



Board of Harbor Commissioners (BHC) Meeting Minutes
Thursday, December 8, 2022 – 8:00am
In-person with Virtual Option
Port Milwaukee – 2323 S. Lincoln Memorial Drive
Milwaukee, WI 53207

Board Commissioners in Attendance:

President Tim Hoelter, Vice President Ron San Felippo, Alderman Mark Borkowski, Diane Diel, Claude Krawczyk, Craig Mastantuono, and Kathy Smith.

Port Milwaukee Staff in Attendance:

Jackie Q. Carter – Interim Port Director/Secretary	Brian Kasprzyk – Chief Engineer
Maria Cartier – Market Development Manager	Selena Cole – Finance Specialist
Matt Gwiazdowski – Engineering Technician	Eric Polzin – Harbor Master
John Dermeyer Jr. – Port Facilities Supervisor	Jonathan Fera – Communications Officer
Alex Carson – City Attorney’s Office	Steve Paczesny – Civil Engineer
Peter Daniels – Civil Engineer	Gerard Guerra – Civil Engineer
Paula Olson – Administrative Assistant/Asst. Secretary	
Jazmine Jurkiewicz – Trade Development Representative	

Others in Attendance:

Peter Hirthe – St. Lawrence Seaway Development Corporation
 Zach Sadowski – STRAND
 William Schmitt – Friends of Lakeshore State Park
 Sue Frautschi – Friends of Lakeshore State Park

I. BHC Meeting Called to Order

Pres. Tim Hoelter called the December 8, 2022 meeting to order at 8:00 am.

II. ACTION ITEMS

- a. October 13, 2022 BHC Meeting MinutesTim Hoelter**

All Harbor Commissioners Voting, Requires majority

Commr. Smith’s motion to approve the Oct. 13, 2022 minutes was seconded by Commr. Mastantuono

Approval was carried by the following vote:

AYES: Commrs. Borkowski, Diel, Hoelter, Krawczyk, Mastantuono, San Felippo, and Smith

NAYS: None

- b. Approve 2023 Board of Harbor Commissioners Meeting Dates Tim Hoelter**
 Commissioner Diane Diel is unable to attend the February 9, 2023 BHC meeting.

Commr. Smith’s motion to approve the 2023 Board of Harbor commissioners meeting dates was seconded by Commr. Krawczyk



Approval was carried by the following vote:

AYES: Comms. Borkowski, Diel, Hoelter, Krawczyk, Mastantuono, San Felippo, and Smith

NAYS: None

c. Approve Federal Marine Terminals Lease Amendment Jackie Q. Carter

- FMT is a current tenant whose original lease started in 1998. This is the 4th amendment to their lease. They are the Stevedores who unload a large percentage of the steel and bulk cargo.
- A significant note, there is a change in how we apply tonnage assessment fees, as an incentive to grow their business.
- We charge them dockage, wharfage, storm water and assessment fees.
- The amendment adds an additional five-year extension that extends them to 2028. They will have the option to extend.
- The rent in this agreement escalates with a dollar amount increase of approximately \$3,000 every two years.

Commr. Smith’s motion to accept the lease amendment was seconded by Commr. Krawczyk

Approval was carried by the following vote:

AYES: Comms. Borkowski, Diel, Hoelter, Krawczyk, Mastantuono, San Felippo, and Smith

NAYS: None

d. Approve 2023 port Tariff Jackie Q. Carter

- Planning for the Port Tariff file going live in April 2023 has been under review since September.
- Part of the review involved comparison to competitor’s rates. Specifically, Great Lakes Ports in areas such as cruising and other commodities that serve us well. In conclusion, we find ourselves positioned right where we need to be.
- The passenger wharfage fee was increased in order to align customer agreements.
- New fees have been added for use of the x-ray trailer, cruise vessel services, gray-water discharge and disposal services at the dock sites in anticipation of the future South Shore Cruise Dock.

Commr. Smith’s motion to accept the lease amendment was seconded by Commr. Diel

Approval was carried by the following vote:

AYES: Comms. Borkowski, Diel, Hoelter, Krawczyk, Mastantuono, San Felippo, and Smith

NAYS: None

c. Approve COFCO Access Easement Alex Carson

BACKGROUND INFORMATION - presented by Alex Carson, Assistant City Attorney with support from Brain Kasprzyk, Chief Engineer, Port Milwaukee

COFCO is a Chinese corporation with facilities throughout the World. The COFCO facility operating on Jones Island is a privately-owned grain facility.

A recent land survey was paid for by COFCO confirming that the only land to their facility is from the public right of way of East Bay Street through Port owned property.



