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## **Ad Hoc Transition Committee**

Wednesday, January 13, 2010

8:30 a.m.

One Cleveland Center  
Forum Conference Center  
1375 East 9<sup>th</sup> Street

### **AGENDA**

- I. Adoption of November 25, 2009 Minutes**
  - a. Requested Action: Acceptance by Committee*
  
- II. Selection of Executive Search Firm for permanent President & CEO**
  - a. Requested Action: Acceptance by Committee and Recommend to the Board of Directors*
  
- III. Other Matters**
  
- IV. Adjournment**

**Next Committee Meeting – TBD**

#### **Committee Members**

Bob Smith, Chair

Brian Hall

John Carney

Marc Krantz

Rose Rodriguez-Bardwell

## I. Meeting Minutes

### **Cleveland-Cuyahoga County Port Authority Special Meeting of the Transition Committee November 25, 2009**

#### Committee Members Present:

Robert Smith, Chair  
John Carney  
Marc Krantz  
Brian Hall  
Rose Rodriguez-Bardwell

#### Board Members Present:

Steve Williams  
Richard Knoth  
Robert Peto

Staff Present: Rose Ann DeLeón; Luke Frazier; Melisa Freilino; Eric Johnson; Brent Leslie; Joel Pentz; Brent Leslie; Nancy Spelman.

#### Others Present:

Dennis Wilcox, Climaco; John Baker, Sr., ILA; John Baker Jr., ILA; David Hertz, Dix & Eaton; Majeed Makhoul, Taft.

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Director Smith called the meeting to order at 8:30 a.m. He explained that committee would review the role of the committee and take action to approve the charge to move forward with the replacement criteria for interim and permanent President and CEO.

Director Smith began by reviewing the role and purpose of the Transition Committee. The Committee has been charged by Chairman Williams to act with a sense of urgency with the interim and permanent CEO searches, including: selecting search consultant; managing search process; and establishing criteria for selecting the CEO. Additionally, the Transition Committee plans on assessing both the structure and needs of the organization to align with our mission.

Director Hall had a question regarding the purpose of the Committee and inquired as to whether the committee would be narrowly focused on the CEO search or will the other open positions be addressed. Director Smith stated yes, those positions would also be addressed and discussed in the Transition Committee. Director Carney stated that the CEO and President needs to have input into the organizational structure. He suggested that the committee focus on ideas on organization structure, but the CEO should finalize the based on recommendations by the committee. Directors Hall and Smith concurred with Director Carney. On motion by Director Rodriguez-Bardwell, seconded by Director Hall, the committee voted to approve the role of the Transition Committee.

Director Smith then addressed the replacement criteria for the interim and permanent President and CEO. He referred the committee to a document which includes the previous CEO position description which is hereby attached as Exhibit A. Director Knoth requested that the ideal candidate have a more focused background in dealing with public institutions in the public sector. Director Carney stated that he and Chairman Williams were involved in the search the last time the Board went through the search process. Director Carney stated that at the time the Board wanted to increase maritime and focus on economic development issues. Director Carney stated that Exhibit A needs some tweaking since the port is in a different position now and the direction will need to be refocused. Director Smith stated that in regards to the interim CEO, the criteria should include someone with experience in management and leadership, experience working with the public sector, a strong reputation within the community, experience with difficult situations, and someone who can advance our agenda in the interim.

Director Smith stated that Mr. Brent Leslie, Chief Financial Officer, prepared a list of preliminary search firms to send the Request for Proposals. The list is not inclusive, but is meant to serve as a starting point. The list is hereby attached as Exhibit B. Chairman Williams added that this time around it is important to focus on looking externally outside of Cleveland, but also at the talent that is within the Cleveland as well. Director Smith asked Mr. Leslie the timeline for when responses would be expected back from the search firms. Mr. Leslie referred to the sample RFP/Q for recruitment services hereby attached as Exhibit C. Mr. Leslie replied that December 11, 2009 would be the deadline for responses. The goal is to have a firm engaged by the end of the year and ratified by the new year. Director Smith stated that while the Committee has been charged with acting with a sense of urgency, the Committee will be focused on accuracy and ensuring that the right fit is more important than making an immediate decision.

On motion by Director Carney, seconded by Rose Rodriguez-Bardwell, and unanimously carried, the Transition Committee voted to approve the RFP process. Director Smith then made a motion to adjourn into executive session for the purpose of discussing certain matters in Revised Code Section 121.22(G)(1) specifically to consider the appointment, employment, dismissal and compensation of public employees. On motion by Director Smith and seconded by Director Hall and by unanimous roll call vote, the Committee entered into executive session at 8:42 a.m.

