

VERMILION PORT AUTHORITY MEETING MINUTES

November 7, 2019 – 6:30 p.m. @ Vermilion Municipal Complex, 687 Decatur Street, Vermilion

Roll Call: R. Strauss; P. Corogin; D. Miklos; T. Sommer
Present: B. Yancar, PORT OPERATIONS MGR; F. Loucka, COUNCIL REPR
Guests: Bill McCarthy

Chairman Randy Strauss called the meeting of November 7, 2019 to order.

APPROVAL OF MINUTES:

D. Miklos MOVED; T. Sommer seconded to approve the meeting minutes of October 3, 2019. Roll Call Vote 4 YEAS. MOTION CARRIED.

CORRESPONDENCE:

Bill Yancar reported he submitted the Minority Business Enterprise (MBE) Quarterly Report which came from the state.

FINANCIAL REVIEW:

B. Yancar provided the port members with a Statement of Cash from Revenue and Expense as of 1/1/2019 – 9/30/2019. According to the statement, the beginning balance for Fund 214 'Vermilion Port Authority Special Revenue' was \$14,153.54. The net revenue as of 9/30/2019 is \$136,607.19. Expenses were \$105,434.71, which left them with an unexpended balance of \$45,326.02. If you subtract the encumbrances there is a balance of \$40,2017.73. In comparison to 2018 at this point, they were at \$39,673.83, so they're about \$533.90 over what they were this time last year. The beginning balance in Fund 411 'Port Authority Capital' was \$3,761.22 with a net revenue of \$19,135.00, leaving the ending balance as of 9/30 at \$22,896.22. In comparison to 2018, they are up \$19,781.35. However, \$10,000 of the 2019 balance includes grant money. R. Strauss complimented B. Yancar for the great job he has done in managing their funds.

B. Yancar noted the finance director is keeping him well-informed about their finances and according to the Revenue Report as of 11/30/2019, the year-to-date revenue is \$149,713.62. At this point last year, it was \$175,957.20, so the revenue at this point is down \$26,243.58, which relates to the loss of revenue at McGarvey's due to the high water. The labor expense year-to-date is \$64,193.96 and last year they were at \$71,924.85, so they're down about \$7,730.89. The expenses total \$116,761.83, and last year at this time they were at \$137,895.00, so they cut their expenses down by \$21,133.17. The expenses for October 2019 total \$11,327.12.

The deposit log showing donations, miscellaneous revenue, water tower fund, event revenue, and all other reimbursements total \$12,428.00.

The Sandusky Bay, LTD lease payment log for 2019 shows a total amount received of \$43,433.76. The Clarion Drive & Water Works Lease Payments collected for the 2020 leases to date total \$4,312.50. One leasee is not returning who leased 50'. However, he has another person with a 45' boat that will occupy the space. The lease payment for this space will drop by \$375 due to the 5' loss. However, they are at full capacity at Clarion. He noted they haven't collected the \$1,500 for the police boat in 2019. This has been communicated to the finance director and it was stated the Port might get a partial payment. He wasn't sure how this was acceptable as it is

identified in the grant. P. Corogin said he was puzzled by this because they don't lease this dock because they get the grant for this dock to pay the Port Authority. This money is earmarked. B. Yancar said the dockage fee is identified in the grant. P. Corogin said the Port Authority fought with this issue last year. B. Yancar said last year the finance director finally gave the money to them. He said the finance director's position is that the money goes into a fund and the city is dumping more money into the police department and now the city must pay them. P. Corogin said this is irrelevant because it's a grant. R. Strauss said if they need to march into Council, they plan on doing this because the money is there for them and they can't lease anything else because of it – it's part of the grant. P. Corogin said had they known this, they would have leased the space out to somebody else. F. Loucka said he would put this on the November 18 Finance Committee agenda, so it's addressed.

B. Yancar said that according to the Street-End/Submerged Land/Riverside Lease Payments, the only ones due are the Exchange Street Park leases. He has collected \$2,587.00 for the 2020 leases. The 2018 receipts for 2019 leases total \$7,175.00; 2019 receipts for leases totaled \$10,787.50. Therefore, the total amount collected is \$22,939.50, which is another component of their cash flow.

He provided the members with a Deposit Recap Sheet for all revenue that includes the South Street Launch Ramp, McGarvey's Landing, Water Works Marina, Events/Misc. Revenue, Sandusky Bay LTD, Donations/All, and Lease Income/All Other. The year to date total is \$165,632.76. B. Yancar said he will still collect the following for Clarion - \$2,812.50; Exchange - \$862.50; and Sandusky Bay - \$2,479.27 which totals \$171,787.03, along with an estimated revenue for South Street Ramp - \$750.00 and \$1,500 for the Police Lease. Therefore, the estimated grand total for all revenue is \$174,037.03.

