



Board of Harbor Commissioners Meeting Minutes
October 8, 2020
Port Milwaukee – 2323 S. Lincoln Memorial Drive
Video Teleconference

BOARD COMMISSIONERS IN ATTENDANCE:

Borkowski, Diel, Smith, President Hoelter, Krawczyk, Mastanuono, Vice President San Felippo,

OTHERS IN ATTENDANCE:

- Frank Nicotera – Milwaukee World Festival
- Jason Stuewie – Milwaukee World Festival
- Sarah Smith-Pancheri – Milwaukee World Festival
- Michael Doherty – City of Milwaukee Internal Audit Division
- Lafayette Crump – City of Milwaukee, Office of the Controller
- Kyle Gorman
- Susan Bence - WUWM
- Jeff Fleming – City of Milwaukee Communications and Media relations

PORT MILWAUKEE STAFF IN ATTENDANCE:

- Maria Cartier – Market Development Manager
- Jackie Carter – Port Finance Officer
- Selena Cole – Finance Specialist
- Matt Gwiazdowski – Engineering Technician II
- Jazmine Jurkiewicz – Trade Development Representative
- Wayne Johnson – Port Operations Manager
- Brian Kasprzyk – Senior Management Civil Engineer
- Donna Luty – Asst. Secretary
- Steve Paczesny – Civil Engineer III
- Rhonda Ronsman – Asst. Secretary
- Larry Sullivan - Senior Management Civil Engineer
- Adam Tindall-Schlicht - Secretary

- I. **BHC Meeting Called To Order** **President Tim Hoelter**
 - a. Meeting called to order at 8:00am

- II. **ACTION ITEMS**
 - a. **Approve August 6, 2020 Minutes** **Tim Hoelter**
Commr. Ron San Felippo’s motion to approve the August 6, 2020 minutes was seconded by Commr. Kathleen Smith and carried by the following vote:

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

NAYS: None

b. Approve Contract #673, Bradford Building’s Roof Coating Brian Kasprzyk

Two bids were received in response to Official Notice 673 for the Bradford Buildings Meal Roof Coating work on the South Harbor Tract.

The low bidder, F.J.A. Christiansen Roofing Co., Inc., of Milwaukee, WI, has performed satisfactorily on similar work for Port Milwaukee and the City of Milwaukee. Staff reviewed F.J.A. Christiansen Roofing Co., Inc.’s bid and finds it has met all the requirements of the bid documents. The Contractor has committed to 25% Small Business Enterprise (SBE) utilization. Sufficient funds for the project are available in the Port’s 2020 budget.

Staff recommends that the Board accept the bid, and award Contract #673 to F.J.A. Christiansen Roofing Co., Inc. for its bid of items 1 through 4 for a total price of \$148,223.36. As work is completed, the contractor will be paid the unit price bid for all work authorized and satisfactorily completed.

Commr. Claude Krawczyk’s motion to approve Contract #673, Bradford Buildings Roof Coating, was seconded by Commr. Kathleen Smith and carried by the following vote:

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

NAYS: None

c. Approve Milwaukee World Festival’s (MWF) Capital Improvements..... Frank Nicotera

For several years, MWF diligently pursued a plan to renovate the Children’s Park at Summerfest to make it more welcoming for children and families. Northwestern Mutual has committed to sponsoring the newly named *Northwestern Mutual Community Park*. The project is scheduled to be completed by the beginning of Summerfest, 2021.

Jason Stuewie, MWF’s architectural designer, presented illustrations, mapping, layout and design to the Board, referencing all key factors of construction and implementation.

Commr. Claude Krawczyk’s motion to approve Milwaukee World Festival’s Capital Improvement Request was seconded by Commr. Craig Mastantuono and carried by the following vote:

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

NAYS: None

III. PORT OF MILWAUKEE UPDATES

a. Audit of Port Milwaukee Capital Assets Michael Doherty

The scope of the audit consisted of interviews, process walk-throughs, and sample testing for the period under review.

Michael presented nine (9) recommendations:

A. Policies and Procedures

- **RECOMMENDATION 1:** Create a formalized workflow, work instructions, or procedures describing the removal, addition, monitoring, and security of the Capital Assets processes.

