

## **MINUTES**

### **CLEVELAND-CUYAHOGA COUNTY PORT AUTHORITY BOARD OF DIRECTORS MEETING Thursday, December 14, 2023**

The Meeting of the Cleveland-Cuyahoga County Port Authority Board of Directors was held at the Port Offices (1100 W. 9<sup>th</sup> Street) on Thursday, December 14, 2023 with notice of the meeting information provided to the public in advance. The meeting was called to order by Chairman Holmes at 9:08 a.m. Attendance by roll call showed the following:

#### **PRESENT**

Luis Cartagena  
J. Stefan Holmes  
Andrew Jackson  
Daniel O'Malley (9:14 a.m. arrival)  
Teleangé Thomas  
Dave Wondolowski

#### **ABSENT & EXCUSED**

Margot Copeland  
Darrell McNair  
Peggy Zone Fisher

#### **ALSO PRESENT**

C. Beck, GIS/Environmental Specialist  
M. Bocanegra, Chief Legal Officer  
J. Dugan, Senior Accountant  
M. Freilino, Manager, Exec. & Admin Operations  
W. Friedman, President & CEO  
D. Gutheil, Chief Commercial Officer  
J. Magyar, Vice President, Operations & Facilities  
C. Naso, Chief Financial Officer  
R. Winslow, Vice President, Development Finance  
G. Woodson, Director, Development Finance & Inclusion (via zoom)  
D. Wilcox, Climaco, Wilcox, Peca, & Garofoli Co., L.P.A  
S. Simpkins, Climaco, Wilcox, Peca, & Garofoli Co., L.P.A  
N. Edwards, Black Contractors  
J. Baker, Jr., ILA  
M. Ryzmek, Share the River  
J. Ridge, Share the River  
P. VanRumppe, Walter Haverfield

#### **APPROVAL OF MINUTES**

The minutes of the Board of Directors meeting of November 9, 2023 were presented for approval by the Board, copies having been delivered in advance to all Directors. On motion by Director Wondolowski, seconded by Director Jackson, and unanimously carried by roll call vote, the Minutes of November 9, 2023 were unanimously approved (5-0).

### **PUBLIC COMMENT PERIOD**

Mr. Norm Edwards, President of the Black Contractors Group and the American Center for Economic Equality addressed the Board and stated he has serious concerns surrounding amendment of the Port's prevailing wage Policy. He stated part of the success of employing black contractors in Cleveland is due to prevailing wage and removing prevailing wage will negatively impact and even reverse the progress that has been made. He thanked the Board for their time and asked the Board to reconsider amendment of the prevailing wage policy.

Chairman Holmes thanked Mr. Edwards for seeking equality for all throughout his career and stated he appreciated his comments. To clarify, Chairman Holmes stated the Board voted to not require full prevailing wage compliance on all development projects financed by the Port, however prevailing wage is still offered as an incentive.

The Chairman and President both deferred their comments and Chairman Holmes proceeded with the Agenda. Mr. Friedman invited guests Mr. Jim Ridge and Mr. Mickey Rzymek of Share the River to address the Board. Mr. Ridge noted Share the River is a non-profit that promotes the social, recreational and economic vibrancy of Cleveland's waterfront. This is the 5<sup>th</sup> year hosting Blazing Paddles in Cleveland and it attracted 725 paddlers from 18 states and 3 countries. Mr. Ridge thanked Mr. Jared Magyar and the Port of Cleveland staff and Board for their ongoing efforts and support of Share the River's endeavors.

### **REAL ESTATE & DEVELOPMENT FINANCE COMMITTEE**

#### ***Agenda Item 4(C)(1)(a) – 89<sup>th</sup> Rising Housing Development (Phase I) Project Taxable Lease Revenue Bonds***

