

MINUTES

Toledo-Lucas County Port Authority Board of Directors Meeting January 22, 2009

The Pledge of Allegiance was recited.

ROLL CALL

The first meeting in 2009 of the Toledo-Lucas County Port Authority Board of Directors was called to order at 8:00 a.m. on Thursday, January 22, 2009, at One Maritime Plaza, 3rd floor conference room, Toledo, Ohio.

The following members were present: Chairman William J. Carroll, Vice Chairman G. Opie Rollison and Directors Brian H. Bucher, Jerry Chabler, Bernard H. Culp, Margarita De Leon, R. Michael Frank, Thomas W. Palmer, Nadeem S. Salem, and A. Bailey Stanbery.

Director Lloyd A. Jacobs, MD, joined the meeting in progress. The following member was absent: Director John S. Szuch.

APPROVE MINUTES OF THE MEETING OF DECEMBER 18, 2008

The December 18, 2008, minutes were presented for board approval, copies having been distributed in advance to all directors. On motion by Director Palmer, seconded by Director Stanbery, and unanimously carried, the minutes were approved as submitted.

PUBLIC COMMENT PERIOD

Chairman Carroll introduced Doug Harris, managing partner of The Kaleidoscope Group based out of Chicago, Illinois. Mr. Harris stated that at the invitation of Director De Leon, he will be facilitating a two-hour executive dialogue on diversity with the Port Authority's board at the conclusion of the board meeting.

Next, Chairman Carroll requested comments from the public. Hearing none, he proceeded with the order of business.

REPORTS AND COMMUNICATIONS FROM THE CHAIR

Chairman Carroll indicated that he would defer his report to next month due to the diversity discussion.

REPORT BY THE INTERIM PRESIDENT OF THE PORT AUTHORITY

INTERIM PRESIDENT'S REPORT REGARDING ACQUISITION OF GOODS, EQUIPMENT, MATERIEL, AND SERVICES FOR THE QUARTER ENDING DECEMBER 31, 2008

Paul L. Toth, Jr., Interim President, reported on fourth quarter 2008 acquisitions made under Resolution No. 108-89 costing \$10,000 to \$25,000 and paid with funds appropriated in existing budgets, for which all applicable legal requirements regarding bidding have been met. He noted that no action is required by the board.

RESOLUTIONS AND REPORTS FROM STANDING COMMITTEES & DIVISIONS

FINANCE COMMITTEE

CONSIDER APPROVAL OF EXPENDITURES THROUGH DECEMBER 2008

Director Frank, Finance Committee chair, reported that the preliminary first close of the operating budget through December 2008 shows a fund balance of \$882,253 which was \$200,638 over budget. The preliminary operating budget showed total revenues of \$13,234,484 and was 2.6% under budget. Expenses of \$12,352,241 were 4.3% under budget. Airport Division operating revenues were \$6,927,931 or 1.2% over budget; with Airport expenses of \$6,150,199 being slightly over budget. Seaport Division operating revenues of \$1,614,934 were 4.9%

lower than budget; and expenses of \$843,189 were 8.7% lower. New Project Development Division operating revenues of \$492,545 were 19.8% under budget and expenses of 636,287 were 26.6% under budget. Administration operating revenues of \$1,699,689 were 12.2% under budget; while expenses of \$2,223,171 were 11.3% under budget.

The December 2008 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 December 2008 expenditures were approved as submitted.

CONSIDER REQUEST FOR ADVANCE OF TAXES COLLECTED

Director Frank recalled that at the September 2008 meeting, the board authorized the Lucas County Auditor to collect the 0.40 mills tax levy on behalf of the Toledo-Lucas County Port Authority during 2009.

The Finance Committee recommended adoption of a resolution authorizing the Fiscal Officer to request the Auditor to forward those tax receipts to the Port Authority in a timely manner as collected, rather than after the entire collection process is completed.

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

RESOLUTION NO. 1-09

Authorizing Request for Advance of Taxes Collected

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

CONSIDER APPROPRIATION FOR CONSOLIDATED RENTAL CAR MAINTENANCE FACILITY CONSTRUCTION

Director Frank reported that in September 2008, the board authorized a \$500,000 appropriation to cover the initial cost of construction of a Consolidated Rental Car Maintenance Facility at Toledo Express Airport. Those funds were to be reimbursed to Airport Reserves on application and reimbursement from the State of Ohio Infrastructure Bank Loan subsequently authorized by the board. Mr. Frank stated that the Port Authority has executed loan documents for the \$2 million SIB loan; however, there is a processing delay in receiving reimbursement of funds expended to date for the construction.

The Finance Committee recommended adoption of a resolution authorizing an appropriation from Airport Reserves in the amount of \$500,000 to cover construction costs until reimbursement is received from the State of Ohio State Infrastructure Bank. All funds expended under this appropriation will be reimbursed to Airport Reserves.

