

MINUTES OF THE
BOARD OF HARBOR COMMISSIONERS
April 2, 2020
Port Milwaukee - 2323 S. Lincoln Memorial Drive

VIDEOTELECONFERENCE: Commrs. Smith, Krawczyk, Mastantuono, San Felippo,
Pres. Hoelter

PRESENT: Commr. Borkowski

ATTENDANCE via VideoTeleconference:

Jeremy McKenzie, City Attorney's	WTMJ 4 Reporter
Jeff Fleming, DCD	Jazmine Jurkiewicz, Port
Frank Nicotera, MWFI	Brian Kasprzyk, Port
John Emmerich, Discovery World	Larry Sullivan, Port
Daniel Adams, HDI	Jackie Carter, Port
Peter Hirthe, Resident	Wayne Johnson, Port
Zach Sadowski, Resident	Steve Paczesny, Port
Arthur Thomas, Resident	Adam Schlicht, Secretary
Greg Bird, Resident	Donna Luty, Asst. Secretary

Approve February 13, 2020 Minutes

Commr. San Felippo's motion to approve the February 13, 2020 minutes was seconded by Commr. Smith and carried by the following vote:

AYES: Commrs. Borkowski, Diel, Smith, Krawczyk, Mastantuono, San Felippo, Pres. Hoelter
NOES: None

Election of the President and Vice President of the Board of Harbor Commissioners

Commr. San Felippo's motion to nominate Commr. Hoelter as President was seconded by Commr. Mastantuono and carried by the following vote:

AYES: Commrs. Borkowski, Diel, Smith, Krawczyk, Mastantuono, San Felippo, Hoelter
NOES: None

Commr. Mastantuono's motion to nominate Commr. San Felippo as Vice-President was seconded by Commr. Smith and carried by the following vote:

AYES: Commrs. Borkowski, Diel, Smith, Krawczyk, Mastantuono, San Felippo, Hoelter
NOES: None

Approve 2020 Milwaukee World Festivals Capital Improvements, Annual Report and Access Calendar (Frank Nicotera)

Capital improvements for various buildings, equipment and the amphitheater, will cost an estimated \$22,613,873. Updates include adding lighting and updating light fixtures to buildings, installing storm sewer extensions, manholes, and catch basins. Improvements to signage and walkway will be done in parking lot P and the artificial turf at the Klements stage will be replaced.

The fire alarm system throughout the property will be updated to address code changes and the Point of Service equipment will be updated for all vendor locations and for the new amphitheater. This project is slightly under budget and is ongoing.

The new amphitheater will seat approximately 23,800 patrons. The roof was raised in Phase I, and will allow for the same types of rigging and show amenities seen in larger stadiums. All improvements to buildings have been brought up to current standards including two elevator banks and easier access to the grass and bleacher areas. Restrooms were added to the upper level on the south end.

Conceptual plans for the Midgate and children's area will be available for the Board in June.

Frank Nicotera requested the Board's approval for capital improvements.

Commr. San Felippo's motion to approve Milwaukee World Festivals capital improvements was seconded by Commr. Mastantuono and carried by the following vote:

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

NOES: None

The calendar of events is continuously changing due to the Corona Virus. Festa Italiana will not be holding its event. Pride Fest and Polish Fest will be moved to new dates.

Summerfest crews will not be able to start working on the grounds until May. June events will be moved to future dates. MWF will come back in late May or June to report to the Board committees the access calendar and community events. Some festivals could run into October. Summerfest has been moved to September 3-5, 10-12, and 17-19.

Commr. Smith motioned to approve the MWF access calendar subject to changes.

Adam suggested having a Milwaukee heritage festival or a celebration of togetherness for the community on the grounds after the Corona pandemic is concluded. Adam will reach out to MWF regarding this matter. Frank agreed.

President Hoelter requested MWF to bring the access calendar back to the Board's Marketing and Finance & Personnel Committee before the Board meeting on June 11. Commr. Mastantuono agreed.

Commr. San Felippo's motion to amend the first motion to provide the subcommittees to approve any further changes to the access calendar at a separate meeting in May or June without an additional Board meeting was seconded by Commr. Mastantuono and carried by the following vote:

AYES: Commrs. Borkowski, Diel, Smith, Krawczyk, Mastantuono, San Felippo, Hoelter
NOES: None

Frank requested the Board forward any questions regarding the financial statement, to himself or Adam via email.

Commr. Krawczyk questioned a \$9 million donor restriction on the financials. Frank believed it had to do with changes to the tax law and would get back to him.

Commr. Smith's motion to receive the annual report and place it on file was seconded by Commr. Mastantuono. All members were in favor.

Approve Easement for WE Energies Service on Henry Maier Festival Park (Brian Kasprzyk)

WE Energies requested an easement for new underground electric service to the Milwaukee World Festivals leasehold for the Amphitheatre.