He submitted dock revenue comparisons from 2016 – 2019 on Water Works Marina, McGarvey's Landing, and S.S. Launch Ramp. Water Works Marina MTD for October was \$1,041.00. Total YTD collected is \$50,413.51, which is up by 9.05% from 2018. McGarvey's Landing MTD for October was \$295.00 and YTD collected totaled \$1,421.00 which is down -92.13%; again, due to the high water. The S.S. Launch Ramp revenue for October was \$2,443.00 for a 2019 YTD total of \$34,482.50, which is up 15.95%. In comparing 2018 to 2019, they are up 8.84%. The total revenue for Water Works, McGarvey's, and S.S. Launch Ramp totaled \$86,317.01 versus the \$94,392.80 collected in 2018. Therefore, they were down \$8,075.79 (-8.56%).

Activity Report

B. Yancar provided all port members with a copy of his updated Activity Report, which is on file in the clerk's office.

He reported they winterized Water Works Marina and all docks will be pulled for winter storage except for the Pump out dock. He noted that McGarvey's Landing was winterized, but they haven't pulled the pedestals and they haven't installed the freeze plates, or pulled the handicap dock, which will be pulled on Friday. South Street Ramp has been winterized and the mother/courtesy docks need to be pulled and the kayak dock will be pulled Friday. Additionally, picnic tables will be removed, and they will be closing the office. He noted the mother dock has a leak and Dave Phillips will take it to his marina, so it can be fixed in the spring.

The winterization at Clarion and Exchange Street has been completed.

He addressed dredging and conveyed grants through ODNR are due June 1 of each year, so they have time. As far as permits, KS will do the pre-dredge permit from the Army Corp of Engineers, along with the Ohio EPA permit, federal permits, and they will get the final dredging permit from the Army Corp of Engineers. At one point, they will need to do a mussel analysis and the last time it was done it cost \$13,000, so it's up to the Port Authority to put out bids to find somebody to do this. The other bid process would be the actual dredging. After August of 2020 there is no open water dumping – it will be all upland/inland. R. Strauss said he wasn't on the Port Authority when they started the dredge last time but wondered where the upfront expenses would come from prior to the grant funds. P. Corogin said they had more unencumbered funds which they used and then they were reimbursed. R. Strauss thought they would need to ask the city to front these expenses until they get the grant since the river is an important aspect for the city, and if they don't have the funds because of revenues being down due to the high water, then it's something the city will need to consider. P. Corogin asked B. Yancar if he could find out when they did the last mussel analysis and how much it cost. B. Yancar didn't believe he had this information on file, but thought he had the implementation side of it. G. Fisher said she would check her Port Authority files as it relates to the dredging and mussel analysis.

P. Corogin said in the activity report it identifies securing a sewer cover at Clarion and questioned if this was a danger. B. Yancar said it's a sewer that used to have a cover which is located outside of the parking lot, and it's identified currently by a cone. They are going to get a cast iron cover from the city to put over it. P. Corogin asked if the walkway repair relates to the boardwalk repair. B. Yancar said it's the last 10' that has bowed.

D. Miklos addressed the Water Works Marina roof repairs and B. Yancar said they will address the repairs next spring once they figure out financially what they can do.

R. Strauss asked if the pedestals will be pulled at McGarvey's and B. Yancar said this will happen next week and all the electrical wiring will be identified, so it matches the correct pedestals. The board addressed fixing broken plates, etc. as B. Yancar figured they would pull the pedestals and store them. He has already bought a lot of the parts, and the repairs could be part of their spring projects or daily work. They have already blown out the lines. He noted the prediction is that the water will be higher next year than it was this year. R. Strauss said they will need to pull the pedestals at Water Works Marina this winter if they see water coming up and ice forming. D. Miklos questioned if they should consider pulling these pedestals now. R. Strauss said they weren't in jeopardy last year, so if the city finds somebody to break ice then they might be okay. Members of the port conveyed they forwarded some icebreaking contacts to the Mayor.

B. Yancar addressed the signage at the South Street Ramp and McGarvey's Landing and conveyed he found a company (Innovative Marketing Products LLC) that would address this. The company wants to physically inspect both signs prior to providing a quote. R. Strauss said he hired an art student from the high school to do his sign which is now 27 years old. Every three years or so, he gets an art student to sand and repaint the sign which isn't a big deal. B. Yancar said he hasn't been successful with the art teacher. R. Strauss suggesting paying one of their crew members of the Port Authority to sand and repaint the signs. He asked B. Yancar to still get a price from the sign company. He thought it could be done inhouse more economical. P. Corogin asked Bill McCarthy if he would be interested in doing this as a winter project. B. McCarthy said they would need to take the signs down and purchase the paint, but this is something that could be done over the winter months.

