakenly left an “r” out of Mr. Brown’s last name and a “t” in Mr. Scott’s last name. Mr. Nielsen moved to approve the meeting minutes as corrected. Second by Ms. Bonilla. Motion carried.
 - C. September 12, 2023, Regular Board Meeting: Mr. Mullins asked if there were any changes or corrections? Mrs. Leyva Smith said she had no corrections. Ms. Kiraly moved to approve the meeting minutes. Second by Mr. Veard. Motion carried.

IV. Report of Officers

A. Chairman

1. Correspondence received:

- a. Mr. Brown said he got an invite from the FOPA Lodge 3 for their Chili Cook-Off on Oct. 28. We'll be doing that if anyone is interested in participating.

B. Executive Director

1. Caboose Update: Mr. Brown said the caboose is painted. It looks good.

They're waiting on a window installation. He will be meeting with the Caboose Committee tomorrow and he gave them a list of items for discussion, including insurance, programming, long term goals, what they expect from us, etc. Mr. Brown said the committee has asked to have the caboose moved inside the fence. They'll pay to have the fence taken down and put back up to make the caboose more secure before it reaches its final place. Mr. Brown said he has no objections to that. If the board has no objections, he will let the committee know.

- ###### 2. Levy Renewal versus Replacement Evaluation and Discussion: Mr. Brown said we reached out to the County Auditor's Office and we'll be on the ballot in 2024. The last few times we've reviewed renewal versus replacement, there was not a huge difference. This time, if we went for renewal we would see a modest bump in what we receive. If we went for replacement, which the last replacement was in 2004, the difference would be \$178,000 per year. Mrs. Smith said over five years that is \$890,000. Mr. Brown thinks that's worth some serious consideration, especially since we haven't had a replacement levy in 20 years. Looking at the current landscape, he thinks the economy is tough but he's confident we can campaign and get it passed. We can get an idea of the voting climate in November as the Lorain County Metro Parks has a replacement levy on the ballot. Mr. Brown said we need to make the decision by November because it's a March primary in 2024. Mr. Zellers asked Mr. Brown to explain the difference. Mr. Brown said a renewal would keep us on the same funding platform with property values we've been on

since 2004. A replacement would increase that. Say we hypothetically get \$25 for every \$100,000 of valuation currently, a replacement levy would bump us up to \$35-\$40 per \$100,000. The increase in revenue would come from the more current valuation. Mr. Zellers said the hope would be we would get the community support. Does it matter one way or the other? Mr. Brown said renewal is easier than replacement, but he thinks we can do it. We're a good agency and have proven we're good stewards of the money. If the levy didn't pass, we would go for renewal in November 2024. Mr. Nielsen said he likes the strategy of seeing how the Metro Parks play out and wait until November. He said our costs are going up so we need to have a stream of revenue. Mr. Scott said if for some reason it didn't pass in March, then we'd have another chance? Mr. Brown said yes. March 19 is the primary date in 2024.

- 3. Navigational Aid Grant Request Application:** Mrs. Leyva Smith said this is the same grant offered by the Ohio Department of Natural Resources Division of Watercraft that she applied for last year and in previous years. We were successful this most recent time applying and received 10 buoys to replace some of our most weathered "No Boat" and "No Wake" buoys. Those were recently delivered to the office for next season. She said this time she is applying to replace the remaining nine buoys in the group of 19 that we manage with the goal of having all brand new buoys in 2024. Mr. Mullins asked about the dollar amount for the buoys. Mrs. Leyva Smith said we don't have to pay anything, but the 10 buoys were \$2,756. Mr. Brown said we actually struggled to find a dredge operator this year. We didn't realize our previous contractor had passed away and his business was sold. We were able to find a new dredge operator and there was some confusion in the beginning about where to place some of the buoys, but overall, they did a good job and we'll be working with them for 2024.

Mr. Mullins presented:

A RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR OR HIS DESIGNEE TO FILE A NAVIGATIONAL AIDS GRANT REQUEST APPLICATION.

Mr. Nielsen moved to approve Resolution No. 2023-15. Second by Mr. Veard. Roll call vote as follows:

Ayes: 8 Nays: 0 Abstain: 0 Resolution Passed

V. Report of Committees

A. Contract Management Committee

1. King Fishery Lease Agreement: Mr. Brown said this is a yearly lease we do with the local fishery at the south end of Black River Landing. The business docks five boats and it encroaches our property about four feet.

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 OF COMMERCIAL FISHING VESSELS.