Commr. Smith's motion to approve the easement for WE Energies underground electric service to the Henry Maier Festival Park was seconded by Commr. Krawczyk and carried by the following vote:

AYES: Commrs. Borkowski, Diel, Smith, Krawczyk, Mastantuono, San Felippo, Hoelter
NOES: None

Approve Renaming of Port Milwaukee's Harbor Surveyor Vessel (Adam Schlicht)

Larry Sullivan will be retiring on April 4, 2020 after 53 years of service. Larry will continue to support the Port through end December on a part time basis as a consultant. Staff desired to commemorate Larry by way of renaming the Port's new Harbor Surveyor vessel. Staff reached out to various stakeholders and held a community vote. Over 40% who responded wished to name the vessel The Larry Sullivan.

Adam requested the Board approve renaming the Harbor Surveyor to The Larry Sullivan.

Commr. Mastantuono's motion to approve renaming the Harbor Surveyor to The Larry Sullivan was seconded by Commr. Smith and carried by the following vote:

AYES: Commrs. Borkowski, Diel, Smith, Krawczyk, Mastantuono, San Felippo, Hoelter
NOES: None

President Hoelter stated it was a fitting recognition for the years of service Larry committed to the Port/City.

* Commr. Borkowski was excused.

Discussion on Port Milwaukee Operations during COVID-19 Response (Adam Schlicht)

Staff continues to be in coordination with numerous authorities throughout the Corona virus pandemic. Per the City's HR policy, Adam directed all non-essential non-Port operations employees to work from home.

Adam continues to pursue Port stakeholders and other supporters that are helping other ports do best practice from a safety and security standpoint.

A Comprehensive Continuity of Operations Plan was updated with the notion of preserving and maintaining the operations of the Port should any staff contract the Corona virus. Ongoing coordination between Port staff and tenants continue on a weekly basis to make sure operations continue to run through its own individual corporate preparedness/action plans.

This was received as information only.

Discussion on Recent State & Federal Grant Announcements (Adam Schlicht)

The Port received a \$15 million federal grant to replace the Advance building with an agricultural export facility. The State of Wisconsin contributed an additional \$5 million to this effort.

A \$200k multimodal local supplement grant was awarded for ongoing development at the South Shore cruise dock near the Lake Express.

Harbor Assistance grants were awarded to demolish and pave the City Heavy Lift Dock for the intermodal yard and to construct an agricultural export facility. St. Marys cement was awarded a grant for emergency bollard repair and U.S. Oil will received a grant for vapor, storage, and rail improvements.

A \$50k Wisconsin Coastal Management Program award is pending for a Capital Asset Renewal Program Plan.

This was received as information only.

Finance Report (Jackie Carter)

Revenues are slightly behind (18%) due to low activity in the first quarter. Salaries are ahead due to 2019 changes in the salary ordinance.

Jackie continues working on reducing receivables balances.

Revenues and Expenses show more activity in dockage and wharfage in the first quarter compared to last year. A difference in the Foreign Trade Zone fees is the result of billing quarterly rather than annually and there was less activation compared to 2019.

In 2018, the return to tax payers was approximately \$475,000. The current trend is almost over the \$1 million mark.

This was received as information only.

Engineering Report (Brian Kasprzyk/Steve Paczesny)

The Lake Michigan water level is 2' above average. It is expected high levels will remain for the next six months.

Staff continues working with tenants to clean up Jones Island from the January flooding as well as getting Lake Express' damage repaired before its opening season. Staff continues to work with FEMA and the City on flood damage costs.

Work continues regarding the Milwaukee Estuary Area of Concern. This is a large effort with many stakeholders and Brian is working on existing projects for the Coastal Resilience work and the Harbor Assistance program for Lake Express work.

A grant for the railroad crossing is moving along and Phase III is wrapping up.

Proposed work for the Port infrastructure development grant for the export facility includes rebuilding 14 miles of railroad to keep tenants in service.

Steve Paczesny stated asphalt paving at Lake Express will start soon keeping in mind ADA requirements for striping, etc. This should be completed before May 1. The Port parking lot will be paved budget permitting.

A contract for the Lake Express floor leveling continues. New cabinets and bathroom partitions will be added and should be done by the end of the week.

The contract for remodeling the Port's first floor bathrooms will start in June and be completed by September.

This was received as information only.

Trade Development, Marketing, and Foreign Trade Zone Report (Maria Cartier/Jazmine Jurkiewicz)

Tonnage for end of February 2020 for dry bulk was about 30% increased. Liquid bulk and grain is on par and there is a 32% increase for all categories.

The Foreign Trade Zone 2019 annual report shows a slight decrease from 2018 due to reporting inconsistencies in 2018. Technically there is an increase from 2017 to 2019 and therefore jobs are still increasing.

