

## MINUTES

### CLEVELAND-CUYAHOGA COUNTY PORT AUTHORITY BOARD OF DIRECTORS MEETING Thursday, June 8, 2017

The regular Meeting of the Cleveland-Cuyahoga County Port Authority Board of Directors was held at the Port of Cleveland Offices at 1100 West 9<sup>th</sup> Street, Cleveland, Ohio on Thursday, June 8, 2017. The meeting was called to order by Chairman McNair at 8:37 a.m. Attendance by roll call showed the following:

#### PRESENT

Darrell McNair, Chair  
Jan Roller, Vice-Chair  
Patricia Ramsey, Secretary  
Harriett Applegate  
Paul Hoogenboom  
Chris Ronayne  
Anthony Moore  
Robert Smith

#### ABSENT AND EXCUSED

#### ALSO PRESENT

W. Friedman, President & CEO  
D. Gutheil, VP, Maritime & Logistics  
M. Freilino, Office Manager & Exec. Asst. to CEO  
J. Davis, VP, External Affairs  
R. Bever, Director of Finance  
G. Woodson, Director, Development Finance & Inclusion  
L Bohinc, Finance Coordinator  
D. Wilcox, Climaco, Wilcox, Peca, & Garofoli Co., L.P.A  
J. Miller, Crain's Cleveland Business  
D. Kossol, Cosmos Technologies, Inc.  
R. Kozak, Huntington

#### APPROVAL OF MINUTES

The minutes of the Board of Directors meeting of Thursday, May 11, 2017 were presented for approval by the Board, copies having been delivered in advance to all Directors. On motion by Director Smith, seconded by Director Roller and unanimously carried, the Board minutes of May 11, 2017 were approved.

#### PUBLIC COMMENT PERIOD

There being no public comment on the agenda items, Chairman McNair proceeded with the Chair's Comments.

#### CHAIR'S COMMENTS

Chairman McNair stated that he views the Port as an integral unit and complimentary partner to the economic activity happening in Northeast Ohio. There is a role for the Port to participate in efforts to improve neighborhoods and create connectivity. He then requested that Mr. Friedman proceed with the President's comments.

## **PRESIDENT'S COMMENTS**

Mr. Friedman addressed the Board of Directors and noted that water levels in Lake Erie and Lake Ontario are extremely high. There have been conversations about opening a spillway allowing Lake Ontario to flow into the Seaway. The International Joint Commission (IJC) exists under the Boundary Waters Treaty between the United States and Canada which has jurisdiction over water flows. The IJC have discussed closing the seaway or closing the seaway intermittently to shipping. The potential closures will have an effect on shipping, and the Port has been expressing concerns about the possible Seaway closure. Director Roller asked why the waters are rising other than due to natural rainfall. Mr. Friedman replied that it's mostly due to the excessive precipitation and tremendous rain during the spring. Director Moore asked how the Spliethoff contract would be effected. Mr. Friedman replied it would be covered under the contract as acts of God and the Port would be unable to hold Spliethoff accountable for missed or late calls. Director Ramsey asked whether the Port is working with other industrial ports along the Seaway. Mr. Friedman replied yes, there have been discussions about the potential of a \$50 million per day impact to the economy if the Seaway were to close.

Director Ronayne asked for an update on the Great Lakes Restoration Initiative. Mr. Friedman replied that the President's budget proposal zeroed out funding. Congress then restored funding to \$300 million through September 30. The Port's delegation is supportive of fully funding the Initiative.

Mr. Friedman then noted that the City Club of Cleveland is hosting Dan Egan who will discuss his view on the role that freighters have in introducing invasive species. One of his proposed solutions is closing the Seaway. However, due to the advancement in ballast water treatment, there have been no new invasive species introduced to the Lakes for many years. Director Roller asked whether Mr. Egan has support. Mr. Friedman stated that he does have some support but it isn't significant. There is a technological solution other than closing a main trade artery such as the Seaway.

Mr. Friedman noted that Brigadier General Mark Toy with the U.S. Army Corps of Engineers (USACE) has been very communicative regarding dredging. General Toy has noted he's waiting for guidance from attorneys regarding next steps regarding the lawsuit ruling. It's likely the USACE is trying to decide whether to appeal.

## **BUDGET & ADMINISTRATION COMMITTEE**

### ***Agenda Item 4(C)(1)(a) – Consideration of Port Authority Tax Levy***

Mr. Friedman addressed the Board and referred to a presentation attached hereto as "**Exhibit A.**" Chairman McNair noted that there is a light slate of issues on the ballot in November and this is likely an opportune time to pursue renewal of the levy.

Director Moore asked Chairman McNair to elaborate on how the Port can participate in the Mayor's Neighborhood Initiative and how the Port could provide funds. Chairman McNair replied that the Port has been active in improving neighborhoods through the bond finance program which brings many projects to the Cleveland area. Director Smith also suggested that the Port could better explore

the New Markets Tax Credit program to be more of a financial partner of neighborhood support. Director Moore encouraged exploring how the Port's Strategic Plan aligns with the neighborhood initiative. Mr. Friedman replied that the renewal recommendation is scaled to sustaining the existing strategic plan over the next five years. Director Moore encouraged the Board to be thoughtful about the Port's role in the future as it relates to neighborhood development.

On motion by Director Ronayne, seconded by Director Smith, and unanimously carried,

RESOLUTION NO. 2017-21

A RESOLUTION DECLARING THE NECESSITY TO LEVY A TAX OUTSIDE THE TEN-MILL LIMITATION FOR ALL PURPOSES OF THE CLEVELAND – CUYAHOGA COUNTY PORT AUTHORITY AT A RATE NOT EXCEEDING 0.13 MILL AND REQUESTING THE COUNTY FISCAL OFFICER TO CERTIFY THE DOLLAR AMOUNT OF REVENUE THAT WOULD BE GENERATED BY SUCH TAX

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

**REAL ESTATE & DEVELOPMENT FINANCE COMMITTEE**

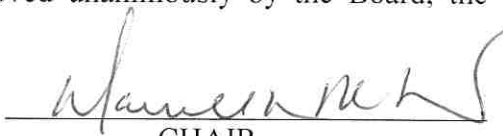

***Agenda Item 4(C)(2)(a) – MBE/FBE Update***

Mr. Garth Woodson addressed the Board and referred to a presentation attached hereto "**Exhibit B.**" Director Hoogenboom suggested that at least once a year the Board review best practices and decide how to leverage resources. Director Roller asked where the 28 percent fits into the required range. Mr. Woodson replied that the minimum requirement/goal is 20 percent. Chairman McNair asked whether the MBE/FBE numbers were separated. Mr. Woodson replied yes, and that the FBE numbers are higher than the MBE numbers. Director Moore asked when the last time was that the goal was evaluated and suggested it should be re-evaluated. Mr. Wilcox replied that it hasn't been evaluated in some time, but that the Port is in alignment with both City and County standards. Chairman McNair, Mr. Friedman and the Directors agreed that the Board should spend time on revising and updating the policy in the near future.

**PUBLIC COMMENT PERIOD**

Chairman McNair then opened the floor for public comment related to non-agenda items.

There being no public comment, Chairman McNair requested a motion to adjourn. On motion by Director Ramsey, seconded by Director Smith and approved unanimously by the Board, the meeting was adjourned at 9:45 a.m.

  
CHAIR  
  
SECRETARY