Mr. Zellers moved to approve Resolution No. 2023-16. Second by Mr. Nielsen. Roll call vote as follows:

Ayes: 8 Nays: 0 Abstain: 0 Resolution Passed

B. Strategic Development Plan Committee

1. Mr. Zgonc said he had no report.

C. Marketing and Public Affairs Committee

1. Mr. Nielsen said he had no report.

D. Financial Planning and Audit Committee

1. Accepting Amounts and Rates for Calendar Year 2024: Ms. Bonilla turned it over to Mrs. Smith. Mrs. Smith said we have to accept the amounts and rates for 2024 that were provided by the County Auditor. We're expected to get \$844,244.

Mr. Mullins presented:

A RESOLUTION ACCEPTING THE AMOUNTS AND RATES FOR CALENDAR YEAR 2024 AS DETERMINED BY THE BUDGET COMMISSION AND AUTHORIZING THE NECESSARY TAX LEVIES AND CERTIFYING THEM TO THE COUNTY AUDITOR.

Mr. Scott moved to approve Resolution No. 2023-17. Second by Mr. Zellers. Roll call vote as follows:

Ayes: 8 Nays: 0 Abstain: 0 Resolution Passed

2. June 2023 Financial Statement: Mrs. Smith said she had sent out June and July 2023 Financial Statements prior to her being out of the office. She was able to review that with Ms. Bonilla. Ms. Bonilla said everything looks great and complimented Mrs. Smith on doing a great job even in her illness. Ms. Kiraly moved to approve the June 2023 Financial Statement. Second by Mr. Veard. Motion carried.
3. July 2023 Financial Statement: Mr. Zellers moved to approve the July 2024 Financial Statement. Second by Mr. Nielsen. Motion carried.

E. Bylaws and Personnel Committee

1. Mr. Brown said he would like to request a motion. He said Mrs. Leyva Smith did a really great job filling in during Mrs. Smith's absence. We do not have a higher position policy in our manual. He asked that Mrs. Leyva Smith be paid the difference between her salary and Mrs. Smith's salary for the period of time Mrs. Smith was absent. Mr. Nielsen moved to pay Mrs. Leyva Smith the difference between her and Mrs. Smith's salary for the time Mrs. Smith was out. Second by Mr. Scott. Motion carried.

VI. Other Business

- A. Special Board Meeting Tuesday, Oct. 24, 2023: Mr. Brown said Ms. Stacy Caddey was able to get 21 interviews. She's compiling her report to present. We can also further the discussion about fundraising. Mr. Zgonc asked for a hint? Mr. Brown said he doesn't have all the details but she had positive conversations and said people were enthusiastic and positive about the project and port authority. People aren't committing quite yet. Ms. Caddey will unveil her strategy and then it will be up to us to execute.

VII. Public Comment

- A. Mr. Bradley said he wanted to ask about the RFP and process regarding due diligence. They're working over at the pellet terminal site. A road and restroom are going in. The fence is gone and the site is looking a lot better. Mr. Brown said he thought Mr. Bradley was on the meeting invite. It was changed from October 18 to 22. Mr. Bradley then mentioned Mr. John Falbo Jr. and his proposal for the Port's property. He doesn't want to lose them if we don't have positive energy

from the other group. When we gave the option to Excel, the Falbo's agreed to give up their bid on the industrial park and they would work with the Port to find a new place for their dock. The city doesn't want to put its eggs all in one basket and then find out no one is interested in developing the sites. Mr. Bradley also asked about the stage. He was approached by County Commissioners Dave Moore and Jeff Riddell. They want to know what's going on with the stage project. They thought construction was going to start at the end of this season. Lorain City Council members are asking the same questions. Mr. Bradley said council members are getting "antsy" and are talking about whether they should "claw the money back" or not. He said he wanted us to know that has been mentioned. The city's five-year forecast predicts a deficit, so council is starting to say, "why did we give \$1 million to the Port" and \$2 million to Excel. Excel cancelled their August groundbreaking. Mr. Bradley said Mr. Riddell was also upset he was contacted about fundraising. He said he was also curious why it took so long to get someone to start fundraising. Mr. Mullins said this is a process. We had to interview and find the right fundraiser, and then compile lists of people to potentially interview. Most of this was through personal connections, so Mr. Riddell wasn't contacted due to his position as a commissioner. Mr. Mullins said he was interviewed, too. He said it wasn't so much about making a donation as it was about trying to learn what the interviewees thought about the Port and the benefits to the project. Mr. Mullins said he's been approached by others who were interviewed and they thought it was professionally done and didn't feel pressured. Mr. Bradley said that isn't what Mr. Riddell expressed to him and that Mr. Riddell said he was uncomfortable being asked about potential funding sources and was surprised to be asked that question. Mr. Bradley said he was asked the same fundraising questions. He said he gave the no brainers, like Skylift, the Campanas and the Falbos. He said he doesn't understand why we went through the process when we know who has the funds. He said he would ask John Veard. He said it seems to him this process should have been started a long time ago. Mr. Brown said we were waiting for the schematic design to be done. Before that we got the construction manager at risk under contract.

