Board of Harbor Commissioners (BHC) Meeting Minutes

Thursday, June 8, 2023 – 8:00am

In-Person Meeting

Port Milwaukee – 2323 S. Lincoln Memorial Drive

Milwaukee, WI 53207

**BOARD COMMISSIONERS IN ATTENDANCE:**

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

**BOARD COMMISSIONERS EXCUSED:**

Ald. Borkowski excused at 8:32

**OTHERS IN ATTENDANCE:**

Tia Torhorst

Gregory Bird

Allen Witte

Bob Peschel

Alex Carson

William Baines

**PORT MILWAUKEE STAFF IN ATTENDANCE:**

Korey Garceau – Trade Development Representative

Matt Gwiazdowski – Engineering Technician IV

Gerard Guerra – Civil Engineer II

Peter Daniels – Civil Engineer III

Eric Polzin – Port Operations Manager

John Dermyer Jr. – Port Facilities Supervisor

Brian Kasprzyk – Chief Engineer

Jonathan Fera – Communications Officer

Jackie Q. Carter – Port Director/Secretary

1. **BHC Meeting Called To Order**

Pres. Tim Hoelter called the June 8, 2023 meeting to order at 8:00 am.

1. **ACTION ITEMS**
	1. **Approve Thursday, April 13, 2023 Meeting Minutes**

Presented by Pres. Tim Hoelter

Following consideration and discussion by the Commissioners, VP San Felippo’s motion to approve the April 13, 2023 minutes was seconded by Commr. Smith and carried by the following vote:

**AYES:** Commrs. Borkowski, Diel, Krawczyk, Mastantuono

**NAYS:** None

* 1. **Approve Bike Trail Signage**

Presented by Friends of Hank Aaron State Trail (Friends)

*Friends of Hank Aaron State Trail President, Bob Peschel, discussed the public/private relationship between the Milwaukee County Oak Leaf Trail, WI Department of Natural Resources (DNR), Hank Aaron State Trail, and the Chris Kegel Foundation. This partnership plans to place 32 kiosks along the Oak Leaf Trail. The Hank Aaron State Trail would like to place two kiosks at the southeast corner of Clybourn and North Harbor Drive. The Friends would want to place signage indicating the start of the shared city/county route in front of Discovery World/Summerfest. The kiosks are intended to show cross-town routes for navigating the city. The Friends would fund the signs and manage them. They may include logos of stakeholders and/ or sponsors. The DNR would maintain the signs. Per Operations Manager, Eric Polzin, he did not foresee any issues. Per the BHC, final approval is subject to the development of an easement and maintenance agreement.*

*Following consideration and discussion by the Commissioners, VP San Felippo’s motion to approve the bike trail signage was seconded by Commr. Smith and carried by the following vote:*

**AYES:** Commrs. Borkowski, Mastantuono, Krawczyk and Diel.

**NAYS:** None

* 1. **Approve Contract EN2304 – Wind Turbine Maintenance Contract**

Presented by Brian Kasprzyk

*Mr. Kasprzyk discussed the Wind Turbine Maintenance Contract. This would replace the prior five-year contract, which expired last year. Because there aren’t many organizations with monitoring capability, PowerGrid Partners was awarded a sole source contract. For a period of five years, the contract covers service and monitoring.*

*Following consideration and discussion by the Commissioners, Commr. Smith’s motion to approve the Wind Turbine Maintenance Contract was seconded by Commr. Craig Mastantuono and carried by the following vote:*

**AYES:** Commrs. Borkowski, Krawczyk, VP San Felippo, Diel

**NAYS:** None

1. **INFORMATIONAL UPDATES**
	1. **Report on Available Parcels at Port Milwaukee**