B. Security

- **RECOMMENDATION 2:** Determine if there are physical security vulnerabilities, and create a plan to mitigate those identified vulnerabilities.
- **RECOMMENDATION 3:** Utilize the Capital Asset Renewal Plan (CARP) grant to hire a consultant to assist in identifying assets conditions, assessing potential maintenance costs, and creating a preventative maintenance schedule.
- **RECOMMENDATION 4:** Create a preventative maintenance schedule check list for booked capital assets.

C. Reconciliation of Port Milwaukee Capital Assets

- **RECOMMENDATION 5:** Reconcile Port Milwaukee Finance and Port Milwaukee Operations Database to the Comptrollers list to help ensure financial reporting integrity.
- **RECOMMENDATION 6:** Work with ITMD to limit accessibility to Access Database if the Database will be maintained during Windows version upgrades.
- **RECOMMENDATION 7:** Complete a user access review of the Access Database and schedule user access reviews on a periodic basis.

D. Physical Verification

- **RECOMMENDATION 8:** Create physical verification or cycle counting schedule to help ensure consistency in capital asset recording.
- **RECOMMENDATION 9:** Work with the accounting team of the Comptroller's office to add, delete, confirm and change name of capital assets based on the physical verification results.

Commr. Ron San Felippo asked if there was anything that was found that could be a problem of a greater magnitude in the future. Michael mentioned that all of the assets listed are accounted for and that there needs to be more detail in how these assets are tracked.

- b. Port Capital Asset Renewal Plan (CARP) Implementation Adam Tindall-Schlicht**
The Port's Capital Asset Renewal Plan (CARP) is extremely timely with the recent audit. The \$40K Coastal Management Program award from Governor Evers will ensure that this plan can be implemented. This month calls for Port Milwaukee to select a vendor and initiate the work, which we expect will take 6-12 months.

The CARP Major Deliverables Include:

- A. CARP** – Updated framework for managing the Port's capital assets;
- B. Preventative Maintenance** – Development of an infrastructure renewal budget and schedule for the next 10 years;

- C. **Coastal Resiliency** – Specific analysis on climate change and Great Lakes water levels;
- D. **Public Listening Sessions** – Meetings with the public, community organizations, and government officials during CARP drafting.

Commr. Ron San Felippo asked if we had a Request for Proposal (RFP) and if we expect to get a response soon. He also asked if we were waiting until the next BHC meeting to announce which vendor has been selected. Adam mentioned that we could introduce the vendor at the next BHC meeting.

Adam mentioned that this needs to be reviewed in the December 2020 BHC meeting. Adam also mentioned that we can bring it forward in a committee before the December BHC meeting, if so discussed by the Chair(s).

- c. **DeLong Project Funding & ProgressAdam Tindall-Schlicht, Brian Kasprzyk**
Adam Tindall-Schlicht presented a timeline of the DeLong project funding. The final grant approval of the \$16 million in federal funds should be on time to be presented to the Common Council in December 2020. Brian Kasprzyk presented the Phase I export terminal-preliminary design, and the updated rail-preliminary design. We are anticipating demolition and construction of existing Port structures in 2021.

IV. PORT OF MILWAUKEE FINANCIAL REPORTJackie Carter

- a. **Mayor Barrett’s 2021 Budget Proposal for the Port** - Jackie Carter presented the 2021 Proposed Budget. Adam Tindall-Schlicht acknowledged Department of City Development’s (DCD) Lafayette Crump for his leadership and partnership in terms of the DeLong Project, and again, as recently approved by the Common Council, the Port’s go ahead with utilizing Redevelopment Authority of the City of Milwaukee (RACM) for the city and the Port’s match to bring in \$20 million plus in State and Federal funds for the DeLong Project.

- i. **Finance Report** – The Port’s operating revenue is slightly ahead. We are monitoring our operating costs very closely. The current receivables show significant improvement compared to 2019.

Adam Tindall-Schlicht acknowledged Jackie Carter and Selena Cole for addressing the needed improvements in Accounts Receivable. Since the last Board meeting, more than \$400K that was owed to The Port has been collected.

Jackie and Selena focused on leveraging relationships with clients by contacting them personally about past due accounts. This proved to be very successful to the Port, and was a big factor in collecting due funds. In addition, the one-on-one contact also added to the value of the Port/client relationships.