Expected outcomes for the agricultural export facility project include establishing a maritime based DDG transload facility, expanding the agribusiness access in Wisconsin to the international market, reducing truck transportation, providing 50,000 work hours supporting construction of the new facility and creating eight new jobs at the Port. MARAD awarded the Port \$15.9 million for the infrastructure development program and the State of Wisconsin HAP awarded \$4.9 million to the DeLong Company.

Jazmine attended the annual meeting of the National Grain and Feed Association. The Marketing Dept. has newly joined this group to promote the new project and has conducted follow up meetings with De Long and MARAD for the next step for executing the contract.

Maria and Jazmine have identified a need to upgrade marketing materials via a public posting for Creative Services request for pricing for the Port's annual report, the Foreign Trade Zone brochure, and corporate advertisement. Staff received 13 responses of which 5 have been selected for the next steps. Video conferences were held with each. Staff will select one company by the end of next week.

Maria developed a SWOT analysis to assess the Port's strengths, weaknesses, opportunities, and threats in areas when handling new commodities, aging infrastructure, the container service, cruise ships, new tenants, and shipping in general.

It was decided that it was also important to have a positioning statement to coincide with the SWOT analysis to articulate the Port's economic importance for the City.

This was received as information only.

Operations Report (Wayne Johnson)

The Seafarer's access was sent to the Coast Guard, which was approved. The security plan is under review. There was a glitch in the Coast Guard's submission process. Some of the forms could not be password encrypted. The only way to send the forms was through the open internet. USCG found out their system had a flaw and is working to fix it.

The STEWART J. CORT departed from winter layup.

Operations staff removed the debris from the storm in January. Jersey barriers will be set up to stop the debris from reaching shore.

Three estimates, which are currently under review, were received to repair ruts at Lake Express caused by trucks and tour buses when the cruise ship was in dock last year. Landscaping will start once the grass is dry. Chains and bollards will be placed at the long term parking to keep vehicles out of the area.

Fishing and smelting under the Hoan Bridge has started.

This was received as information only.

Directors Report (Adam Schlicht)

Insurance assessment regarding the January 2020 flood remediation is ongoing. Adam continues to pursue funds from both the State of WI Emergency Harbor Assistance Program and the President's emergency declaration public assistance funding for the flood damage.

Adam met with the U.S. Army Corps of Engineers in February regarding the realignment from the Detroit District office to the Chicago District office. The U.S. Government decided to transfer State of Wisconsin operations to the Chicago district in order to balance the work load.

Adam represented the Port during the Great Lakes Week in Washington, D.C. in March. Meetings were held with Congresswoman Gwen Moore, Congressman Mike Gallagher, and Senators Ron Johnson and Tammy Baldwin. He also met with members from the House and Senate regarding transportation and Great Lakes issues. Topics of discussion included the Water Resources Development Act, Pilotage, the International Joint Commissions coordination with the State Dept. on commercial shipping potentially slowing down on the Great Lakes, funding for the strengthening and extension of the break water in the Milwaukee harbor, funding for a new USCG ice breaker and the Coastal Resiliency Study.

Adam represented the Port at the Harbor District, Inc. board meeting in March with a presentation. Annual Port updates on programs and initiatives were discussed.

He also attended the Biannual Community Stakeholder meeting with members from the Milwaukee River Keeper, Citizens Acting for Rail Safety, etc. Topics discussed included high-water levels, storm-water, cruise ships, the January storm, new opportunities for cruise ship development and the agricultural export facility.

Various meetings were held with DeLong and MARAD regarding the agricultural export facility as well as kickoff meeting with DeLong and Foth regarding lease negotiations and a project plan. It will take about two years to enter into a formal agreement with the Federal government in order to receive the funds and an additional three or more years after the agreement is signed to complete the construction work.

The international shipping season opened April 1. The first saltie vessel is expected April 11.

Senator Tammy Baldwin has lead a bipartisan effort to encourage the International Joint Commission to better coordinate with the State Dept. and the Dept. of Transportation on high-water levels and commercial shipping. There is a need to balance the ecological health of the Great Lakes and the economic productivity and commercial activity on the Great Lakes.

Adam attended various speaking engagements at the annual gathering of all Milwaukee BIDs, UWM Freshwater Colloquium, Elm Grove, Kiwanis and other organizations.

Staff continues to examine possibilities for a cruise ship dock for the Viking and is continuing to coordinate with partners at City Hall for its arrival to Milwaukee in 2022.

Staff continues pursuing new tenant options for the Grand Trunk site.

This was received as information only.

There being no further business, Commr. Smith's motion to adjourn was seconded by Commr. Mastantuono and carried by the following vote:

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

NOES: None

Respectfully submitted,

Donna Luty
Assistant Secretary