

MINUTES OF THE
BOARD OF HARBOR COMMISSIONERS
August 8, 2019
Port Milwaukee - 2323 S. Lincoln Memorial Drive

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

ATTENDANCE:

Cyril Gauchet, Quebec Government
Martin Dione, Quebec Government
Nick DeSiato, MPD
Dennis Yaccarino, Budget Office
Michael Brunson, MPD
Dan Adams, HDI
Lcdr Karima Hantal, U.S. Coast Guard
Jeff Osterman, LRB
Jeff Fleming, DCD
Aaron Schultz, Lake Express
Greg Bird, Resident
UW-UWM Radio

Benji Timm, DCD
Selena Cole, POM
Wayne Johnson, POM
John Emmerich Discovery World
Mary Schanning, City Attorneys
Jeremy McKenzie, City Attorneys
Peter Hirthe, POM
Luke Kvapil, FMT
Jazmine Jurkiewicz, POM
Larry Sullivan, POM
Adam Schlicht, POM
Donna Luty, POM
Jackie Carter, POM

Approve June 13, 2019 Minutes

Commr. San Felippo's motion to approve the June 13, 2019 minutes was seconded by Commr. Smith and carried by the following vote:

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

Approve Contract 667 – Railroad Crossing Reconstruction (Larry Sullivan)

Four bids were received in response to Official Notice 667 for Railroad Crossing Reconstruction work on the South Harbor Tract. The low bidder, Volkman Railroad Builders, has performed satisfactorily on similar work for Port Milwaukee. Staff has reviewed Volkman's bid and finds that it has met all the requirements of the bid documents. The Contractor has committed to 8% SBE participation. This project is being funded (80%) through a Wisconsin Dept. of Transportation Freight Railroad Preservation Program grant.

Staff recommends that the Board accept the bid and award Contract 667 to Volkman Railroad Builders for the amount of \$489,044.

Commr. Krawczyk's motion to approve Contract 667 to Volkman Railroad Builders was seconded by Commr. Smith and carried by the following vote:

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

Approve Contract 668 – Railroad Crossing Reconstruction (Larry Sullivan)

Four bids were received in response to Official Notice 668 for Terminal 1 Fenders and Ladders on the North Side of South Slip 1 on the South Harbor Tract. The low bidder, Michels Foundation, has performed satisfactorily on similar work for Port Milwaukee. Staff has reviewed Michel's bid and finds that it has met all the requirements of the bid documents. The Contractor has committed to 25 % SBE participation.

Staff recommends that the Board accept the bid and award Contract 668 to Michels Foundation for the amount of \$111,705.

Commr. San Felippo's motion to approve Contract 668 to Michels Foundation was seconded by Commr. Smith and carried by the following vote:

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

Approve Contract 669 – Railroad Crossing Reconstruction (Larry Sullivan)

Four bids were received in response to Official Notice 669 for Intermodal Yard & West Classification Yard Rail Improvement work on the South Harbor Tract. The low bidder, Volkman Railroad Builders, has performed satisfactorily on similar work for Port Milwaukee. Staff has reviewed Volkman's bid and finds that it has met all the requirements of the bid documents. The Contractor has committed to 10% SBE participation. This project is being funded (80%) through a Wisconsin Dept. of Transportation Freight Railroad Preservation Program grant.

Staff recommends that the Board accept the bid and award Contract 669 to Volkman Railroad Builders for the amount of \$533,000.

Commr. Krawczyk's motion to approve Contract 669 to Volkman Railroad Builders was seconded by Commr. Smith and carried by the following vote:

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

Commr. Krawczyk requested an update of the Capital Budget.

Presentation from Quebec Government (Cyril Gauchet/Martin Dionne)

Quebec is a freight transportation hub located in eastern North America. The Great Lakes and the Seaway allows for a strong connection between Quebec and the Midwest. Several territories covered in the Midwest are South and North Dakota, Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Nebraska, Ohio and Wisconsin.

Eighty thousand jobs have been created in the Midwest from direct investment from Quebec companies. Sixteen Thousand of the jobs are in Wisconsin. In terms of Gross Domestic Product (GDP) with more than \$6 trillion US, the Great Lakes region is the third largest economy in the world.

