

## MINUTES

### Toledo-Lucas County Port Authority Board of Directors Meeting

August 24, 2006

The Pledge of Allegiance was recited.

#### **ROLL CALL**

The seventh meeting in 2006 of the Toledo-Lucas County Port Authority Board of Directors was called to order at 8:10 a.m. on Thursday, August 24, 2006, at One Maritime Plaza, 3<sup>rd</sup> floor, Toledo, Ohio.

The following members were present: Chairman Doni Miller, Vice Chairman William J. Carroll, and Directors Bruce Baumhower, Margarita De Leon, Kenneth E. Dobson, Dennis C. Duffey, R. Michael Frank, Dr. Jeri A. Milstead, Thomas W. Palmer, G. Opie Rollison, Nadeem S. Salem, Daniel L. Smith, and A. Bailey Stanbery.

#### **APPROVE MINUTES OF THE MEETING OF JULY 27, 2006**

The July 27, 2006 minutes were presented for board approval, copies having been distributed in advance to all directors. On motion by Director Stanbery, seconded by Director Milstead, and unanimously carried, the minutes were approved as submitted.

#### **PUBLIC COMMENT PERIOD**

Chairman Miller requested comments from the public. Hearing none, she proceeded with the order of business.

#### **SECURITE AND NORTH CAROLINA SHORT SEA SHIPPING UPDATE**

David Sanders, president & ceo of PRISM in Washington, DC, updated the board on the status of various projects relative to shipping and the St. Lawrence Seaway.

#### **REPORT BY THE PRESIDENT OF THE PORT AUTHORITY**

James H. Hartung, President, briefed the board on a speech that he will deliver at the American Association of Port Authorities upcoming convention. In addition, he reported on various meetings regarding China and the University of Toledo's Office of Global Initiatives.

#### **RESOLUTIONS AND REPORTS FROM STANDING COMMITTEES & DIVISIONS**

#### **CONSIDER APPROVAL OF EXPENDITURES THROUGH JULY, 2006**

Director Frank, Finance Committee chair, reported that the operating budget through the seven months of 2006 showed operating revenues in excess of operating expenses of \$274,000, which were \$600,497 better than budget. Operating revenues of \$7,930,563 were 2% higher than budget, and operating expenditures of \$7,656,163 were 5.5% under budget.

The July 2006 expenditures were presented for board approval, copies having been distributed in advance to all directors. On motion by Director Frank, seconded by Director Stanbery, and unanimously carried, the expenditures were approved as submitted.

#### **CONSIDER SUPPORT OF PLEDGING REPAYMENT STREAM FROM OHIO 166 REGIONAL LOAN PROGRAM TO NORTHWEST OHIO BOND FUND**

Director Frank presented a resolution in support of an initiative to request the Ohio Department of

Development to pledge the repayment stream of the Ohio 166 Regional Loan Program to the Port Authority's Fixed Interest Rate Bond Program. Pledging this additional reserve will increase the capacity for the Port Authority to issue bonds by about \$18 million.

The Finance Committee recommended adoption of a resolution supporting the plan and urging the Ohio Department of Development to authorize pledging the repayment stream from the Ohio 166 Regional Loan Program to the Northwest Ohio Bond Fund Program.

After discussion, on motion by Director Frank, seconded by Director Palmer, and unanimously carried,

#### **RESOLUTION NO. 65-06**

##### **Authorize Support of Pledging Repayment Stream from Ohio 166 Regional Loan Program to Northwest Ohio Bond Fund**

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

#### **CONSIDER PROJECT FOR CLEVELAND CAVALIERS**

Director Frank presented a resolution for up to \$5.2 million of taxable revenue bonds for part of the financing for a new practice facility for the Cleveland Cavaliers of the National Basketball Association. He noted that the Cleveland-Cuyahoga County Port Authority will own the facility and issue about \$8.9 million of bonds, and the Summit County Port Authority will issue about \$6 million. All of the bonds will be for 20 years and the three trustees will share a first leasehold mortgage. Mr. Frank noted that this project is slated to close in late September or early October, and introduced Timothy Long of R.W. Baird & Co. in Columbus, Ohio. Mr. Long, along with Jerry J. Arkebauer, Vice President of Finance for the Port Authority, answered questions regarding this project's financing.

The Finance Committee recommended adoption of a resolution with the understanding that the Port Authority will not participate unless it is assured that the security being offered is commensurate with the risk.

After discussion, on motion by Director Frank, seconded by Director Palmer, and unanimously carried,

#### **RESOLUTION NO. 66-06**

##### **Authorizing The Issuance And Sale Of A Maximum Aggregate Principal Amount Of \$5,200,000 Of Taxable Revenue Bonds Of The Toledo-Lucas County Port Authority Under The Northwest Ohio Bond Fund Program, For The Purpose Of Financing Costs Of "Port Authority Facilities" Within The Meaning Of Section 4582.01, Ohio Revised Code, For The Use Of Cavaliers Operating Company, LLC; Authorizing The Execution And Delivery Of A Supplemental Trust Indenture To Secure Such Bonds; Authorizing The Execution And Delivery Of A Cooperative Agreement And A Bond Placement Agreement; And Authorizing The Execution And Distribution Of A Disclosure Statement In Connection With The Revenue Bonds; And Authorizing And Approving Related Matters**

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

#### **BUSINESS AND ACTIVITY REPORT BY VICE PRESIDENT OF FINANCE**

Director Frank referred the board to the monthly activity reports outlining investments, reserves, and Passenger Facility Charge activity, as well as outlining the status of the Engineered Plastic Products bankruptcy.