V. PORT OF MILWAUKEE ENGINEERING REPORTBrian Kasprzyk, Steve Paczesny

- a. **Water Levels** – The October water levels are starting to decrease below all-time highs this year. While the water level has lowered, levels are still higher than desired.

- b. **Wisconsin Center for Manufacturing and Productivity (WCMP) New Grant Equipment**
Brian Kasprzyk stated that the Port has procured a new Underwater Camera, Drone and Sonar. Adam Tindall-Schlicht pointed out that the Port can leverage its authority to use this new equipment for dockwall safety inspections as well.
- c. **DPW Brickwork** – On the south side of Terminal 4, brickwork has been done to repair unexpected damage above the overhead doors, which was a safety concern. Pictures were provided of both the damage and repairs to this and other buildings,
- d. **The Lake Walk** – Steve Paczesny stated that the lake walk work, described in the August Board meeting, has been completed.

The work costs will likely be reimbursed through the Federal Emergency Management Agency (FEMA) as a result of the flooding event from January of 2020.

- e. **Port Bathroom ADA Upgrades** – Steve Paczesny stated the Port will have four (4) bathrooms with two (2) of those being ADA accessible. Photos were shown outlining the tile work and progress. Mechanical, electrical, plumbing and dropped ceiling work is underway.

VI. PORT OF MILWAUKEE MARKETING REPORT Maria Cartier, Jazmine Jurkiewicz

- a. **Trade Development, Marketing and Foreign Trade Zone Report** - Total cargo at the Port is up 3% from last year. Municipal cargo is on par with last year. Given the current conditions of the economy, this is a very positive sign in comparison with other ports. The Port is trending very well with grain and cement. Liquid cargo is down from last year. The trade team has attended virtual events, which will most likely continue into next year. The trade team is facilitating joint calls, and collaborating with customers regarding future opportunities.
- b. **Port Marketing Brochure** – Maria provided the Board with the new Port Marketing Brochure, which provides an overview of the Port with emphasis on commercial service. Design elements and messaging from our annual report and ads were incorporated for consistent branding.
- c. **Public Relations Efforts** – The Port has been very active with Public Relations. Advertising efforts have increased with visibility in magazines and with local and national news outlets.
- d. **Social Media** - The City of Milwaukee Department of Employee Relations and HR Department have been doing a Superhero Saturday’s series. Two (2) Port employees were included in this series. On September 18, 2020, the Milwaukee Journal Sentinel published 56 photos that provided a photographic history of Milwaukee’s Harbor and Jones Island, opening the door for more public engagement in current efforts.
- e. **Foreign Trade Zone (FTZ) Update** - Mercury Marine’s zone expansion was submitted to the FTZ Board on August 26th
 - Coverts the subzone from Traditional Framework to Alternative Framework

- Total of Mercury Marine subzone acreage: 201.35
 - Subtracts one unused site outside of ASF territory (10 acres)
 - Adds three (3) additional plants as new sites (24.35 combined acres)
- Total number of sites: 12
- FTZ Board is awaiting comments from CBP before approval is granted for these changes

Meetings are ongoing with other businesses that are interested in FTZ designation. Staff will provide more details in the future as this becomes more solidified.

- f. **Cruising Update** – Milwaukee’s 2020 cruising season was cancelled due to COVID-19, however, cruising has not stopped. The Port is actively engaged with Viking Cruises to plan for the future.

Adam Tindall-Schlicht made a presentation to VISIT Milwaukee regarding cruise plans in 2021 and beyond.

There is ongoing coordination with the Port of LaCrosse for upcoming Viking’s river cruising itineraries. The Port is participating in the “Cruise The Great Lakes Safety Pledge” to promote a safe cruise experience in 2021 and beyond. This is available on the Port website.

Responding to Commr. Claude Krawczyk’s question about the pandemic’s impact, Jazmine stated there have been no changes to any confirmed schedules.

Commr. Claude Krawczyk also asked about the cruise ship dock. Adam explained The Governor’s Office and Secretary Thompson are working with the Port to identify grant funding opportunities for Viking. The Port pivoted to considering an alternate location for Viking. The Board will continue to be informed of changes and updates.