Quebec's priority is staying committed to the Great Lakes and St. Lawrence Seaway; science and innovation; information and communications technology; and clean transportation. Quebec has worked with other municipalities in addition to Milwaukee such as Lansing MI, Port of New York and New Jersey, and Philadelphia.

This was received as information only.

Presentation from Milwaukee Police Department/City Budget Office on Summerfest Public Safety Costs (Nick DeSiato, MPD Chief of Staff; Dennis Yaccarino, Budget Director; Michael Brunson, MPD)

In 2019, the cost to secure Summerfest by the Police Dept. was \$813,000. Summerfest has reimbursed about \$134,000. The balance was picked up by the City, which affects the City budget and taxpayer dollars. The cost of security is only the direct cost. There is also the cost of deploying personnel and back filling those positions. Backfilling is an extra cost not included in the final cost and does not include the costs for the ethnic festivals. There is an additional \$70,000 to secure the ethnic festivals. Nick DeSiato said the cost for 2019 is on par with the previous three years. It cost \$824,445 for 2018, \$832,967 for 2017 and \$841,732 for 2016.

Assistant Chief Brunson said many specialized units are assigned to Summerfest due to the tragedies that occur around the world. Hazardous device units are deployed, along with mounted patrol, underwater investigators or the harbor patrol unit and motorcycle units. When all units are deployed, it precludes officers from being available in the neighborhood, which causes backfilling to address the shortages. This is an additional cost to the Police Dept. as well as the extra costs for overtime.

Pres. Hoelter asked what it costs to cover the backfill, overtime and additional help needed for the communities that cannot be served during Summerfest. Dennis Yaccarino will submit the numbers. Commr. San Felippo also requested the numbers spent by other departments used year round (Health, Fire, DPW, etc.).

Dennis pointed out that security services offered to the Brewers are reviewed annually or as needed. The Brewers paid \$1.1 million in 2018 and the Bucks paid \$330,000 in 2018-2019. For the Brewers, the cost for security is dollar for dollar and the police average is \$60/hour. For the Bucks there are discussions either during or after the season to come up with a negotiated agreement.

In addition to rent, the City has been collecting a supplemental fee from Summerfest since 2009 that increases every year until 2030. The supplemental cost for 2019 is \$134,000 and the Police Dept. spent \$800,000. Commr. Mastantuono believes the costs for security has increased in a way that is larger than anticipated. Dennis agreed.

Commr. San Felippo mentioned that the rent schedule going back from 2019 to 2009 is \$1,475,600. Adding the \$134,000 is \$1,610,000 million, of which half was spent on police services. Assistant Chief Brunson said the cost covers the grounds and the surrounding neighborhood (i.e. foot traffic, cars etc.). There is also help from the County, which takes time away from protecting the highways. Commr. Borkowski asked for the numbers the county spends contributing to Summerfest.

Assistant Chief Brunson stated that there is a good working relationship with Summerfest and it has increased its security capacity over the years.

Commr. Mastantuono suggested the discussion be moved to the Marketing and Finance committees. Pres. Hoelter agreed. The second amendment to the lease requires the City through the Board and Milwaukee World Festivals to meet annually to confer regarding provision of services.

Pres. Hoelter's motion for a five minutes recess, was seconded by Commr. Mastantuono and carried by the following vote:

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

Commr. Smith's motion reconvene was seconded by Commr. San Felippo and carried by the following vote:

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

This was received as information only.

Presentation on Grand Trunk Site (Benji Timm, DCD)

The GTS was a ferry dock and a railroad terminal when the Port was developed.

DCD is working with a group of stakeholders in the region to address the Milwaukee Estuary area of concern. The City is working with MSMD, DPW, HDI and others to manage storm water in this area.

The initial Great Lakes Restoration Initiative started in 2017. There is a five-acre development pad, a conservation easement around the wetland, and the goal is habitat restoration that includes northern pike. The city partnered with HDI to apply for a WI Coastal Management grant. The City was awarded \$50,000. The source is federal and comes from NOAA. Two grants were received – one is for the harbor and the other for the Menomonee valley. A walking path or trail may be added and would connect with the river walk HDI is working on out into the Kinnickinnic area.