COFCO is not a Port tenant. Therefore, they are not charged for dockage and wharfage but COFCO tonnage is included in the overall Port tonnage totals as reported to the federal government. The original roadway easement was approved by the Port and adopted by City Council on October 18, 1960. Although it expired on May 1, 1977, a handful of companies have occupied this site over the last few decades.

PROPOSED ACCESS EASEMENT AGREEMENT – Alex Carson, City Attorney’s Office

The new easement agreement shall run until January 1, 2043 (20 Years) regardless of the occupant. The original easement agreement included a cost-share agreement for roadway maintenance. Those terms have been updated to include:

- COFCO is responsible for all snow removal at their own expense.
- The roadway will be maintained and repaired by the Port with 75% of costs paid by COFCO and 25% by the Port.
- The Port is responsible for all brush and debris removal at Port expense.
- The agreement includes an option that allows for revocation in its entirety if it becomes unenforceable due to some operation of a federal or state law.

Commr. Krawczyk’s motion to approve was seconded by Commr. Smith

Approval was carried by the following vote:

AYES: Commsrs. Borkowski, Diel, Krawczyk, Mastantuono, San Felippo, Smith and Hoelter

NAYS: None

III. INFORMATIONAL UPDATES

a. Presentation: Friends of Lakeshore State Park (FLSP) William Schmitt, Sue Frautschi

Bill Schmitt is chair Building and Facilities Committee as a volunteer Board member of the Friends of Lakeshore State Park.

Sue Frautschi is a former Board President of the Friends of Lakeshore State Park. Ms. Frautschi is leading the capital fund drive for the building being proposed for Lakeshore State Park.

The capital fund drive focus is to build a visitor and education center and a maintenance garage to enable the DNR to upkeep and enhance the natural habitat at the park.

The overall utilization of the park has reached record numbers. There is strong belief that there is untapped potential for this park. That belief is partially based on the high number of visitors that have been counted on the trails. A record 479,000 visitors came to the park through November 2022. It is one of the highest use Wisconsin state parks; all with no admission fee.

To date in 2022, park staff led 25 educational and interpretive programs for over 4,000 individuals, most of which were school-aged children.

Maintaining their three core values: Education, Conservation and Recreation - They intend to enhance the natural beauty of the land with any structures that are built.



The Port will support ongoing engagement and cultivation of potential donors. The Port has offered to share their 1-page print materials within personal and professional networks to help spread the news about the work to prospective funders or advocates.

b. Discussion: Port Administration Building EIFS Repair Brian Kasprzyk, Peter Daniels

This is an emergency repair including the investigation, design and replacement of EIFS siding failures to the Port Administration building. The concerns stem from the synthetic stucco around the building. The stucco is intended to make the building water tight. It appears that water is getting through to the insulation and causing the EIFS to come loose and crack as well as other damage.

Six failures were illustrated with the north facade being in the worst condition. There is a large open crack with the potential for the stucco to fall off.

Barreintos Design & Consulting, Inc. has provided the Port with a Proposal for Design/Build Services in collaboration with Kraus-Anderson Construction Company which will include an estimate for replacing EIFS on all four sides as well as a conceptual plan for new siding on all four sides of the building.

The preferred option is to repair the entire north side of the building. The other option is to repair just two smaller sections at this time. Note, this would cause mismatched seams and surfaces.

After discussion, President Hoelter stated a consensus amongst BHC members to go with the staff recommendations and go with the larger estimate to replace the entire north side of the building.

IV. PORT MILWAUKEE OPERATIONS REPORT Eric Polzin

The amount of ships in the last two months has been consistent when compared with last year. Grain has been good and steel is up slightly.

Recap of some of the projects done at the end of the season:

The masts for the Denis Sullivan departure were loaded by the Port Operations crew. See <https://www.worldoceanschool.org> ship’s log section for highlights and a breakdown of the trip through the locks to their final destination in Boston.

The River skimmer is out of the water for the winter.

The Port Operations crew has been working diligently to prepare for the first snow of the season. This includes working with the Discovery World crew to winterize Pier Wisconsin.

The Harbor Seagull transducer has arrived and has been installed. Next steps, the City Engineer will do a final electrical inspection. We’ll do a float test of the vessel to be followed by Palmer-Johnson conducting the final run and testing of the marine gear. Finally, we’ll get scheduled for the on-water portion of the marine survey.

Port Milwaukee winter layup forecast for this season is about average with 4 – 5 dock slots. The Great Lakes Michigan has been here all year and they plan on staying through Spring.

The Albert Margaret will dock in early January. Integrity Ostrander plans to dock mid-January. The Stewart J. Cort would like to come back mid-January.