We didn't want to go to people asking for fundraising saying we need x amount of dollars until we had a pretty good idea what the total cost would be. Since then, we've been narrowing that cost down because it came in higher than anticipated. Mr. Brown said he met with Mr. Riddell since he spoke with the Mayor and Mr. Brown will be meeting with Mr. Riddell to go over the proposal. Mr. Riddell was not a commissioner when they voted to give us funding so he hasn't seen the presentation. We were asked to give government officials by our feasibility study coordinator so they could have that dialogue. Is the Port forgetting any funding sources? It was somewhat a networking thing, trying to find philanthropic and any other dollars like a government fund we aren't aware of. Mr. Brown will give the stage presentation to Mr. Riddell. They've already had a good discussion and Mr. Brown thinks Mr. Riddell is in a much better place. Mr. Riddell was unsure why he was here and that has been cleared up. As far as the RFP, Mr. Brown said he thinks everyone has been patiently waiting for the update. The city and the port collectively decided to give the development group some due diligence time. He doesn't think that would prohibit other developments in the future. Mr. Bradley suggested the Port make a presentation to city council about the stage because he has gotten a few questions about why construction didn't start this fall and if they should consider taking the ARPA money back. Mr. Brown said he's happy to speak to council. He felt every presentation we gave was honest about the tight timeline and if we could fundraise in time. If we cannot fund the stage project properly, then we'll give it back. Mr. Bradley said the problem is the city has to appropriate the money by 2024. It is a lengthy process to screen that take a couple of months and then it has to go to council. They don't want to wait until the last minute to reallocate the funds if the stage project doesn't happen. Mr. Brown said he thinks we're the most visited place in Lorain County and we will get this done. No project like this happens in a 12-month period. There's schematic design, final drawings, construction manager, etc. We're doing our best but it's tough fundraising right now. Mr. Brown has had lengthy conversations with Nathan Manning and Joe Miller and we've requested state capital funding. We're one grant or opportunity away from being able to say we

have the project covered. He would have loved to break ground this year it just wasn't going to happen. Mr. Bradley said it looks like groundbreaking won't be until October 2024. He said if we go before council and say we can't break ground next October because we have to raise the funds, then they're going to take back the money. He is concerned about the turnaround time if we give the ARPA funds back and the city has to find a new purpose for the money. Mr. Bradley said he thinks we need to have something definite by spring 2024 or we're in danger of not only the City of Lorain clawing back the money but the commissioners as well. Mr. Brown said he has had conversations with Mr. Moore and Mr. Riddell and they have his number if they want to discuss any concerns they have. He said the Port has proven over and over again that we'll get it done and we'll stick to our word. Given the amount of people and tourism we're creating in the county, he thought the support would be a little stronger than it's been. Mr. Bradley said people are having financially difficult everywhere. Skylift had to lay off 30 people after losing a major distributor. He said he and council need to know by Spring 2024 or they're going to seriously consider clawing back that money. Mr. Zellers said he doesn't think that would be a problem with the course we're on right now. It's not like we're not spending money today with the architects and the construction manager. When we break ground is a difficult situation to know how we keep the stage and have the concert series and when we get started. We have a very short window. Drawings aren't necessarily complete yet because we wanted to go through this exercise with fundraising. If we can't come up with the money, we'll come up with a different plan. The architects already have a couple of ideas. We're going to stage what we're doing well before the spring of next year. We'll have a concrete plan at that time. We have a pretty good idea of what we want to do now. We may scale back; we just have to see what money we can raise. Mr. Bradley said the city has time constraints. The money has to be appropriated by 2024 and spent by 2026. If it's not spent, the city has to give that money back. Mr. Bown said what Mr. Zellers is trying to say is we cannot lose a tourism season. If we break ground in October 2024, we'll be done by June 2025. With our original, we could have broken