Presented by Brian Kasprzyk

Mr. Kasprzyk provided an update on Port Milwaukee’s available parcels, focusing on the commercial properties at South Harbor, which includes six available parcels. The City Heavy Lift Dock is a 10-acre parcel that is not typically leased. Parcel B on the north end is 0.5 acre and includes a 2,000 square foot building with water and sewer service. Although there have been some inquiries, it has not been leased. Parcel C on Harbor Drive is approximately 6 acres, which includes railroad access and the possibility of sewer and water access. There was an oil spill a while back that has since been remediated and closed. There are current interests being explored. Parcel F is 3.5 acres of bare land with railroad access as well as sewer and water access. In the future, US Oil may be interested in this parcel. Parcel J is 6.5 acres, located on the south end with sewer and water access. There are some restrictions related to building and loading near the Hoan Bridge piers. In the past, it has been used to non-maritime related activities such as construction projects. Parcel K is a 2-acre parcel located in the center of Jones Island on Bay Street. The lot is currently used for trailer parking under two temporary operating agreements.

Parcel L is located behind Lake Express, which is the current and future cruise dock. This parcel is the last waterfront property available with a sizeable lot. A Request for Information (RFI) was previously released, but no acceptable responses were received. The Port is keeping options open, with hopes of a mixed-use property that is ideally associated with tourism. There are public trust restrictions on this lot, which could be explored further with the DNR.

There are around 20 acres available out of a total of 200 acres (10%). There is no active promotion of available parcels. Inquiries are explored as they are received; considering the organization’s needs and the Port’s availability. When contemplating potential leases of the parcels, the Port attempts to focus on maritime or transportation uses.

1. **PORT MILWAUKEE OPERATIONS REPORT – Eric Polzin**

Mr. Polzin provided a ship breakdown since the last meeting, noting that vessel activity is down compared to last year. The 2023 cruise season has begun. Communication and organization are improved with cruise lines. Two new Port vehicles have arrived, and another is on the way. Port assisted with splashing the river skimmer and helped a slag boat break up slag in order to continue operations. The new vehicle barricade has been installed at Pier Wisconsin. It is permanently mounted, but can be folded down to allow vehicles to pass through. The Harbor Seagull has been in the water. Work on getting it operational continues. Staff is dedicated to learn how to operate the boat and get it back in service.

1. **PORT MILWAUKEE FINANCIAL REPORT – Jackie Q. Carter**

Ms. Carter discussed the Port's financial report. The Port is in pay period 10, which is just under 40% of the way through the year and finances are currently below budget in many areas. However, as the shipping season progresses, expenses are expected to increase. When possible, continuous monitoring and shifting occurs. Receivables continue to decline for delinquent counts. As the end of the year approaches, aggressive collection efforts will be prioritized. Revenue is ahead compared to 2022. Cruise revenue accounts have been created to differentiate cruise revenue from the rest of the revenue. Ms. Carter explained special funds which are used for capital, infrastructure, and equipment. Salaries reflect vacancies. Operating expenditures are typical for this time of year. Due to projects, special funds expenditures are higher than usual. There are no real concerns with the current budget or expenses. Due to the current circumstances with City budget, concerning changes are anticipated for the 2024 budget.

1. **PORT MILWAUKEE TRADE DEVELOPMENT REPORT – Korey Garceau/ Jonathan Fera**

Korey Garceau, the new Trade Development Representative introduced himself. Mr. Garceau previously worked as an intern with Lake Express and the Duluth Seaway Port Authority. He recently graduated from the University of Wisconsin – Superior with a degree in Transportation Logistics and Management, with a focus on maritime management. Per Mr. Garceau, tonnage continues to grow strongly compared to 2022. All cargo, including landborne and waterborne tonnage is up 48% over 2022. Dry bulk increase by 61% over last year, salt increased by 84%, cement increased by 34%, steel increased by 12%, and liquid bulk increased by 55%.