At 10:05 a.m. Director Krantz made a motion to end the executive session. The motion was seconded by Director Rodriguez-Bardwell and was unanimously carried by roll call vote. The meeting was reconvened and Director Smith then made a motion to authorize Brent Leslie to carry out the personnel changes discussed in executive session. The motion was seconded by Director Hall and passed 5-0. There being no further business, the meeting was duly adjourned.

MINUTES APPROVED



Assistant Secretary

**Cleveland-Cuyahoga County  
Port Authority  
Cleveland, Ohio**

**President & CEO**



Bennett Yarger Associates

## Introduction

Bennett Yarger Associates has been retained by the Cleveland-Cuyahoga County Port Authority in Cleveland, Ohio to recruit a new President & CEO to replace Gary Failor who is retiring after twelve years of service. This Profile and Challenge Statement draws upon our discussions with elected and appointed leadership of the Port Authority as well as a range of community leaders. It will be made available to candidates and key sources. It describes the organization, and the professional and personal characteristics the ideal candidate should possess. Interested individuals are invited to learn more about the Cleveland-Cuyahoga County Port Authority at [www.portofcleveland.com](http://www.portofcleveland.com).

## The Cleveland-Cuyahoga County Port Authority

The Port of Cleveland has played a pivotal role in shaping the Cleveland-Cuyahoga County area throughout the years. Shipping from the port began in 1825, and the Cleveland-Cuyahoga County Port Authority was established in 1968 to manage the lakefront maritime operations. Today, the Port of Cleveland continues to be a strong economic asset to Northeast Ohio, with Great Lakes shipping tonnage at nearly 13 million for the year 2005. The Port Authority's maritime services continue to create and retain area jobs and promote international trade.

In 1993, the Port Authority began expanding its role in assisting regional revitalization efforts through the development and implementation of financing programs. By acting on behalf of a borrowing entity as a conduit issuer of special obligation revenue bonds, the Port Authority is enabled by Ohio law to provide financing for eligible public and private capital projects, a listing of which is available for review on the Port Authority's Web site.

Entities borrow money through, not from, the Port Authority by using bonds to access the financial markets for the borrowing of capital. The Port Authority's development finance activities are self-supporting and operate solely on the revenues generated from financing transactions.

## Organizational Design and Governance

Ohio port authorities are statutorily governed by Ohio Revised Code Chapter 4582. The Cleveland-Cuyahoga County Port Authority was formed in 1968 by joint action of the city of Cleveland and Cuyahoga County, and the Port Authority continues to operate today under the original agreement.

The Board of Directors consists of nine members who serve staggered four-year terms. Six directors are appointed by the mayor of Cleveland with City Council approval, and three are appointed by the Cuyahoga County commissioners. The diverse board includes representatives from business, labor and the community. Although appointed by separate political entities, the board has a long history of working by consensus to ensure the success of Port Authority initiatives.

The Port Authority's operating groups currently report to three board committees: the Maritime Committee (Maritime Group), Committee for Regional Economic Advancement (Development Finance Group and Regional Development Group) and the Strategic Development & Administration Committee (Strategic Development Group and Administration Group).

## The Port Authority Today

The Port Authority today is an extremely successful example of a working dichotomy, as reflected in its mission statement:

The overall strategic mission of the Port Authority is to assist private industry in retaining and creating jobs by providing waterborne cargo transportation/services and by providing economic development facilitation through financing services and other development tools in partnership with local and state development agencies.

The Maritime Group provides support to the manufacturing base of the region by supplying transportation services that positively impact the area's competitiveness.

The Development Finance Group provides support to the community's private industry through financing vehicles that enhance the competitiveness of the area.

With its roots in maritime services, the Port Authority has grown from a somewhat "sleepy" maritime services provider to become a true and dynamic mixed use entity. While maritime services remain its core business, the Port Authority is now also recognized by community leaders for its ability to fund large and small economic and community development projects in Northeast Ohio.

### ■ Development Finance Services

In 1993, the Port Authority created its Development Finance Group to foster public-private partnerships to assist in the creation of jobs and community revitalization. To date, the Development Finance Group has provided the financial backbone for such projects as the Rock & Roll Hall of Fame; a brownfield development of a 92,000 square foot manufacturing facility within the core city for Jergens; a multi-level public parking garage in a redeveloped retail center in University Heights; the Cleveland Clinic's Genetics and Stem Cell Research Center; funding of International Steel Group's capital expenditures to assist in resuming production at the Cleveland Works facility; and many others. Since its inception, the Development Finance Group has assisted area businesses in obtaining financing for economic and community development projects totaling \$1.4 billion.