Ms. Rhonda Winslow addressed the Board and referred to a presentation attached hereto as "**Exhibit A**"(slides 1-6). Director Wondolowski asked about the project contractor and noted it's ironic that the two projects before the board today are both prevailing wage pointing out that the change in policy didn't affect the two projects. Ms. Winslow replied the contractor is Developer Specialty Services. Director Thomas asked for the project timeline. Ms. Winslow replied the timeline is aggressive, closing in the first quarter of 2024 and breaking ground simultaneously. Hopeful completion is early end of 2025. Chairman Holmes noted this collaboration can be a model for how to assist minority developers in the future. Director Wondolowski asked whether Chairman Holmes is conflicted on the vote since he serves as President of the Fairfax Development Board. Chairman Holmes replied that the Fairfax Development Board is not involved in the project and after conferring with counsel, Mr. Dennis Wilcox, he was assured there is no conflict. Director O'Malley asked whether affidavits are required regarding compliance with the prevailing wage requirements for the project. Ms. Winslow stated that there is language in the construction management agreement requiring affidavits and there is the ability to ask for additional information. Director Wondolowski asked if certified payrolls are being collected. Mr. Woodson replied that certified payroll reports are attached to monthly disbursement requests, so it is trackable whenever necessary. Director Wondolowski stated that it should be tracked now more than ever.

On motion by Director Thomas, seconded by Director Wondolowski, and approved by roll call vote unanimously (6-0),

RESOLUTION NO. 2023-40

A RESOLUTION AUTHORIZING AND APPROVING THE ISSUANCE AND SALE OF CLEVELAND-CUYAHOGA COUNTY PORT AUTHORITY TAXABLE LEASE REVENUE BONDS, SERIES 2024 (89TH RISING HOUSING DEVELOPMENT PROJECT) IN THE AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$6,000,000 FOR THE PURPOSE OF FINANCING "PORT AUTHORITY FACILITIES" WITHIN THE MEANING OF SECTION 4582.01, OHIO REVISED CODE, INCLUDING PAYING OR REIMBURSING THE COSTS OF ACQUIRING, CONSTRUCTING, EQUIPPING, INSTALLING A RESIDENTIAL HOUSING PROJECT LOCATED IN THE CITY OF CLEVELAND, OHIO TOGETHER WITH VARIOUS SITE IMPROVEMENTS; AUTHORIZING THE ACQUISITION OF A LEASEHOLD INTEREST IN THE PROJECT SITE; AUTHORIZING A CAPITAL LEASE TO PROVIDE FOR THE LEASING OF THE PROJECT FACILITIES AND PROJECT SITE BY THE PORT AUTHORITY TO 89TH RISING LLC FOR THE PAYMENT OF BOND SERVICE CHARGES ON THE BONDS; AUTHORIZING THE EXECUTION AND DELIVERY OF A GROUND LEASE, A CAPITAL LEASE, A CONSTRUCTION MANAGER AGREEMENT, A BOND PURCHASE AGREEMENT, AND OTHER INSTRUMENTS, STATEMENTS AND DOCUMENTS NECESSARY IN CONNECTION WITH THE ISSUANCE AND SECURING OF THE BONDS; AND AUTHORIZING AND APPROVING RELATED MATTERS

was adopted. 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)(1)(b) – Grand River Walk TIF Project Bond Fund Tax Increment Financing Bonds***

Ms. Rhonda Winslow addressed the Board and referred to a presentation attached hereto as "**Exhibit A**" (slides 7-11). Chairman Holmes asked whether the closing fee is shared. Ms. Winslow replied the \$53,700 is the Port's portion. Mr. Kaplan noted there is a separate closing fee issued to the Lake County Port as well. Director Jackson asked if the project was prevailing wage. Ms. Winslow replied no, wage policies don't apply since it's outside of our territory. Director Wondolowski volunteered to monitor the project to see who's being hired. Director Cartagena asked whether any information is required on diversity spend. Ms. Winslow stated the Port has a best efforts policy of 30% inclusion requirement on all projects.