OLD/NEW BUSINESS:

Capital Planning – Long-Term Financial Planning

B. Yancar said he prepared a 20 Year Revenue and Expense Projection, which is on file with the finance director.

R. Strauss thought the finance director had asked B. Yancar to revise his budget for 2020. B. Yancar conveyed that A. Hendricks already revised their budget from \$195,000 to \$173,000. He feels she may cut another \$10,000. As far as their cash position he feels they will be okay. R. Strauss said the Port Authority is managing their money, so why do they need to keep revising the budget. However, he has been told the state has to review all of this and they need to be current as they can be.

P. Corogin referred to the 20-year projection and noted that in 2020 the projected revenue is \$196,999.00 and wondered how it matches up to the 2020 Projected Revenue and Expense Budget Recap spreadsheet. B. Yancar explained there is no direct match as they put the 2020 together by estimating the long-term projection.

R. Strauss questioned how they were going to pay back the port authority debt payment. D. Miklos said they were not as they would play the string out until they get to the end and then refinance it. He said they can make the payment now as it's set up.

B. McCarthy said there are a lot of repairs that need to be addressed. R. Strauss said the parking lot at the South Street Ramp will be a major expense. He said they aren't going to have the money to make that payment down. D. Miklos said they should be able to take the money that they save from paying off the other loan and use it for some of their capital expenditures, and not try to pay this debt down earlier. R. Strauss said if they don't take care of the capital expenditures (maintenance items) they will be much more expensive. D. Miklos didn't think they should be forced on what they should be able to do with this money. They have a balloon payment they need to make in 30 years. F. Loucka said this is a volunteer board and this is a city debt. D. Miklos said they will continue to kick the can until somebody refinances it for 20 more years, and so on. He said to financially hamstring them doesn't make sense.

B. Yancar said they need to be attentive to their spending and manhours. If the revenue increases because of McGarvey's, then he feels the finance director will change the budget to increase it.

B. Yancar reported the need to restripe the parking lot at South Street Ramp, as there are hardly no lines on the main parking lot. B. McCarthy said it will do no good to restripe it until they seal the parking lot due to the wide cracks. The water will get in there and freeze it, and the parking lot will turn into a gravel lot next year. It's all alligatored and it's getting worse every year. They can restripe it to help people see the lines. B. Yancar wasn't sure how they would park vehicles if there are no lines defining the space. This would need to be a spring project if they decide to move forward. The resurfacing project was put in the 2021 budget as a capital expense. T. Sommer wondered if there were any grants available to the Port Authority through ODNR. R. Strauss said ODNR paid to have the parking lot and ramp built, so wondered if there were grants available for the maintenance of what they spent their money on. P. Corogin said

they should contact ODNR to inquire whether grants funds are available. R. Strauss asked B. Yancar to investigate this.

Water Works Well Drains

B. Yancar said he verified with G. Baker and T. Valerius that the plan is still to address this project this year. R. Strauss said they would keep this as an open agenda item.

Ramp Restroom Expansion

The Port Authority has two grants for \$5,000 each. B. Yancar said they will reapply for another grant when able. There are no applications due presently. P. Corogin said if they proceed with this project there are other items to consider such as a hydraulic study, permitting, etc. P. Corogin asked what they did with the utility building at McGarvey's. B. McCarthy said the money came from an Erie County loan and they incorporated it into the work they were already doing. They got a permit and they had to have a hydraulic study. P. Corogin thought they should go back and look at this information to determine what all needs to be done. R. Strauss said he would sit down with the Service Director as well to find out what needs to be done. T. Sommer said they could always go with Plan B with moving the restroom.

Staff Reimbursement Approval

B. Yancar submitted his expense report in the amount of \$150.80.

D. Miklos MOVED; P. Corogin seconded to approve the Port Operations Manager's expenses in the amount of \$150.80. Roll Call Vote 4 YEAS. MOTION CARRIED.

2020 Budget

D. Miklos MOVED; R. Strauss seconded to approve the 2020 budget as submitted. Roll Call Vote 4 YEAS. MOTION CARRIED.

EXECUTIVE SESSION:

P. Corogin MOVED; D. Miklos seconded to adjourn into Executive Session to discuss personnel matters as it relates to compensation. Roll Call Vote 4 YEAS. MOTION CARRIED.

ADJOURNMENT:

Randy Strauss adjourned the meeting upon no further discussion at the conclusion of Executive Session.

NEXT MEETING:

Regular Meeting: TBD in March of 2020 @ 6:30pm at Vermilion Municipal Complex, 687 Decatur Street, Vermilion, OH