President Hoelter introduced questions regarding winter ship docking relative to space, possible generation of docking fees and supporting local employment. At the present, we are at capacity.

The U.S. market has changed over the years. Relative to this topic, U.S. production of steel has decreased. Therefore, a smaller number of large vessels can handle the cargo. The need for winter docking/moorings is much less.

V. PORT MILWAUKEE FINANCIAL REPORT Jackie Q. Carter

Expenses are at 88%, which is low for this time of year. Note, in the last quarter of the year, we commonly pay some of our larger utility payments.

Revenue is currently 79% Comparatively, it is typically 88% at this time of the year.

We expect end-of-the-year dockage and wharfage payments.

Lease payments for December are expected this month.

Receivables – End of the year outreach will ensue as part of the year-end reporting process.

Staff benefit payouts are expected to result in higher salaries at the year-end. The expected increase is related to Port staff resignations and overtime associated with cruise ship activity in 2022. The cruise schedule for 2023 consists of less weekends. Internal discussions regarding staffing for the 2023 cruise season are forthcoming.

Revenue is estimated to reach 96% of what we projected at \$850,000

\$450,000 of which is rent. Based on projections, we expect to end with approximately, \$170,000 surplus.

VI. PORT MILWAUKEE ENGINEERING REPORT Brian Kasprzyk

Water Levels continue to trend closer to the all-time average. Chart data shows Lake Michigan-Huron water levels at roughly 2 feet above the chart data and approximately 1 foot above the average which are ideal conditions.

2022 Project Overview

A general overview of projects completed in 2022.

Roof Repairs

- **Bradford Buildings** – These are climate-controlled warehouses under FMT’s lease where food grade steel is stored. The customer has regular inspections and cited some major leaking problems. Repairs were made in an attempt to make the buildings water-tight. A new roofing

coating system was installed. The vent stacks for the exhaust heaters were replaced. The overhead doors were also recently replaced.

- **Old Pole Barn** - This building is used by Port Technicians for maintenance and storage. We've had major roof issues and done spot repairs which will no longer suffice. A full, new panel system has been installed.

Paving Projects at the piers – There were multiple paving projects due to washouts from the 2020 storm and other general asphalt maintenance.

- Just north of Terminal 4, the pavement between the tracks was repaved due to poor condition and tripping hazards.
- The area west of Terminal 3 was repaved due to poor condition.
- A large area south of Terminal 4 where bagged salt is stored under the Hoan bridge was repaved due to washouts and poor condition.

The Port drone was used to capture images of the roof and paving projects. Attention was brought to the number of seagulls on the rooftops of the terminal buildings and how it makes roof repairs a challenge.

Fenders – There is ongoing work to trapezoidal fender replacements throughout the terminal slip areas, and timber fender replacements at the corners due to the 2020 storm damage.

Rail projects – The north end of Track 11 was fully reconstructed. Track 11 will be expanded and connected to the yard on the north. An old, unused track crossing on Harbor Drive, which made for very poor driving conditions, was removed and the area was paved. A small washout associated with the 2020 flood near the track at Terminal 1 was repaired.

The repair and upgrade projects totaled near \$1 million in 2022.

Delong Development - The receiving building is still under construction. Grading work has begun in preparation for the new rail. They anticipate the project to be finished by next season. The Port is responsible for site preparation, including demolishing the former buildings, and the rail expansion portion of the overall project.

CG Mackinaw – The US Coast Guard ice-cutter, the *CG Mackinaw*, made its annual stop at the Port to drop off the warm-weather buoys at Terminal 1. The crew gave Port engineering staff a tour of the vessel. On board were also 1200 Christmas Trees that were on route to be dropped off at Navy Pier in Chicago.

VII. PORT MILWAUKEE TRADE DEVELOPMENT REPORT Maria Cartier, Jazmine Jurkiewicz

Maria Cartier, Marketing Development Manager

Tonnage Report through November 2022

- Tonnage is down 6% which is actually good news compared to the beginning of the year where it was down over 30%.

- Grain is also down slightly. Dry bulk is the main cause for the overall numbers being down. Steel Cargo is up 65% which is over 200 metric tons. As discussed in previous meetings, this type of cargo generates a higher revenue.
- Unique Cargo - We brought in some super structure for a super yacht from Antwerp. Drone footage was presented at the meeting. This highlights the stevedore's and Port Milwaukee's abilities to handle complex cargo. Completion of the construction is being done in Manitowoc, WI. The video can be viewed on You Tube.

Events attended by the Marketing Team in the last few months.