### ■ Maritime Services

Area manufacturers rely on the port to obtain low-cost delivery of raw materials and to help deliver their locally-made products to U.S. and foreign markets. Imported steel comprises the majority of international cargo, while major interlake cargoes include iron ore, limestone and cement. As a destination port, ninety percent of all cargo entering and leaving the Port of

Cleveland is consumed or produced within a 75-mile radius, resulting in an economic impact that is felt close to home. Eight international cargo docks consist of 110 acres of land alongside Lake Erie on the east side of the Cuyahoga River, while the Cleveland Bulk Terminal transshipment facility occupies 44 acres just west of the river. The port averages 12.5 million tons of cargo per year.

The U.S. Coast Guard and Customs officials monitor the Port of Cleveland at all times and both have local district offices. Cameras installed in strategic locations provide 24-hour dockside and perimeter security. In 2004, the Port was awarded the Robert J. Lewis Seaway Pacesetter Award for the sixth time; the award is presented to ports with an increase in international overseas cargo tonnage shipped through the Seaway.

#### ■ **Challenges Facing the New President & CEO**

In any organization with such different and dynamic functions, the issues facing its leadership will be significant and challenging. Some of the challenges facing the new President & CEO include the following:

- **Creating a Vision.** The new President & CEO of the Cleveland-Cuyahoga County Port Authority will be given a unique opportunity to expand the impact the Port Authority has had on the greater Cleveland area. As the financial services arm of the Port Authority has grown, so too have the opportunities for the Port Authority to expand its role as a leader in the region's economic development. It will be up to the new President & CEO to find a way to maximize the potential of both of its diverse business operations.
- **Tax Levy Campaign.** The Port Authority is partially supported by a five-year countywide .13 mill property tax levy. The last year of the current levy collection is 2008. The Board is currently considering increasing the millage and term of the next levy to 1 mill for 30 years in order to provide funding for both a proposed land assembly program and the relocation of port facilities. With respect to the proposed land assembly program, the Port Authority would collaborate closely with the city of Cleveland, Cuyahoga County and the suburban mayors and managers to identify and assemble sites throughout the core city and inner-ring suburbs that are viable for remediation and redevelopment. The long-term goal of this initiative is to develop a "land bank" from which the Port and its partners may begin remediation of properties for future development, thereby creating a "fund in perpetuity" whereby funding from sales of assembled properties will be used for additional land assembly. This initiative will leverage tax revenues for the benefit of the region, driving the economy and offering a competitive edge to businesses seeking to expand or relocate, while strengthening the economic base of the core city and inner-ring suburbs. This initiative may also present an opportunity for the Port Authority to further diversify its services to include real estate development.
- **Port Relocation & Lakefront Development.** Over time, the Port plans to migrate all east side Port Authority operations, with the exception of the proposed ferry, to a location to be identified in the Port Relocation Feasibility Study that is

currently in process. One option for the port relocation envisions the creation of new port facilities and public access space through a newly created confined disposal facility (CDF), connected by highway/rail and infrastructure to the highway system. It is expected that a 175-acre port facility and public access park could be created, generating more economic impact with enhanced uses. In addition to this, a number of other relocation options are being reviewed in the Study. The Port Authority's relocation will create a valuable community asset while allowing the land that the Port would vacate to be taken to a new level of community impact through its redevelopment.

- **Staff Development.** The Cleveland-Cuyahoga County Port Authority has been very fortunate in retaining talented individuals in key positions. Of the 23 member staff, five senior staff report directly to the President. The majority of senior staff has been in their role for at least twelve years. The new President & CEO should be committed to diversity and the building of a knowledgeable and dedicated staff as the Port Authority grows.
- **Trans-Erie Ferry Line/Services.** In the late 1990's, the concept of ferry service to Canada, for both passengers and cargo was identified. A federally funded feasibility study determined that a ferry between Cleveland and Port Stanley, Ontario could be profitable. The Port Authority, Royal Wagenborg (the selected ferry operator) and the Municipality of Central Elgin are working together to establish the service for a 2008/2009 startup. Additionally, the Port Authority received a commitment of \$7M in federal funding to assist with the initiative. The new President & CEO will be responsible for ensuring the completion of this project.
- **Regionalism.** The communities within northeast Ohio have placed a high priority on exploring ways to promote regionalism. The Port Authority board believes that with its existing powers, the Port Authority is positioned to be a facilitator for regional initiatives, as witnessed by the recent creation of a senior staff position for regional development. Additionally, the Development Finance Group has brokered cooperative financing agreements in the city of Lorain, and with the counties of Ashtabula, Lake, Geauga and Lorain, and has jointly financed projects with the Summit County and Toledo-Lucas County port authorities as well as the State of Ohio's bond fund. The new President & CEO will be responsible for expanding the Port Authority's role in regionalism.