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

RESOLUTION NO. 2-09

Authorizing Appropriation for Consolidated Rental Car Maintenance Facility Construction

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

Director Jacobs joined the meeting in progress.

CONSIDER RATIFICATION OF EXECUTION AND DELIVERY OF SECOND MORTGAGE TO HCR MANOR CARE SERVICES, INC.

Director Frank stated that on January 15, 2009, the HCR Manor Care Services, Inc. 166 State Loan for \$10 million was closed and funded. During the closing process, HCR requested a second mortgage to be filed since the original financing structure had changed and it is now fronting approximately \$12 million in cash in advance of a future refunding through the Ohio Enterprise Bond Fund. Mr. Frank noted that this request was agreed to and the second mortgage was signed and delivered at the closing.

The Finance Committee recommended approval of the ratification of the execution and delivery of the second mortgage to HCR Manor Care Services, Inc.

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

RESOLUTION NO. 3-09

Authorizing Ratification of Second Mortgage to HCR Manor Care Services, Inc.

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

CONSIDER BOND INDUCEMENT FOR MAUMEE VALLEY COUNTRY DAY SCHOOL

Director Frank reported that Maumee Valley Country Day School, located at 1715 S. Reynolds Road in Toledo, Ohio is planning an expansion that is anticipated to cost over \$10 million. Maumee Valley CDS has asked the Port Authority to consider issuing up to \$8,250,000 of tax-exempt bonds under the Northwest Ohio Bond Fund Program to finance the construction of a new high school, and improvements and renovations to the current school buildings. Mr. Frank noted that consideration of an inducement resolution is the first of two public steps normally taken with the issuing of revenue bonds, with the second step being the actual approval of the issuance of bonds.

The Finance Committee recommended adoption of an Inducement Resolution for the Maumee Valley Country Day School.

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

RESOLUTION NO. 4-09

Authorizing the Execution of an Agreement with Maumee Valley Country Day School or Assigns, Pertaining to the Financing of the Costs of Acquiring, Constructing, Furnishing And Equipping a Facility to be Used by Maumee Valley Country Day School or Assigns, as an Industrial/Manufacturing/Research Facility and Approving Related Matters

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

CONSIDER AMENDMENT TO PORT AUTHORITY INVESTMENT POLICY

Director Frank reported that the Port Authority's investment policy covers investments of the Port Authority's operational reserves, and debt reserve funds in accordance with applicable Ohio Revised Code Sections. The investment policy allows up to 25% of the portfolio to be invested in STAR Ohio. Because of current investment market conditions, it is advantageous to use STAR Ohio more extensively as the Port Authority's investment instrument for its short term or liquidity position in order to increase the Port Authority's overall return on investment.

The Finance Committee recommended the elimination of the Allowable 25% of Portfolio rule regarding STAR Ohio.

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

RESOLUTION NO. 5-09

Authorizing Amendment to Port Authority Investment Policy

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

BUSINESS & ACTIVITY REPORT BY FINANCE DIVISION

Director Frank referred the board to the reports outlining current activities and the trustee report ending 1/2/2009 for the Northwest Ohio Bond Fund.

AIRPORT COMMITTEE

Director Salem, Airport Committee chair, reported on current passenger and cargo traffic for the period ending December 2008. He noted that there were no action items.

SEAPORT/SURFACE TRANSPORTATION COMMITTEE

BUSINESS AND ACTIVITY REPORT BY SEAPORT DIRECTOR

Director Stanbery, Seaport/Surface Transportation Committee chair, highlighted current projects and activities, as well as presented the year end cargo statistics for the seaport. He noted that there were no action items.

NEW PROJECT DEVELOPMENT COMMITTEE

CONSIDER NEIGHBORHOOD ECONOMIC DEVELOPMENT LOAN TO VIVA SOUTH TOLEDO CDC

Director Bucher, New Project Development Committee chair, recalled that the board originally approved a loan for Viva South Toledo CDC in November 2007. The dates in the original resolution have expired due to Viva South taking more than a year to obtain title to the old Carnegie library building located at 1638 Broadway, Toledo, from the City of Toledo.

The New Project Development Committee recommended adoption of a resolution authorizing the expenditure of previously appropriated funds from the Property Tax Fund in the amount of \$115,000, for the purpose of development to the property in the form of a loan, and authorizing the Interim President to enter into a loan agreement with Viva South.

After discussion, on motion by Director Bucher, seconded by Director De Leon, and unanimously carried,

RESOLUTION NO. 6-09

**Authorizing Neighborhood Economic Development
Loan to Viva South**

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

BUSINES AND ACTIVITY REPORT BY DIRECTOR OF DEVELOPMENT

Director Bucher presented the list of current projects for this division, as well as a report detailing Amtrak passenger rail statistics for the period ending December 2008.

HUMAN RESOURCES COMMITTEE

Director De Leon, Human Resources Committee chair, reported that there were no action items.

There being no further business, the meeting adjourned at 8:45 a.m.

Chairman

Interim President