ground this fall, but it would have costs an extra \$800,000 to mobilize construction crews twice. Mr. Zellers clarified that the entire project doesn't need to be done by that timeframe, we just need to use the money that was donated by that time. Mr. Bradely said yes. Mr. Zellers said we're looking at early bid packages for steel and that's all going to be pre-purchased. He said he thinks the board understands the mayor's concerns and that by spring 2024 we'll have a rock solid plan on what to do, what we're going to spend and where. He isn't overly concerned. Mr. Bradley said thinks that's good and he can let council members know to expect an update in the spring. Mr. Zellers said if we have council members that are starting to second guess this, we're going to get community members who second guess this and that's not what we want. He wants to set up a date to give a presentation to council. Mr. Mullins said the board hears the mayor loud and clear and we're working on contingency plans. It may be in phases, but it will be progress. He feels fairly confident in our ability to raise the money. Mr. Bradley said the Caboose Committee contacted him. They're worried about vandalism and people damaging the caboose. He said the sooner we can get it inside the fence the better because other city parks have been hit by vandals. Mr. Brown said he spoke with the Caboose Committee as recently as 4 p.m. today and they will have approval by tomorrow to remove and replace the fence to move the Caboose inside the fence. We have cameras everywhere and we still get tagged. We can't guarantee it won't get tagged, but it being inside the fence and near the cameras will help. Mr. Bradley said lastly, his neighbors complained about the placement of the buoys. They weren't the same as in years past. One of the buoys actually washed up on the beach. Mr. Brown said it's a difficult proposition. Every year we lose one or two buoys that washes ashore. Mr. Bradley said he didn't receive any complaints about the buoys until this year. Mr. Brown said we get complaints every year. He said one of Mr. Bradley's neighbors reached out wanting the buoys half a mile out, and that would actually be past the lighthouse. It's an ongoing dilemma. We place the buoys voluntarily. We hoped the Coast Guard would consider them to be navigational aids, but ours are recreational. It's expensive. We spend at least

\$10,000 repairing, placing and removing them each year. The previous barge operator unfortunately passed away, so the coordinates were a little off this year. Mr. Brown said we do it as a service, and it's not easy. They do move in storms. The CG does come out and check their placement. We put them out according to an approved map. Where we put buoys 20 years ago is now 2-feet deep, so they've been adjusted over the years.

- B.** Mr. Falbo thanked the Port for allowing him to speak and what they do for the port. It's an important part of his business as it's a vital link for them to receive materials to make concrete and for construction. He wanted to reiterate their interest in the boat launch property. They submitted what they felt was a comprehensive proposal that was in line with the recommendation for the use of the property. Mr. Falbo said they are a proven industrial operator in the city already utilizing a dock. They are constantly coming across new opportunities to expand their capabilities. Unfortunately, their property doesn't have the infrastructure it needs to accommodate some of those opportunities. They've been looking for years for the appropriate place to expand. They think the proposal is a regional catalyst for not just their company but manufacturing that exists within the region. He wants to be able to handle various projects coming in and out on behalf of other manufacturers. He also wants to reiterate that what they propose is not for their exclusive use. He thinks they can take the property to its highest and best use. Mr. Falbo also wanted to make a change in the submission. In the interview process, it was asked if they would be open to any other type of ownership arrangements with the property. They believe it could be mutually beneficial to explore some other arrangement than what was originally proposed, so he asked for the opportunity to negotiate the proposal. It's not a take it or leave it proposal, it's a conversation starter, and they want to continue the conversation about that property. Mr. Falbo said he thinks they've proven to be good community members and stewards of their own property. They hire street sweepers and want to grow in a responsible way. Mr. Mullins said we appreciate his offer and respect what he does and what his family and business have done for Lorain. We have to follow through on this RFP process with due

diligence, but if you're open to negotiating, we can continue the dialogue. Mr. Mullins said his opinion was the storage itself wasn't a good deal for us. The other group said to make it work they need all the properties, so we're waiting to see what they come back with. Mr. Brown said they came in with a request to be master developer. If they come back and say they see it as a commercial site, then we could also make introductions and explore negotiations that way. He didn't think the door was closed in any stretch of the imagination. Mr. Falbo said that as good to know and that it's hard to be in the dark. He said the information provided tonight as helpful and he appreciates it. He is certainly open to figuring out what's most beneficial for all parties.

VIII. Adjournment

- A.** There being no further business to come before the board, Mr. Scott moved to adjourn. Mr. Veard seconded. The meeting adjourned at 6:56 p.m.



Brad Mullins, Chairman



Tom Brown, Executive Director