In addition to the challenges outlined above, the new President & CEO must bring to the position the ability to develop a vision and clear strategy for evolving the Port Authority and the varied services it offers the community.

The new President & CEO should be well-prepared to work with a very active Board on major issues and the oversight of a \$9M budget. In addition, the new President & CEO will be responsible for building and fostering external relationships with city and county officials and suburban mayors and managers, and building alliances with civic groups including the local chamber of commerce and foundations. He/She should be a consummate

professional and committed to creating a "win/win" situation for all parties involved.

## The Ideal Candidate

The Port Authority seeks a President & CEO who combines vision and attention to detail with the ability to lead a dichotomous organization actively engaged in identifying new and creative ways to revitalize the region. The President & CEO is expected to be a very visible contributor to the public dialogue around growth and development. The desired candidate will be skilled in working collaboratively with elected and appointed officials, as well as the region's business, civic, state and federal leaders, on a wide range of issues. This role is an active advocacy position requiring a wide range of honed skills aimed at gaining consensus while also providing insightful vision and leadership. Successful applicants must demonstrate the ability to manage a complex organization, and recruit and retain skilled staff to carry out the important work of the Port Authority.

The following attributes are sought in the ideal candidate for the President & CEO of the Cleveland-Cuyahoga County Port Authority.

### Personal

- A pragmatic "thinker" with a vision for integrating and implementing new strategies to enhance both services provided by the Port Authority and the community surrounding it.
- A politically savvy administrator with strong negotiation skills. The successful candidate will be a consensus builder able to balance the needs of the Port Authority and the community. He/She must be able to manage ideas and people.
- A strategist with the ability to see the "big picture." He/She must be able to juggle shifting priorities while maintaining focus and control of the organization as an entity. It is estimated that the President & CEO will spend 30 percent of his/her time on Board relations, 30 percent on staff management, 30 percent on external affairs, and the remaining 10 percent on other issues.
- A strong communicator comfortable with being the "executive face" of the Port Authority. He/She must be able to communicate complex issues understandably.
- A person of strong personal ethics and values who is well respected and able to gain the trust of the elected and appointed leadership, staff, business communities, and the neighborhoods.
- An accessible team leader and colleague who is comfortable with delegation and accountability but is not dogmatic or controlling. The Port Authority requires careful decisions and commitments. The successful candidate must work in a collaborative environment, but remain decisive and in charge.

### Professional

- The President & CEO must have exceptional economic development skills and approach the job from the firm perspective of growth and development for the public good.

He/She should have a solid understanding of financing principles for both the public and private sectors.

- He/She must have a demonstrated knowledge of the maritime/port environment and experience in the principles and practices of providing maritime services.
- The ideal candidate will be experienced in working with a board, and have demonstrated board communication skills.
- The President & CEO must have a demonstrated ability to manage the financial aspects of an organization.
- The President & CEO must be a strong manager with proven expertise in building and mentoring a staff and should have the ability to set expectations and manage "up" as well as down. He/She must be aware of the value of technology and information and using those resources to improve decision making and consensus.
- The ideal candidate will have a strong understanding of how to function within and among governmental environments.
- The preferred candidate will have ten or more years of progressively responsible experience in a comparable setting. A Masters Degree in a relevant field of study is expected.

## Salary and Schedule

The search is beginning in late August 2006 and will conclude in late November 2006. The application deadline is October 6, 2006. The salary range is \$175,000 to \$200,000+, with benefits, DOQ. Salary is dependent on negotiation. The successful candidate will negotiate an employment contract.

