

MINUTES OF THE
BOARD OF HARBOR COMMISSIONERS
June 11, 2020
Port Milwaukee - 2323 S. Lincoln Memorial Drive

VIDEOTELECONFERENCE: Commrs. Smith, Diel, Krawczyk, Mastantuono, San Felippo

ATTENDANCE via VideoTeleconference:

Mike Doherty, Comptroller's Office	Jazmine Jurkiewicz, Port
Mike Halsted, WISDOT	Matt Gwiazdowski, Port
Corey Zetts, Valley MKE	Peter Hirthe, SLS
Aaron Zelske, Harbor District	Wayne Johnson, Port
Michael Kennedy, Michels	Larry Sullivan, Port
Benji Timm, DCD	Jackie Carter, Port
Dave Misky, DCD	Steve Paczesny, Port
Jeremy McKenzie, City Attorney's	Maria Cartier, Port
Jeff Fleming, DCD	Brian Kasprzyk, Port
WTMJ 4 Reporter	Adam Schlicht, Secretary
Greg Bird, Resident	Donna Luty, Asst. Secretary

Approve April 2, 2020 Minutes

Commr. San Felippo's motion to approve the April 2, 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

Approve Milwaukee Estuary Area of Concern (AOC) Non-Federal Sponsors (NFS) Funding Contribution Agreement (David Misky)

The Area of Concern (AOC) is a location with environmental degradation not useful for public use (fishing, drinking, swimming). Milwaukee has 11 public use impairments, i.e. fish tumors, animal deformities, loss of wildlife habitat, beach closing, etc. The Dept. of City Development (DCD) has worked for the last two years with stakeholders to clean up the contamination. A project agreement has been created between the EPA, Milwaukee Metropolitan Sewerage District, Milwaukee County, DNR and the City of Milwaukee. The agreement identifies what projects are going on where non-federal sponsors are contributing funds into projects, i.e. sewer cleanup. Current sediment projects include the Milwaukee, Menomonee, and Kinnickinnic Rivers.

The Confined Disposal Facility (CDF) is an area where sediment is dredged from the inner harbor from various projects throughout the Port to address navigability issues with the Corps of Engineers (COE). This has a 20-year shelf life. There is enough space to address the sediment that needs to be dredged for some of the COE's and Port's responsibilities. About one year ago, the Partners, DNR and WE Energies sought a DOT grant from the HAP to help look at designing additional capacity for the CDF. The Project Design and Schedule for the DMMF is proposing a 44-acre facility with a capacity of \$1.9 Million container yard. The DMMF will be owned by the City and managed by the Port.

The City of Milwaukee/Port Milwaukee will provide technical assistance for funding for construction of the DMMF (all funding sources have not been identified yet; it is about a \$75 - \$80 million facility). It will accept long-term ownership, operation and maintenance of DMMF once constructed. It will charge no fees for accepting sediment for remedial actions that are a part of this agreement and the federal agreement as the DMMF cannot be used as a match and charge fees for sediment that would be deposited from projects that are identified by the EPA and the State. It will incorporate public use for the DMMF into the redevelopment of the facility after filled.

Once cleanup is completed, the Port will have 200,000 yards and the DNR will have 1.4 million cy. MMSD will have a reservation for a certain amount of volume at the new DMMF and will bring money to the table that will act as a match. About 1.9 million cy. is needed to clean up the AOC.

Benji Timm requested the Board's support for the non-federal sponsor funding contribution agreement.

Commr. Smith's motion to approve the Milwaukee Estuary Area of Concern (AOC) non-federal sponsors funding contribution agreement was seconded by Commr. San Felippo and carried by the following vote:

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

Finance & Personnel Committee Report (Chair San Felippo)

See Finance & Personnel Committee minutes from June 10, 2020 meeting.

Adam provided an overview of the Ports Workforce Planning Guide (WPG). The Mayor recently requested each department to review its plan for succession, hiring and retention techniques in order to maintain quality workforce. The final WPG will be presented to the Common Council's Finance & Personnel Committee in early fall.

A \$4 million Port request will go before the Common Council Capital Improvements Committee later this year that is specific to the agricultural export facility. Over \$20 million is in receipt for the Port in public/private financing to build the facility. Part of the local match requirement is for the Port to spend \$4million.

Approval was received from Dept. of Employee Relations to hire a replacement 90 days prior to Donna's retirement for training.