It was discovered that the Grand Trunk properties have low points and the storm water from surrounding properties drains to these points. DCD has created an opportunity to treat storm water locally so it does not run into the low points and contaminate it.

This was received as information only.

Presentation on Cruise Ships in Milwaukee (Jazmine Jurkiewicz)

The Pearl Mist was in Milwaukee for a second visit on July 4. To date, there have been a total of 11,000 passengers. The Pearl Seas Cruise Line will be offering pre and post cruise packages for the 2020 season. Revenue to the Port is about \$4,000 - \$6,000 per visit. One third of the visitors stayed overnight, others did their own self-transfer, and others flew out of Mitchell.

Commr. Krawczyk stated that the public walkway around the Harbor House was not open during the vessel's visit. Under U.S. Coast Guard policy and the security plan that is in place for the dock, the walkway is the security choke point. Pres. Hoelter directed Port staff to speak with Harbor House in order to ensure the public walkway remains open.

This was received as information only.

Marketing Dept./Foreign Trade Zone Report (Peter Hirthe, Jazmine Jurkiewicz)

International trade inbound is strong. Steel is up over last year with a 10% increase. There will be 300,000 tons of salt on site going into the winter. Inbound cement is strong and there has been only one agricultural export thus far. There were seven last year. The Port will not be able to ship corn this year due to the EU tariffs.

There is another Foreign Trade Zone application that was submitted this week from a supply chain management company in Racine. Manufacturing will be expanded in the near future. There are approximately seven active and 12 approved companies.

This was received as information only.

Finance Report (Jackie Carter)

Expenses are below year to date. Projected out to year-end, Jackie is positive we will get to where it needs to be financially. Commr. Diel is concerned about a \$45,000 debt with Lafarge. Adam will look into it and report to the Board.

Commr. Krawczyk requested a summary of the Capitals for the next meeting.

Engineering Report (Larry Sullivan, Brian Kasprzyk)

Engineering division continues to represent the Port at a number of committees including the estuary committee, sediment committee. The wetland restoration at the Grand Trunk involves disposing dredged material in the confined disposal facility. The budget includes about 18,000 cubic yards.

Engineering staff continues to work on existing grants.

Port staff applied for an intermodal grant through the Harbor Assistance for about \$4 million for fencing, lighting, gating and operating equipment. A SEMAC grant was also applied for.

Lake Michigan water levels for the next 6 months are scheduled to go down starting last month.

This was received as information only.

Operations Report (Wayne Johnson)

The Ports 220-ton Stiff Leg Derrick crane recently passed safety inspections and is now certified for the next four years.

Two Kalmars were traded with a broker in Virginia. In exchange, the Port received a Ford transit, a Ford F250 with plow, a used front-end loader, a new air compressor and a \$5,000 rebate from Ford Motors.

The JOEY D. drive shaft has been repaired and is working well.

This was received as information only.

Director's Report (Adam Schlicht)

The Port is one of three nationwide awardees for the American Association of Port Authority Communications Award. This was due to the uptick from the Ports new website.

The Port also received a Green Marine Certification. The Port is committed to continuing environmental stewardship.

There have been several meetings held since the last Board meeting. A few include the Great Lakes Governors' and Premiers, Milwaukee Common Council-Sister Cities, Port of Muskegon Trade Corridor Outreach, U.S. Customs Biennial Roundtable and a visit from the Office of U.S. Senator Tammy Baldwin.

Staff is continuing to work on the sale of the Greenfield Avenue Site to Komatsu and working on a new Commercial Development at the Grand Trunk site.

Upcoming programs or initiatives include an on the water tour for the Common Council, the Muskego Chamber of Commerce visiting in September, submitting a Harbor Assistance grant for the intermodal yard and new marketing initiatives.

Forthcoming meetings include the Irish Minister of Foreign Affairs with MMAC hosting, the American Great Lakes Ports, the WI Coastal Ports Association, the US Soy Global Trade Exchange Conference, and Exhibit, the 60th anniversary of the Saint Lawrence Seaway, the Breakbulk Americas 2019 conference and exhibit, and the American Association of Port Authorities annual meeting.

Door open will take place in September and the JOEY D. will be an item for bid for the United Way Campaign.

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

Respectfully submitted,

/s/

Donna Luty
Assistant Secretary