## How to Apply

Inquiries, referrals, and resumes should be sent with a cover letter and in confidence to:

**Richard Bennett, President**  
&  
**Mark W. Warter, Executive Vice President**

**Bennett Yarger Associates**  
23 Doctors Hill Drive, Suite 100  
Scituate, MA 02066

**Tel: 781/545-7616**  
**Fax: 781/545-8565**

**email: [rbennett@bennetyarger.com](mailto:rbennett@bennetyarger.com)**  
**[mwarter@bennetyarger.com](mailto:mwarter@bennetyarger.com)**

**Electronic correspondence preferred.**  
**Applications should be made electronically to**  
**[www.bennetyarger.com](http://www.bennetyarger.com).**

**Please identify this recruitment on the home page, then complete the application form as directed.**

**Cleveland-Cuyahoga County Port Authority**  
*Preliminary List of Search Firms to send proposal*

Firm	Contact	Street	City	State	Phone Number	Web Address	Email
Battalia Winston	Lynn Brennan	555 Madison Ave	NYC	NY	212/308-8080	<a href="http://www.battaliawinston.com">www.battaliawinston.com</a>	
Boyden Global Exec Search	Tim McNamara	217 E Redwood	Baltimore	MD	410/625-3800	<a href="http://www.boyden.com">www.boyden.com</a>	<a href="mailto:tmcnamara@boyden.com">tmcnamara@boyden.com</a>
Heidrick & Struggles*	Charles Commander IV	303 Peachtree St	Atlanta	GA	404/577-3699	<a href="http://www.heidrick.com">www.heidrick.com</a>	<a href="mailto:commander@heidrick.com">commander@heidrick.com</a>
Howard & O'Brien Assoc	John O'Brien	29525 Chagrin	Cleveland	OH	216/514-8980	<a href="http://www.howardobrien.com">www.howardobrien.com</a>	
Hudepohl & Assoc		2727 Tuller Parkway	Dublin	OH	614/854-7300	<a href="http://www.hudepohl.com">www.hudepohl.com</a>	
JCS Recruitment	Jon Simon	PO Box 1016	Palos Verdes	CA	310/371-2554		<a href="mailto:simon@jcsrecruitment.net">simon@jcsrecruitment.net</a>
Joshua Kim Associates	Sylvester Murray	28 Brandywine Sq	Euclid	OH	216/486-4776		
Korn Ferry		233 S Wacker	Chicago	IL	312/466-1834	<a href="http://www.kornferry.com">www.kornferry.com</a>	
Lear Group	Larry Gregg	578 Dover Center	Cleveland	OH	440/892-9828	<a href="http://www.lear-group.com">www.lear-group.com</a>	<a href="mailto:leargroup@aol.com">leargroup@aol.com</a>
HC Smith	Herb Smith	20600 Chagrin	Cleveland	OH	216/752-9966	<a href="http://www.hcsmith.com">www.hcsmith.com</a>	
Waters-Oldani Exec Recruiters		2508 Dysart Road	Cleveland	OH	800/899-1669	<a href="http://www.watersconsulting.com">www.watersconsulting.com</a>	
Waverly Partners	Eric Peterson	400 Powell Dr	Cleveland	OH	440/892-5961	<a href="http://www.waverly-partners.com">www.waverly-partners.com</a>	<a href="mailto:speterson@waverly-partners.com">speterson@waverly-partners.com</a>
		600 Superior Ave	Cleveland	OH	216/241-7410		

\* Cleveland office

# Cleveland-Cuyahoga County Port Authority

*\*SAMPLE\* RFP/Q for Recruitment Services*

## Request for Proposal

### Recruitment services

The **Cleveland Cuyahoga County Port Authority** is seeking proposals from firms interested in performing recruiting services in the search for a new President and Chief Executive Officer of the organization. This position reports to the Board of Directors and works closely with a variety of public and private partners.

The Port's mission is, in partnership with government and private entities, to assist private industry in retaining and creating jobs by providing access to waterborne transportation facilities, creating development and infrastructure assets and providing financing service.

Qualification statements should be sent to Nancy Spelman, Cleveland Cuyahoga County Port Authority, One Cleveland Center, 1375 E. Ninth Street, Suite 2300, Cleveland, Ohio 44114-1790 and be received no later than **2:00 pm (EST), Friday, December 11, 2009** (for Committee discussion purposes only).

Submissions should include prior related successful recruitments (**preferably should include public bodies, including Port Authorities**), bio of the individual who would be conducting the search, resources that would be allocated to the search process, estimated timeframe to complete, total estimated fees including travel and other expenses. Fees should be quoted on a flat-fee basis or as a percentage of the first year salary. For additional information, contact Nancy Spelman, Human Resource Director, at 216/241-8004 or by email at [nancy.spelman@portofcleveland.com](mailto:nancy.spelman@portofcleveland.com).