The Board's Finance & Personnel Committee approved the amended MWF access calendar with no events subject to MWF's ability to add events as it is able to for the rest of the year without having to come back to the board.

This was received as information only.

Marketing Committee Report (Chair Mastantuono)

See minutes from June 10, 2020 Committee meeting.

Frank Nicotera stated that the safety related collaboration for fire and police costs related to coverage for Summerfest and the ethnic festivals far exceeded what was anticipated in the current lease, which expires in 2030. Negotiations are ongoing regarding a resolution.

STIR is working with Maria on the Port's annual report. It presented its creative process with the marketing staff.

Commrs. will follow up with Maria to refine the SWOT analysis and Positioning Statement.

This was received as information only.

Update on Grand Trunk Wetland & Amended Certified Survey Map (Benji Timm)

The Dept. of City Development (DCD) has been working through environmental issues over the past year. PCB contamination was found in the channel north of Skipper Buds and in storm sewers in the area. DCD is working with the Public Works Dept. (DPW) and the DNR to address the contamination. Benji is waiting to find out how the DMMF will play a role in the GTS project.

DCD and the Port have reached a preliminary agreement for the remediation from the GTS, in particular 50,000 cy. of which will go into the Ports existing CDF.

Regarding the Certified Survey Map (CSM), the GTS consists of two properties. One is 632R East Bay Street and the other is 1980 S. Marina Drive. DCD has worked with the Port to develop a CSM to reorganize the GTS to fit the current plan. It will allow the Port to be flexible with the new map and allow the wetland restoration to move forward. Lot 1 is the industrial 12 acre waterfront parcel at the north end where Michels Corp. is located. The wetland area (Lot 2) is 13 acres and Lot 3 (development parcel) is 4.7 acres at the southwest corner. An easement will need to be placed over Lot 2. The CSM has been submitted to DCD for review. The process will take about three months and should be approved in early September. A new address will be assigned to the property at this time.

This was received as information only.

Update from Wisconsin Department of Transportation, Harbors & Waterways Division (Mike Halsted)

WI was first state in the nation to partake of the Harbor Assistance Program (HAP). The HAP will fund new harbor facilities and support various infrastructure, i.e. the Badger ferry and Lake Express. The HAP more commonly funds dockwalls and dredging projects.

A HAP award was awarded to DeLong for \$4.9 million to support a transloading operation for agricultural commodities. This same project has also received a MARAD grant for \$15 million. Highlight projects for DeLong include a transload facility, increased port tonnage, and increased rail-truck-freight activity.

This was received as information only.

Delivery of 2019 Port Milwaukee Annual Report (Maria Cartier & Jazmine Jurkiewicz)

STIR is a 20-year old Milwaukee based business recently hired by the Port to work with staff to elevate the Port's brand and marketing communications materials. The Port's annual report was its first project in redesigning the report. Objectives were set to elevate the overall look and feel of the document, strengthen the functionality of the reading content, and inject a modern flexible dynamic design with strong structure and cohesiveness to the design brand.

This was received as information only.

* Commr. Borkowski was excused.

Finance Report (Jackie Carter)

As of May 31, the Port is at about 35% in its budget. Revenue is behind as it is just the beginning of the peak season and expenses are ahead in salaries. This was anticipated as occurrences happened in 2019 as well as earlier this year that increased the spending in both the salaries and benefits account. Approval was received from Common Council's Finance & Personnel Committee to carry over funding from 2019. The Operating and Special Funds accounts will be monitored to make sure it is not overspent.

Jackie will get aggressive with collecting delinquent accounts in receivables, which represent about 50% of what is outstanding.

The revenue and expense report shows \$30,000 behind where the budget was last year. This is attributed to deferred billing that took place in 2020, which was impacted by COVID-19 and its impact on customers. Jackie will keep a close eye on what is done with revenue as she is estimating a 10% reduction in variable revenues (i.e. cruise cancelations).

This was received as information only.

Engineering Report (Brian Kasprzyk & Steve Paczesny)

Last month's water levels are 4"-5" above all time high, approximately 3' above the average and 5' above the low water datum. The engineering staff continues to investigate for mitigation and remediation from the January flood. It is also working with the ongoing Milwaukee Estuary project through the design phase, funding groups, and technical work groups. Geographical boring wrapped up this week for the DeLong development.

Intermodal work is ongoing. There is 1,200' of track in asphalt. A lot of removal needs to be done. The basic track layout has been constructed. Flanging guard timbers will be installed and then repaved. Next phase will start later in the year.

