

MINUTES

CLEVELAND-CUYAHOGA COUNTY PORT AUTHORITY BOARD OF DIRECTORS MEETING Thursday, February 14, 2019

The regular Meeting of the Cleveland-Cuyahoga County Port Authority Board of Directors was held at the Port of Cleveland Conference Center, 1100 W. 9th Street – Suite 100, Cleveland, Ohio on Thursday, February 14, 2019. The meeting was called to order by Vice-Chair Roller at 8:34 a.m. Director and Chair Darrell L. McNair joined the meeting from a remote location by teleconference pursuant to Article III, Section 11 of the Port Authority's Rules and Regulations, Director McNair having given proper notice of his remote attendance and having been provided relevant Board materials prior to the meeting. Director McNair provided the correct password given prior to the meeting, verified he was more than ¼ mile from the primary meeting location and was clearly heard and was able to hear other Board members. Attendance by roll call showed the following:

PRESENT

Jan Roller, Vice-Chair
Pat Ramsey, Secretary
Harriett Applegate
J. Stefan Holmes
Paul Hoogenboom
Chris Ronayne
Robert Smith

VIA TELEPHONE

Darrell L. McNair, Chair

ABSENT & EXCUSED

David Wondolowski

ALSO PRESENT

W. Friedman, President & CEO
D. Gutheil, Chief Commercial Officer
C. Naso, Chief Financial Officer
M. Rivalsky, Controller
R. Snipes, Senior Accountant
L. Bohinc, Finance Coordinator
N. LaPointe, Director, Planning & Capital Development
M. Freilino, Manager, Executive & Administrative Operations
R. Bever, Director of Finance
G. Woodson, Director, Development Finance & Inclusion
L. Sternheimer, Director, Urban Planning & Engagement
J. Davis, VP, External Affairs
J. Magyar, Director, Operations & Facilities
D. Wilcox, Climaco, Wilcox, Peca, & Garofoli Co., L.P.A
P. Ritzert, Climaco, Wilcox, Peca, & Garofoli Co., L.P.A
J. Baker, ILA
I. MacDougall, Walter Haverfield
P. Angelo, Huntington
H. Homage, KS Associates
D. Ray, JMT
E. Cade, SGI Group
E. Kogelshatz, Shark & Minnow

APPROVAL OF MINUTES

The minutes of the Board of Directors meeting of December 13, 2018 were presented for approval by the Board, copies having been delivered in advance to all Directors. On motion by Director Ramsey, seconded by Director Holmes, with Robert Smith abstaining from the vote, and unanimously carried by roll call vote, the Board minutes of December 13, 2018 were approved.

PUBLIC COMMENT PERIOD

Vice-Chair Roller then opened the floor for public comment related to agenda items. There being no public comment, she proceeded with the agenda.

CHAIR'S COMMENTS

Chairman McNair stated he's looking forward to good things in 2019, though it won't be without challenges. He thanked Board and staff for their continued engagement as the Port moves into 2019.

PRESIDENT'S COMMENTS

Mr. Friedman addressed the Board and stated he testified at the Senate Commerce Committee in Washington, DC on behalf of AAPA. He advised he took many questions from the Senators and carried the message that our nation's ports need to partner more effectively with the federal government to provide more access to funding. The eligibility rules for funding need to be broadened since most dollars get allocated for highway projects. He urged the Committee to open funding for multi-modal projects, not just highways. The importance of dredging and shale gas production was also referenced during the hearing. Director Ramsey asked whether Mr. Friedman feels he moved them toward being more favorably toward multi-modal funding. Mr. Friedman replied yes. The momentum is moving in the favor of ports. Director Ronayne asked whether the difficulties regarding the St. Lawrence Seaway were mentioned. Mr. Friedman replied he made references to the Great Lakes, the Seaway, and the Sioux Locks project. The Sioux Locks project to construct an additional lock was passed, which is remarkable, and a move in the right direction.

REAL ESTATE & DEVELOPMENT FINANCE COMMITTEE

Agenda Item 4(C)(1)(a) – Second Amendment to Cooperative Agreement with MidTown Cleveland, Inc. and Lassi Enterprises, LLC

Ms. Linda Sternheimer addressed the Board of Directors and referred to a presentation attached hereto as "**Exhibit A**." Referring to page 7 of the Agenda, Director Roller asked where the funding would be obtained and who at the port will be monitoring to demand immediate approval if deemed necessary. Mr. Wilcox replied that the resolution authorizes officers of the Port Board to take action if necessary. Mr. Friedman replied that Midtown has the responsibility to monitor the condition of the properties and to take action. The provision was a safeguard if for some reason Midtown could not/would not remedy the problem, which is unlikely, the Port would be responsible. Director Ramsey noted that when the agreement was originally passed, it was very innovative and very much needed at the time. Director Smith suggested that someone on staff at the Port be identified to monitor the projects in the event there becomes an issue. The Board requested amending the resolution to reflect that staff report out to the Board semi-annually on properties that are acquired. Director Ramsey made a motion to add an amendment to the proposed

resolution 2019-01, the motion was seconded by Director Applegate and unanimously approved by roll call vote. This request was added to Resolution 2019-01.