On motion by Director Wondolowski, seconded by Director Jackson, and approved by roll call vote unanimously (6-0),

## RESOLUTION NO. 2023-41

A RESOLUTION AUTHORIZING THE ISSUANCE OF PORT AUTHORITY REVENUE OBLIGATIONS IN THE MAXIMUM AGGREGATE PRINCIPAL AMOUNT OF \$6,000,000, TO FINANCE COSTS OF "PORT AUTHORITY FACILITIES," WITHIN THE MEANING OF OHIO REVISED CODE SECTION 4582.01, CONSISTING OF URBAN REDEVELOPMENT PROJECTS; AUTHORIZING THE EXECUTION OF A COOPERATIVE AGREEMENT, A SUPPLEMENTAL TRUST INDENTURE, A BOND PLACEMENT AGREEMENT, A TAX LIEN SALES AGREEMENT, A TAX INCREMENT FINANCING DECLARATION, A CONSTRUCTION SERVICES AGREEMENT, A PAYMENT GUARANTY, A COMPLETION GUARANTY, AND CERTAIN OTHER AGREEMENTS AND DOCUMENTS IN CONNECTION WITH THE FOREGOING; AUTHORIZING THE USE AND DISTRIBUTION OF A DISCLOSURE STATEMENT IN CONNECTION WITH THE SALE OF THOSE REVENUE OBLIGATIONS; AND AUTHORIZING AND APPROVING RELATED MATTERS

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

### **BUDGET & ADMINISTRATION COMMITTEE**

***Agenda Item 4(C)(2)(a) – 2023 Operating Forecast; Agenda Item 4(C)(2)(b) – 2024 Operating Budget; Agenda Item 4(C)(2)(c) – 2024 Capital Budget***

Mr. Carl Naso addressed the Board and referred to a presentation attached hereto as "**Exhibit B**". Director Wondolowski asked how hiring decisions are being made without discussion or Board approval. Mr. Friedman replied that professional services under \$150,000 doesn't require board approval as long as it's a budgeted expense. Director Wondolowski suggested a board review of the professional services requirement to require more transparency since the Port is a public agency. Referring to the salaries and benefits line of "**Exhibit B**", Director Wondolowski noted that with 17 staff, that's \$235K per employee which sounds steep. Mr. Friedman noted that number includes benefits and healthcare. Director O'Malley asked whether the government affairs position was budgeted for 2024. Mr. Friedman replied that it's been divided in-house and with consultants as it has been previously. Director Wondolowski asked whether Mr. Ernie Cade's contract would be renewed. Mr. Friedman replied yes.

On motion by Director Holmes, seconded by Director Wondolowski, and approved by roll call vote unanimously (6-0),

## RESOLUTION NO. 2023-42

A RESOLUTION ADOPTING THE 2024 OPERATING BUDGET OF THE CLEVELAND-CUYAHOGA COUNTY PORT AUTHORITY FOR THE FISCAL YEAR BEGINNING JANUARY 1, 2024

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

On motion by Director Holmes, seconded by Director Wondolowski, and approved by roll call vote unanimously (6-0),

RESOLUTION NO. 2024-43

A RESOLUTION ADOPTING THE 2024 CAPITAL BUDGET OF THE CLEVELAND-CUYAHOGA COUNTY PORT AUTHORITY FOR THE FISCAL YEAR BEGINNING JANUARY 1, 2024

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

**BUDGET & ADMINISTRATION COMMITTEE**

***Agenda Item 4(C)(2)(d) – 2024 Appropriations***

Mr. Carl Naso then addressed the appropriations from the General Fund for the period from January 1, 2024 to December 31, 2024 and referred the Board to the categories of expenditure identified in Resolution No. 2023-44.

On motion by Director Holmes, seconded by Director Wondolowski, and approved by roll call vote unanimously (6-0),

RESOLUTION NO. 2023-44

A RESOLUTION TO MAKE APPROPRIATIONS FOR THE CURRENT EXPENSES AND OTHER EXPENDITURES OF THE CLEVELAND-CUYAHOGA COUNTY PORT AUTHORITY DURING THE PERIOD FROM JANUARY 1, 2024 THROUGH DECEMBER 31, 2024

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

**PUBLIC COMMENT PERIOD – Non-Agenda Items**

No public comment regarding non-agenda items.

**EXECUTIVE SESSION**

Director Wondolowski suggested a motion to have the discussion of Mr. Friedman's performance review during the public portion of the meeting in the spirit of transparency. Mr. Wilcox replied that it is provided under Ohio law that public agencies are permitted to go into Executive Session to consider the compensation of a public employee and there is no violation of the Ohio Open Meetings law by going into executive session for such purpose. Director Jackson stated it's not appropriate or fair to the President to have his performance review conducted in front of staff. Chairman Holmes agreed and stated that Executive Session is the appropriate place to conduct the review.