**AIRPORT COMMITTEE**

**CONSIDER ACCEPTANCE OF SMALL COMMUNITY AIR SERVICE GRANT FROM U.S. DEPARTMENT OF TRANSPORTATION**

Director Salem, Airport Committee chair, reported that the U.S. Department of Transportation has issued a grant to the Port Authority in the amount of \$400,000 from the Small Community Air Service Development Grant Program. This program is designed to assist small communities to develop air service initiatives to improve air service and/or reduce air fares in their market. The DOT has awarded the grant to the Port Authority pursuant to an application filed for the development of non-stop service to New York City. The grant agreement must be accepted by August 31, 2006, requires a local cash match of \$200,000, and an in-kind marketing contribution of \$395,000. The in-kind marketing contribution has been secured through local media partners that have committed services and media space to promote the proposed service. The local share for this grant is required to come from community funds, which will include \$100,000 from Airport Reserves and \$100,000 from 2007 Port Authority tax revenues.

The Airport Committee recommended adoption of a resolution authorizing the acceptance of the \$400,000 U.S. DOT Small Community Air Service Development Grant and appropriating \$200,000 from Airport Reserves as the local share for the grant. Upon receipt of sufficient 2007 tax revenue funds, the Airport Reserves will be reimbursed \$100,000.

After discussion, on motion by Director Salem, seconded by Director Baumhower, and unanimously carried,

**RESOLUTION NO. 67-06**

**Authorize Acceptance of Small Community Air Service Grant from U.S. Department of Transportation**

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

**CONSIDER RESTRICTIVE EASEMENT FOR OHIO AIR NATIONAL GUARD MUNITIONS STORAGE COMPLEX**

Director Salem reported that the Ohio Air National Guard 180<sup>th</sup> Fighter Wing is currently working on the implementation of an Alert Readiness Mission at Toledo Express Airport. As part of this new mission, several new facilities and support infrastructure will be built over the next 3-5 years to meet the requirements of this defense operation.

Director Salem reported that the Ohio Air National Guard has requested a restrictive easement from the Port Authority across land not currently included in the lease with the US Government in order to provide the necessary buffer around the proposed munitions facility as required by the Department of Defense.

The Airport Committee recommended adoption of a resolution authorizing a restrictive easement for the purpose of constructing a new munitions storage facility for the Ohio Air National Guard 180<sup>th</sup> Fighter Wing.

After discussion, on motion by Director Salem, seconded by Director Stanbery, and unanimously carried,

**RESOLUTION NO. 68-06**

**Authorize Restrictive Easement for Proposed Ohio Air National Guard Munitions Storage**

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

**BUSINESS AND ACTIVITY REPORT BY AIRPORTS DIRECTOR**

Director Salem referred the board to the airport statistics outlining cargo and passenger traffic for the current period.

**SEAPORT/SURFACE TRANSPORTATION COMMITTEE**

**CONSIDER DREDGING OF CSX BERTHS AND APPROACHWAYS AT FACILITY NO. 2**

Director Smith, Seaport/Surface Transportation Committee chair, recalled that CSX Transportation is responsible for the dredging of its berth corridors and the approaches between the ship channel and those berth corridors. The dredging of the ship channel is the responsibility of the Army Corps of Engineers. A survey of CSX’s approaches and berth corridors indicate a need to dredge a total of approximately 68,467 cubic yards of material to achieve a safely navigable waterway. CSX desires to dredge its approaches and berths under the Port Authority’s umbrella dredging permit and it will give the Port Authority \$360,593.82 to cover dredging and dredge disposal costs.

The Seaport Committee recommended approval of a resolution authorizing the Port Authority to accept the sum of \$360,593.82 from CSX, expanding the Seaport Maintenance Budget to include the additional revenue, and appropriating an additional \$168,606.27 from the Seaport Maintenance Budget to pay the cost of dredging CSX’s two berths and their approaches in 2006, which amount together with an available balance in the existing Seaport Maintenance Budget includes a 10% contingency.

After discussion, on motion by Director Smith, seconded by Director Stanbery, and unanimously carried,

**RESOLUTION NO. 69-06**

**Authorize Dredging of CSX Berths and Approachways at Facility No. 2**

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

**BUSINESS AND ACTIVITY REPORT BY SEAPORT DIRECTOR**

Director Smith briefed the board on seaport cargo movements and current projects being undertaken by this division.

**NEW PROJECT DEVELOPMENT COMMITTEE**

**BUSINESS AND ACTIVITY REPORT BY VICE PRESIDENT OF NEW PROJECT DEVELOPMENT**

Director Duffey, New Project Development Committee chair, reported that there were no action items. He updated the board on current projects and activities being undertaken by this division.

**HUMAN RESOURCES COMMITTEE**

Director Milstead, Human Resources Committee chair, reported that there are no action items. She updated the board on the status of the evaluation procedure for the Port Authority President.

There being no further business, the meeting adjourned at 9:30 a.m.

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Chairman

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Secretary