On motion by Director Ramsey, seconded by Director Applegate, and unanimously carried by roll call vote,

RESOLUTION NO. 2019-01

A RESOLUTION AUTHORIZING AND APPROVING
A SECOND AMENDMENT TO COOPERATIVE AGREEMENT
BETWEEN THE CLEVELAND-CUYAHOGA COUNTY
PORT AUTHORITY AND LASSI ENTERPRISES, LLC

was approved as amended. The resolution in its full text is incorporated into the Resolution Journal of the Port Authority.

MARITIME COMMITTEE

Agenda Item 4(C)(2)(a) – Port of Cleveland Tariff Modifications

Mr. Gutheil addressed the Board of Directors and referred to a presentation attached hereto as “**Exhibit B**”. Mr. Friedman stated that Customs and Border Patrol (CBP) is forcing ports to build facilities to meet their needs. It’s been very controversial within the port industry. Ports oppose the funding process and believe CBP stations should be funded by the federal government and are working, through AAPA, to get this reversed. Mr. Gutheil added that the charges are very common throughout the industry and the Port of Cleveland’s charge is much lower than others. Director Roller asked whether there are any new companies calling the Port. Mr. Gutheil replied Victory is scheduled for 28 calls and Hamburg is scheduled for two or more.

On motion by Director Ronayne, seconded by Director Ramsey, and unanimously carried by roll call vote,

RESOLUTION NO. 2019-02

A RESOLUTION AUTHORIZING CHANGES TO
PORT OF CLEVELAND TARIFF NO. 1-B

was approved. The resolution in its full text is incorporated into the Resolution Journal of the Port Authority.

MARITIME COMMITTEE

Agenda Item 4(C)(2)(b) –General Cargo Terminal Dock 26W Rehabilitation Project

Mr. Nicholas LaPointe addressed the Board of Directors and referred to a presentation attached hereto as “**Exhibit C**.” Director Smith asked whether the condition of the dock is a safety issue. Mr. LaPointe replied yes, and the dock was immediately taken out of service upon learning of the condition. Director Hoogenboom asked whether the other docks were evaluated. Mr. LaPointe replied yes, but for an unknown reason Dock 26W is corroding at an accelerated rate. Director

Ramsey asked what will happen if this issue isn't addressed. Mr. LaPointe replied there would be a wall failure and the dock could collapse. Director Roller asked how the dock closure will impact operations. Mr. Gutheil replied that no cargo will be lost since vessels can still work on the opposite side of the dock or other berths. Director Ronayne asked whether the NEORSD is a potential funding source. Mr. Friedman replied no. The water from port docks drains directly into the lake, not into NEORSD's system. The Port is paying a stormwater fee for a service that isn't used, as opposed to getting help. The Port has made NEORSD aware of the situation but to date they will not stop charging their fees. Chairman McNair asked about the likelihood of the Port receiving funding for the project. Mr. Friedman replied the Port is aggressively pursuing outside funding and the repurposing of existing dollars has begun.

On motion by Director Ronayne, seconded by Director Holmes, and unanimously carried by roll call vote,

RESOLUTION NO. 2019-03

A RESOLUTION AUTHORIZING AND APPROVING THE EXECUTION OF AN AGREEMENT WITH JOHNSON, MIRMIRAN & THOMPSON, INC. FOR THE PURPOSE OF UNDERTAKING THE SCOPE OF WORK FOR DESIGN ENGINEERING SERVICES TO SUPPORT THE GENERAL CARGO TERMINAL DOCK 26W REHABILITATION PROJECT IN AN AMOUNT NOT TO EXCEED \$450,000 AND AUTHORIZING THE EXPENDITURE OF FUNDS FROM THE FY 2019 CAPITAL BUDGET

was approved. The resolution in its full text is incorporated into the Resolution Journal of the Port Authority.

MARITIME COMMITTEE

Agenda Item 4(C)(3)(a) – Business & Travel Expense Reimbursement Policy

Mr. Carl Naso addressed the Board of Directors and referred to pages 17-19 of the Agenda.

On motion by Director Holmes, seconded by Director Hoogenboom, and unanimously carried by roll call vote,

RESOLUTION NO. 2019-04

A RESOLUTION ADOPTING & RATIFYING THE TRAVEL EXPENSE REIMBURSEMENT POLICY – REVISED 1/31/19, ESTABLISHING THE MAXIMUM PORT CREDIT CARD LIMIT OF \$45,000 AND APPOINTING A DESIGNATED COMPLIANCE OFFICER

was approved. The resolution in its full text is incorporated into the Resolution Journal of the Port Authority.

BUDGET & ADMINISTRATION COMMITTEE

Agenda Item 4(C)(3)(a) – Business & Travel Expense Reimbursement Policy

Mr. Jade Davis addressed the Board of Directors and referred to a presentation attached hereto as **“Exhibit D.”**

PUBLIC COMMENT/EXECUTIVE SESSION

There being no public comment, at 10:55 a.m. Director Roller made a motion to enter into Executive Session to discuss certain matters in Revised Code 121.22(G)(1) specifically consider the compensation of a public employee. Seconded by Director Ramsey and unanimously approved by roll call vote the Board entered into Executive Session. Executive Session ended at 11:40 a.m. Director Smith made a motion to accept performance goals of the President and CEO for 2019. Seconded by Director Hoogenboom and unanimously approved by roll call vote (7-0 since Chairman McNair ended the call) the meeting was adjourned at 11:44 a.m.



CHAIR



SECRETARY