Engineering staff is currently in coordination with the Milwaukee Water Works Dept. in handling water system work. Last year, hydrant replacements were done. This year valve work is being done. Staff is finishing up the floor leveling contract at Lake Express. The paving contract for Lake Express is being done by Stark Pavement Corp. The parking lot was repaved and restriped for compliance with ADA. Repairs to the pedestrian walkway and bike path have been completed. And a dumpster pad was placed. Flood damage remediation throughout the Port and Lake Express is ongoing.

This was received as information only.

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

Tonnage through April is up 43% year to date. Cement is up 59% and grain is up 300% and the first quarter was 24% ahead of 2019. January and February was very robust. March is slowing down due to COVID-19. May figures look successful with the start of the international season. Overall tonnage through June 1 is now up 5% from the early read of the May tonnage. Adam stated that staff will prepare conservatively given the 2019 Port tonnage was above the 5 and 10 year average.

Marketing is working on developing a strategic message for web development to help define how to speak to various audiences. It will be a good tool for STIR and the Port to make sure messaging is aligned and consistent across the board. A few updates and enhancements were done to the Port's website.

The ruling for Transport Canada prohibiting any passenger vessel greater than 100 through October 31, which will affect the cruising season this year on the Great Lakes. There is one potential vessel that may arrive in the fall. Staff expects the 2021 season will be robust in an effort to overcome the effects of the pandemic this year.

This was received as information only.

Operations Report (Wayne Johnson)

The operations crew has been divided into half and will work opposite days allowing for distance between workers during the pandemic.

The cruise ship dock has bollard damage. The bollards are obsolete and will need to be replaced. These are the lights that light the way at night along the walkway.

The River Skimmer is cleaning up the river.

This was received as information only.

Director's Report (Adam Schlicht)

Guests from the Comptroller's Office were in attendance for this meeting as part of a pre-schedule audit. It is looking at the Port's management of its transportation capital assets. Meetings are daily and staff anticipates an audit finding to be submitted to members of the Common Council in early fall.

On June 9, a covid-19 risk assessment was done at the Port. Staff for the next couple of months will continue to telework. A more traditional operational tempo by the operations crew will start in the next few weeks.

Staff is in negotiations for two potential leases. Following up from the RFP from 2019, staff will look at Lot 1 and Lot 3 development at the GTS as well as lease negotiations with DeLong. The leases should come before the Board for approval at the October meeting.

Common Council approved file 2055, which allows the Port to use over \$650,000 in its revenue generation from 2019 to help with the remediation and mitigation from the January flood.

The USCG Sector Lake MI will have a new commander and new deputy commander this month. Doreen McCarthy will be the deputy commander and Don Montaro, the commander, will join late next week.

Adam will assume his seat on June 17 to serve as commissioner on the Southeastern Regional Planning Commission. He is Governor Tony Evers representative for the County of Milwaukee.

Common Council approved file 191898 for the riverwalk overlay for the entirety of the Harbor District. The land sale between Komatsu and the City is nearing its conclusion. The next step for Komatsu, staff will be looking at the riverwalk design specific to Komatsu adjacent to UWM and the new Komatsu headquarters. All grants received in 2019-2020 are in various stages of progress. The MARAD grant is in NEPA review for the proposed agricultural export facility. The MLS and Harbor Assistance Program grant proposals are in final edit stages and will be sent to the CC in the next few weeks.

New items on the docket to be discussed in the next few months are the inspection and regulation of all city wide dockwalls. Port staff will be moving ahead with this multi-year project in the inner harbor first as it ties in with the AOC and the riverwalk overlay. The Board will receive updated analysis of dockwalls and its integrity under city requirements. There is a chance to use a third party contractor.

South Shore yacht club is a tenant of Milwaukee County. The moorings, however, are under the authority of the Harbor Master (HM). Under City Ordinance, the HM issues permits for moorings as well as an annual reissuance fee associated with the permits. Since SSYC struggles with its flood remediation, it has requested the Port to identify what moorings are available adjacent to the club. To support this, Wayne Johnson will re-examine the database and make sure all permits are up to date and see if there are any available new mooring slots for SSYC members that may be in need.

Adam requested the Board to reschedule the December 10 board meeting to Dec. 3. Commr. San Felippo moved approval and Commr. Diel seconded the motion.

This was received as information only.

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

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

NOES: None

Respectfully submitted,

Donna Luty
Assistant Secretary