- Secretary Romanski with the Wisconsin Department of Agriculture came for a visit. We gave a Port 101. Bo and Pat DeLong also participated and gave us a tour of the DeLong facility.
- In October, Maria attended Export Exchange with Peter Hirthe with the Seaway. This conference is focused in the agricultural space on soy and grain. It brings in lot of international buyers so it was a great experience for making contacts. Many of the folks there have heard about the DeLong facility and are excited for its opening.
- Maria attended the Great Lakes Maritime Task Force meeting on behalf of the Port. We had a visit from a delegation from the People's Republic of China. They were interested in seeing the DeLong and COFCO facilities.
- A Media Event took place on 10/19/2022 to celebrate the end of the 2022 Cruise Season while the last ship was in Port.
- Adam, Maria and Jazmine gave a Port 101 at the West Allis Rotary Club.
- Maria and Jazmine attended the Highway H2o annual meeting that hasn't taken place the last two years. It was a great networking event to meet stakeholders and others who work in the industry.

Public Relations

- Port Milwaukee was mentioned and discussed in an article on WorldGrain.com
- The Port press release was picked up with the news of Adam Tindall-Schlicht's departure.
- John Gurda's latest documentary "People of the Port" aired on PBS.

Jasmine Jurkiewicz, Trade Development Representative presented the Trade Development Report.

- Fox6 article about the cruise ship season ending.
- Funding for the new South Shore Cruise Dock was a big news success story for the Port.
- We made the cover of Cruise and Ferry Itinerary Planning international magazine through a membership with the Great Lakes Cruising Coalition. They sponsored the cover image for which Milwaukee was chosen from all of the submissions to the industry publication. Milwaukee received a great mention in the article about the Great Lakes.

Final Numbers for the 2022 Cruise Season

- 33 vessel calls, 31 that were turn-around. Turn-around stops promote tourism and spending for local businesses.
- 13,600 plus passengers
- The x-ray machine scanned 15,000 – 16,000 bags of luggage that the Port loaded onto the vessels.



2023 Cruise Season

We are expecting 34 turn-around visits and approximately 14,000 passengers. There are two new vessels visiting Milwaukee: Hapag-Lloyd’s Hanseatic Inspiration and Viking’s Viking Polar

Foreign Trade Zone – We did a new production authority expansion for the CNH facility to expand productivity authority for another zone.
GXO Logistics is activated.
We have a total of 8 total activated FTZ sites.

VIII. PORT MILWAUKEE DIRECTOR’S REPORT Jackie Q. Carter

ACTIVITIES & HIGHLIGHTS

American Association of Port Authorities Annual Convention in October was attended by Jackie Carter. This convention was largely focused on National priorities in the Maritime industry. Some topics covered were community engagement and bringing stakeholders in with infrastructure projects. Also discussed was how to find funding resources and acquire Federal Grants including AARPA monies.

US Army Corp of Engineers (USACE) – Chicago District

USACE presented a lot of technical information including plans for the breakwaters. We will continue to be in contact with them.

Wisconsin Economic Development Corporation reached out to us to discuss ideas for a trade venture program. The program participants go to different parts of the World where there might be potential for business development. They asked us for ideas prior to a trip they have planned to Europe.

The City of Milwaukee Sister-City Program is part of the Common Council. They’ve asked the Port for assistance and input for business opportunities with new or existing Sister-Cities.

Public Works Committee – Port received a security grant to address security issues that came out of a Department of Homeland Security audit of the Port. A file was issued by Alderman Murphy after the 2023 budget was adopted to limit our ability to move forward with the South Shore Cruise Dock until we obtained a long-term agreement with a cruise operator. Jackie Q. carter met with Alderman Murphy to discuss the resolution and suggested updated language that would communicate the Alderman’s desire to seek operating agreements from cruise operators, but allowed Port staff to move forward with the development

US Coast Guard – The area Commander and crew visited the Port for a 101 and went on a tour of the Port.

WisDOT – We met virtually with Wisconsin Department of Transportation about an Economic Survey that they are undertaking. We discussed how the Port can support them or provide information.



STAFFING

- The Mayor’s office and DER are handling the recruitment of Port Director. Recruitment closed November 18th. There are no updates at this time.
- DER will post the Trade Development Representative vacancy soon.
- Port Operations Technician testing is scheduled for this week. Once a list of certified applicants is generated by DER, we will schedule interviews.

IX. ADJOURNMENT Tim Hoelter

Pres. Hoelter’s motion for adjournment was seconded by Commr. Krawczyk and carried by the following vote:

AYES: Comms. Diel, Krawczyk, Mastantuono, Smith, VP San Felippo and Pres. Hoelter

NAYS: None

Pres. Tim Hoelter adjourned the October 13, 2022 Board of Harbor Commissioner’s meeting at 10:00 a.m.