On motion by Director Thomas, seconded by Director Jackson and by roll call vote (4 yeas: Cartagena; Holmes; Jackson; Thomas and 2 nays: O'Malley; Wondolowski) the Board of Directors entered into Executive Session at 10:53 a.m. for the following purpose: to consider the compensation of a public employee pursuant to R.C. 121.22(G)(1). The Board exited Executive Session at 12:13 p.m. and reconvened the meeting at 12:14 p.m.

### **BUDGET & ADMINISTRATION COMMITTEE**

#### ***Agenda Item 7(A) Consideration of Resolution No. 2023-45***

On motion by Director Thomas and seconded by Director Jackson, Resolution No. 2023-45 was introduced, authorizing a salary for William D. Friedman, President and Chief Executive Officer of the Port Authority of \$355,470 and authorizing a bonus for 2023 in the amount of \$10,404. Upon discussion of the motion, Director O'Malley stated he supports the authorization for the increased salary for 2024 but did not believe he had sufficient information to vote on a 2023 bonus. Director Wondolowski concurred.

Director O'Malley then made a motion to amend Resolution 2023-45 to remove section 1 of the Resolution and any other reference in the Resolution to authorizing a bonus for 2023. The motion to amend the Resolution was seconded by Director Wondolowski and the motion to amend Resolution 2023-45 was approved by roll call vote unanimously (6-0).

On motion by Director O'Malley, seconded by Director Wondolowski, and approved by roll call vote unanimously (6-0),

#### **RESOLUTION NO. 2023-45**

A RESOLUTION AUTHORIZING AND APPROVING A SALARY FOR 2024 UNDER THE THIRD AMENDED AND RESTATED PERSONAL SERVICES AGREEMENT FOR WILLIAM D. FRIEDMAN, PRESIDENT AND CHIEF EXECUTIVE OFFICER OF THE CLEVELAND-CUYAHOGA COUNTY PORT AUTHORITY AND PROVIDING FOR ESTABLISHMENT OF BENCHMARKS FOR 2024

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

After adoption of Resolution No. 2023-45 as amended, Chairman Holmes moved to authorize and approve a 2023 bonus of \$10,404 for the Port Authority President and CEO, which was seconded by Director Thomas. On roll call vote resulting in a 3-3 tie, the motion did not pass (Yeas: Holmes, Cartagena and Thomas and Neas: Wondolowski, O'Malley and Jackson).


Chairman Holmes then asked whether a 2023 bonus could be considered at the next Board meeting. Mr. Wilcox noted that Mr. Friedman's current employment agreement with the Port Authority requires consideration of a year-end bonus in December, but there would be nothing preventing consideration of a 2023 bonus in 2024 if the Port Authority and Mr. Friedman agreed to amend the employment agreement to allow consideration of a 2023 bonus in 2024. Mr. Friedman stated he would agree to such a contract amendment.

Director Jackson then moved to amend the Third Amended and Restated Personal Services Agreement for William D. Friedman to permit consideration to award a 2023 bonus at the next Board meeting in 2024, which motion was seconded by Chairman Holmes. Upon discussion, Director Cartagena asked for confirmation that consideration of the 2023 bonus in 2024 is limited to only the next Board meeting and Director Jackson and Chairman Holmes as the movant and second agreed. Upon roll call vote, the motion to amend the Third Amended and Restated Personal Services Agreement for William D. Friedman to permit consideration to award a 2023 bonus at the next Board meeting in 2024 passed 4-0 (Yeas: Holmes, Thomas, Cartagena and Jackson with Directors Wondolowski and O'Malley not voting).

On motion by Director Thomas, seconded by Director Jackson, and unanimously carried by roll call vote, the meeting was adjourned at 12:31 p.m.

Abstentions: 2

Zone Fisher  
McNair

  
\_\_\_\_\_  
CHAIR  
  
\_\_\_\_\_  
SECRETARY