

## **Warren County Port Authority**

### **Meeting Minutes**

**March 12, 2018**

#### **Opening:**

The meeting of the Warren County Port Authority was called to order at 2:13 pm on March 12, 2018 at the Warren County Administration Building, Commissioners' Conference Room by Warren County Port Authority Chairman, Greg Sample. Quorum was present.

#### **Present:**

**Warren County Port Authority Board Members:** Mr. Bolton, Mr. Layer, Ms. Reindl-Johnson, Mr. Sample & Ms. Zindel.

**Warren County Economic Development Staff:** Martin Russell, Matt Schnipke & Brian Beaudry.

#### **Other Attendees:**

Caleb Bell & Nic Gordon – Counsel (Bricker & Eckler)

Andy Brossart – Bradley Payne Advisors

Larry Hollingshead – Resident

#### **A. Approval of Agenda**

The agenda and additional resources were distributed to the board for review and consideration without disapproval.

#### **B. Approval of Minutes**

- No meeting minutes were reviewed at this meeting.

#### **C. Old Business**

- Mr. Russell opened discussion about the potential of the Port creating a bond fund. He said this concept has been discussed in the past. He explained that this would be another tool that the Port could add which would service businesses both inside and outside of Warren County.
- Mr. Brossart & Mr. Bell provided a presentation and overview of how a bond fund is set up the way is which it would operate. Mr. Bell provided some framework for the Board of how other bond funds around the State of Ohio were created.
- Mr. Brossart explained the advantages that a bond fund would bring to deals. He stated that having a large collateral pool of deals would reduce interest rates and provide access to capital at a lower rate than many traditional outlets. Mr. Brossart further said that the deals he envisions would be included in the bond fund are very secure deals and would help this new bond fund be strong and healthy right away. He shared that when 10 deals are reached and included in the fund, it can be rated which will also help in reducing rates.

- Mr. Bolton asked why the other bond funds around the State are not already doing deals with the clients Mr. Brossart envisions. Mr. Brossart and Mr. Russell explained that many of the deals are smaller in nature and would be outside of the immediate service areas that other bond funds service.
- Mr. Bolton asked how professional expenses would be handled and Mr. Bell replied that professional expenses would come out of each deal as is currently the case. He also explained that there are continuing costs to operate the bond fund such as an annual letter of credit. He said that the Port would need to contribute cash reserves up front into a reserve fund, but should also be prepared to siphon a portion from each new deal's fees into the reserve fund so that it continues to stay healthy.
- Some discussion ensued surrounding the topic of whether this fund should service Warren County only or other areas outside of the County. Mr. Bolton said that the Port has agreements with jurisdictions outside of Warren County already to provide other services so it would make sense to allow the bond fund to operate in the same manner.
- Mr. Sample suggested viewing the conversation in broader terms. He said the bond fund would act as another resource that would allow the Port Authority to fill a void in the market. He said there appears to be deals which are not being serviced by other bond funds for a multitude of reasons. He said this would be an opportunity for the Warren County Port Authority to control its own destiny and be resourceful.
- Mr. Bolton asked what the risks of a bond fund are. Mr. Bell replied the biggest risk is reputational should a deal go badly. He said the professionals involved with the underwriting will review deals to ensure they are secure, but there is always a risk that a deal will go badly. He also said that the letter of credit required for a bond fund is not guaranteed each year, and that is why relationships with the banks are very important.
- Mr. Brossart said the professionals involved may suggest not taking a deal if it would mean the fund becomes too centered on a particular industry cluster. This is a fail-safe in case the market would dip. Also, he said it is not wise to have one very large project that could cripple the fund if it goes badly. It is better to have multiple projects of roughly the same size.
- Conversation arose about receiving money from the State. All of the other funds around the State of Ohio were given seed funds initially. Mr. Bell said that the Warren County fund would be the first to open without State assistance, but that doesn't mean the conversation could not be had at a future date.
- Finally, Mr. Brossart said the Port would need to contribute in the range of \$1 million upfront in order to get the fund operational. The Board discussed and was not adverse to that figure. Mr. Bell and Mr. Brossart said they would work to have items ready to be in front of the Board at the March 26<sup>th</sup> meeting.

#### **D. New Business**

- None.

#### **E. Other Business**

- None.

**Adjournment:**

There being no other business, at 3:37 pm, Ms. Zindel made a motion, seconded by Mr. Layer, to adjourn the meeting of the Warren County Port Authority. The next Warren County Port Authority meeting is scheduled for the fourth Monday of March at 3:00pm.

Minutes submitted by: Matt Schnipke

Approved by: Martin Russell