Mr. Fera provided an overview of the Port’s media relations activities since the last meeting. Ms. Carter’s appointment continues to gain additional coverage. Ms. Carter appeared on the Talking Trade podcast and the BizTimes podcast. Ms. Carter also appeared on Upfront, a statewide public affairs program. Port was featured in a two-page spread in Dry Cargo International, a trade publication. Coverage of the Port annual report and cruise season media stories continues. Media has also been brought in by visiting cruise ships as well. The Port’s story continues to be told through drone photography, which has received significant attention on social media.

Mr. Garceau went on to mention how the cruise season is off to a strong start, with the first vessel, Viking Octantis that visited on May 4th. A press conference and plaque presentation were held to recognize the first cruise arrival of the season. Two new to Milwaukee ships visited, Hanseatic Inspiration on May 29th and Viking Polaris on June 2nd. Currently, 30 cruises are scheduled for the season.

Mr. Fera shared Governor Evers’ tourism figures which highlights that the greater Milwaukee area saw a record-breaking year for the tourism economy last year, largely due to the Great Lakes cruise industry.

1. **PORT MILWAUKEE ENGINEERING REPORT – Brian Kasprzyk**

Mr. Kasprzyk discussed the water levels, which are stable and slightly above average. Ms. Carter and Mr. Kasprzyk attended the Compound Coastal Flooding Study, which was held at Milwaukee Metropolitan Sewerage District (MMSD) headquarters. Wisconsin Sea Grant and the Wisconsin Coastal Management Program are coordinating the study, which will last many years and involve many stakeholders. They are looking into Milwaukee as well as Marion County, Michigan. The study is expected to provide modeling and mitigation strategies.

Delong development is completed, they are fully operational and receiving product. A grand opening ceremony is forthcoming.

On May 19th, a Union Pacific train derailed, causing extensive track damage, which was later fixed. Railcars are currently being repaired. There were no spills. The track is fully functional. The Port will be responsible for some expenses. Invoices are still coming in. At this time, the total cost is unknown. Upcoming rail inspections are scheduled.

WE Energies dredging is going well and is on schedule, with completion expected in August.

1. **PORT MILWAUKEE DIRECTOR’S REPORT – Jackie Q. Carter**

The Port Director discussed a variety of topics. Elected officials are interested in improving community engagement and promoting Port activity. Ms. Carter attended a port symposium organized by the Port of Green Bay in April, hoping to get ideas for hosting something similar.

Staff was involved with reviewing and submitting a Delong grant application to expand their facility to handle multiple commodities at once. There has been a lot of feedback regarding a potentially concerning gap in service following the closing of COFCO, which handled grain.

The Port hosted a “meet and greet” with WISDOT Secretary Craig Thompson to learn the vision of the Port. Conversations also centered on I-794, which resulted in the need for conversations with other city departments, such as DCD and DPW, as well as the Mayor’s office and others, in order to get on the same page and meet everyone’s needs. Ideally, the City of Milwaukee and Milwaukee County would also connect to have a shared position to back the Governor.

MARAD held a two-day seminar surrounding grants. The Mayor held an executive leadership seminar including all cabinet members. The seminar provided guidance on how to move forward with the challenges facing the city.

The search for a Finance & Administration Officer is progressing. There was a good response, with 28 qualified candidates. There will be a list based on scores, then interviews will be scheduled. The Administrative Assistant vacancy is with DER. There will be a new transfer/ promotional list. Port will implement a performance step in the recruitment for a candidate to demonstrate capabilities. The internal option was chosen because the process moves faster and the individual will have some exposure to City operations. The Crane Operator vacancy is being discussed further with DER. There are not as many crane hours as there once was and the position performs similar duties as the Operations Technicians, which is creating a morale issue.

1. **ADJOURNMENT**

Commr. Mastantuono’s motion for adjournment was seconded by Commr. Smith and carried by the following vote:

**AYES:** Commrs. Krawczyk, Diel and VP San Felippo

**NAYS:** None

Pres. Hoelter adjourned the June 8, 2023 Board of Harbor Commissioner’s meeting at 9:27 a.m.