VII. PORT OF MILWAUKEE OPERATIONS REPORT..... Wayne Johnson

- a. Tim Hoelter recognized Wayne Johnson for his service to the Port, in as much as today is National Habormaster Appreciation Day.
- b. **Vessel Visits** – Year to date, 233 vessel visits, compared to 194 as of this date last year.
- c. **Auction of Unused Vehicles** – The Port’s trucks have been auctioned. Wayne mentioned that he has one (1) tractor and a front end loader that will be auctioned in the next few weeks.
- d. **New Lighting Bollards** – Because of vandalism on the Pier Wisconsin cruise dock, the Port has replaced lighting bollards.
- e. **U.S. Coast Guard** – Our security plan has been approved by the Coast Guard.
- f. **Jones Island Public Access** – Car Ferry Drive will close every night at 8:00pm due to unauthorized activity. The Port will deploy the crash gate with solar lights.

- g. River Safety** – The Port has ordered 40 slow/no wake signs. This will be a project for 2021.

Commr. Craig Mastantuono asked about logs and other debris in the river. Wayne stated that the high waters have made it easier to manage, so it's a non-issue.

VIII. PORT OF MILWAUKEE DIRECTOR'S REPORT..... Adam Tindall-Schlicht

- a.** Adam Tindall-Schlicht was acknowledged by Tim Hoelter for another “40-under-40” Award. Adam thanked the Board for all of their work and engagement.

Adam noted Donna Luty's retirement after 31 years of service with Port Milwaukee. Adam also welcomed Rhonda Ronsman as the transitioning Administrative Assistant III. Until her scheduled retirement in mid-December, 2020, Donna will be training Rhonda. Adam recognized Donna for her hard work and years of dedicated service to the Port of Milwaukee.

- b. Wisconsin Commercial Port Association (WCPA)** – In August of this year, Adam was elected President of the WCPA. This is a lobbying organization that represents all ports in the State of Wisconsin, including those located on Lake Michigan, Lake Superior and the Mississippi River.

- c. Komatsu** – Once the final deal is signed, the overall funds to Port Milwaukee are expected to be between \$600K and \$800K and will go toward cruise development.

Adam explained Port Milwaukee had expected a greater amount, but the costs associated with the environment remediation were much higher than originally anticipated.

- d. UW-Milwaukee School of Architecture** – On September 11th, the Port hosted a walking tour for almost 75 faculty, staff and students from the UW-Milwaukee School of Architecture.

- e. Public Access on Jones Island** – As mentioned by Wayne Johnson in his Operations Report, public access onto Jones Island has been restricted. Car Ferry Drive will close every night at 8:00pm due to unauthorized activity and criminality. This information is also available on the Port's website.

- f. U.S. Coast Guard** – Sector Lake Michigan at the U.S. Coast Guard has new leadership, Captain Donald Montoro. Maria Cartier and Adam Tindall-Schlicht met with Captain Montoro to understand his philosophy and his plans to ensure safety in the Port.

- g. Province of Québec** – The Port will re-engage with the Province of Québec to finalize the memorandum of understanding reported to the Board last year.

- h. Light the Hoan** – The official unveiling is planned to take place on Thursday, October 22, 2020.

- i. **Combined Giving Campaign** – Adam is the City of Milwaukee’s Chairperson for the Combined Giving Campaign.
- j. **Dredged Material Management Facility (DMMF)** – The City is fostering a partnership with State and Federal organizations to remediate the Milwaukee estuary area of concern. These efforts are ongoing.
- k. **South Shore Mooring Permits** – Adam Tindall-Schlicht acknowledged Donna Luty for spearheading fixes to the mooring permit process. She has developed a tracking system to provide up to date information on fees that are due, and contact information for those who need to pay. The Port has about 200 permit holders. The McKinley Marina Mooring Process is under the Jurisdiction of Milwaukee County, while the South Shore Mooring Process is under the jurisdiction of the City of Milwaukee. Adam mentioned that he is not sure what McKinley Marina charges.

A discussion about permitting fees followed.

IX. ADJOURNMENT.....Tim Hoelter

- a. *Commr. Kathleen Smith’s motion to approve the BHC Meeting adjournment was seconded by Commr. Craig Mastanuono and carried by the following vote:*

AYES: Commrs. Borkowski, Diel, Smith, Krawczyk, Mastantuona, San Felippo, Pres. Hoelter

NAYS: None

BHC Meeting adjourned at 10:32am.