



1375 E. Ninth St., #2300
Cleveland, OH 44114
216.241.8004 (tel)
216.241.8016 (fax)

Ad Hoc Transition Committee

Tuesday, February 2, 2010

9:00 a.m.

One Cleveland Center
Forum Conference Center
1375 East 9th Street

AGENDA

- I. Adoption of January 13, 2010 Minutes**
 - a. Requested Action: Acceptance by Committee*
- II. Comments from Chairman and President and CEO**
- III. Executive Session to consider certain personnel matters to be specified**
- IV. Adjournment**

Next Committee Meeting – TBD

Committee Members

Bob Smith, Chair

John Carney

Marc Krantz

I. Meeting Minutes

Cleveland-Cuyahoga County Port Authority Special Meeting of the Transition Committee January 13, 2010

Committee Members Present:

Robert Smith, Chair

John Carney

Marc Krantz

Rose Rodriguez-Bardwell

Committee Members Absent:

Brian Hall

Board Members Present:

Steve Williams

Richard Knoth

Robert Peto

Staff Present: Melisa Freilino; Brent Leslie; Nancy Spelman.

Others Present:

Dennis Wilcox, Climaco; Stephen Pfeiffer, Citizen; Cynthia Lowe, Parsons Brinckerhoff; Mike Roberts, *Cleveland Magazine*; James Washington, Washington Ent.; Jim McCarty, *The Plain Dealer*; Victor Anzalone, Vangaurd Industrial; Jim Cox, Flats Industry; Brett Jones, Tri-C.

Director Smith called the meeting to order at 8:31 a.m. On motion by Director Carney, seconded by Director Bardwell, the November 25, 2009 Transition Committee Minutes were approved.

Director Smith stated that at the November 25, 2009 Transition Committee, members approved a Request for Proposals (RFP) for firms interested in performing recruitment services for the permanent President & CEO position at the Cleveland-Cuyahoga County Port Authority.

The RFP was published on the Port Authority's website, the *Plain Dealer*, the *Call and Post* and the American Association of Port Authorities (AAPA) newsletter and website. Additionally, firms who had inquired about the opportunity, either with staff or Board, were directly sent a copy of the RFP.

The Port Authority received 19 responses, with 18 being received prior to the December 11, 2009 deadline. Proposals ranged from large, global search-firms, to local, sole-proprietorships. The compensation for services generally ranged from 25% to 35% of the first-year salary.

When reviewing the proposals, staff examined which firms had the most relevant search experience in our industry. Additionally, the “reach” of each firm into sectors beyond the Port Authority industry was considered, since the CEO position could potentially be filled by a variety of candidate types.

Staff narrowed the proposals down to three firms who were brought in for interviews. Director Smith stated that each of the three firms were great recommendations.

The interviews and review of the three firms’ proposals were conducted by Transition Committee members Marc Krantz and Bob Smith, as well CEO Peter Raskind and CFO Brent Leslie (the “evaluation team”).

Two of the firms were larger, international firms with significant port, public and private search experience. The third firm had some significant local experience within the region recruiting for prominent positions and also had a broad array of experiences.

As a result of the proposals receive and interviews conducted, the evaluation team is recommending to the Transition Committee that Boyden Global Executive Search be retained to conduct the search for the next President & CEO of the Cleveland-Cuyahoga County Port Authority. Boyden has vast public sector seaport experience, including CEO searches at the following places:

- Cleveland Hopkins International Airport
- San Diego Unified Port District
- Virginia Port Authority
- South Carolina State Ports Authority
- Wallenius Wilhelmsen Lines

Boyden was extremely impressive in their interview with the evaluation team. Their experience and knowledge of the port industry, coupled with a strong understanding of the current situation at the Cleveland-Cuyahoga County Port Authority, differentiated them from other firms. Additionally, Boyden focused heavily on outreach efforts to obtain a diverse slate of candidates and demonstrated a track record of diverse recruitments, which is especially impressive in the port industry.

Additionally, the maritime experience of the Managing Director should provide valuable insight into the current search.

The Search will be led by Tim McNamara, who leads the firm’s Global Transportation Practice and has over 25 years of executive search and management consulting experience. Prior to entering the management consulting business, Mr. McNamara engaged in international maritime operations, primarily in the Great Lakes. He was the founder and President and CEO of American Heavy Lift Shipping Company, which built two American flag ships in Sturgeon Bay, Wisconsin and later sold the company to Gulf Oil Corporation. He was named by “Business Week” as one of the top 100 most influential headhunters in the world and has strong ties to the greater Cleveland area.

Mr. McNamara will be assisted Derek Wilkinson, who is a Principal in Boyden's Washington, D.C. office and has 15 years of experience in recruiting and search.

Boyden's professional fee for this engagement would be 30% of the first year's total cash compensation (base pay plus any bonus, including sign-on and targeted year-end bonus), with a minimum fee of \$65,000. The Port will also be invoiced for fixed indirect expenses of \$7,000 and direct travel expenses for Boyden and candidates not to exceed \$15,000.

The invoices are to be paid in thirds: 1/3 at commencement, 1/3 30 days thereafter and the final 1/3 at hire.

Boyden provides a warranty relative to each search assignment. In the event a candidate recommended and hired through their assistance is terminated for cause or the employee resigns within 12 months, Boyden will conduct another search to replace the individual at no cost to the Port. Additionally, Boyden will not recruit from the Cleveland-Cuyahoga County Port Authority for a period of 12 months.

Director Krantz thanked staff for their work on the recommendations and stated that each firm was well qualified. He stated that Boyden stood out because of their maritime experience and explained that they have done recent searches in the area. Boyden knows the field, knows the appropriate people and will provide a good candidate selection. Mr. Raskind stated that he also thought there was a tremendous RFP response and stated that the fees listed are customary for this type of search. Mr. Raskind thanked Nancy Spelman and Brent Leslie for collecting and organizing the responses.

Director Knoth inquired as to the anticipated time frame. Director Smith replied between four to six months, with six months being the extreme or when the CEO should begin. Director Krantz added that they asked each of the finalists that question, and each of them replied with the same time frame. Director Krantz stated that a list of candidates should be available within two months. The search firm may then want to meet with the Board to get a sense of specific qualities the Board would like to see in the candidate. Director Peto stated that it is important that we include stakeholders in that meeting. Director Carney thanked those involved in the interview process.

The Transition Committee was then requested to recommend to the Board of Directors to execute an Engagement Letter with Boyden Global Executive Search for executive recruitment services for the President and CEO of the Cleveland-Cuyahoga County Port Authority for an amount not to exceed \$87,000, to be paid from funds previously appropriated for Professional Services. On motion by Director Krantz, seconded by Director Carney, and unanimously carried, the motion was approved.

There being no further business, the meeting was duly adjourned at 8:40 a.m.

MINUTES APPROVED

Assistant Secretary