

**REGULAR MEETING
BOARD OF COMMISSIONERS
DULUTH SEAWAY PORT AUTHORITY
JUNE 25, 2015
10 A.M.**

THE FOLLOWING IS AN ABBREVIATED CAPSULE OF THE MINUTES OF THE MEETING. IT IS NOT INTENDED TO BE COMPLETE OR TO QUOTE VERBATIM. THE FULL MINUTES ARE ON TAPE AT THE PORT AUTHORITY AND ARE AVAILABLE FOR TRANSCRIPTION.

Pursuant to due notice, a Regular Meeting of the Duluth Seaway Port Authority was held on Thursday, June 25, 2015, in the Administration Building at 1200 Port Terminal Drive.

I. ROLL CALL

Present: President Steve Raukar, Vice President Ray Klosowski, Secretary Norm Voorhees, Assistant Treasurer Chris Dahlberg, Commissioners Tony Sertich and Yvonne Prettner Solon.
Absent: Treasurer Rick Revoir.

Also present: Executive Director Vanta Coda, Legal Counsel Robert Maki, Executive Assistant Becky McMillan, Chief Financial Officer Kevin Beardsley, Facilities Manager Jim Sharrow, Port Promotion Manager Adele Yorde, Government/Environmental Affairs Director Deb DeLuca, Secretary Anne Mann, Accounting Technician Sheryl Toland, Accountant Shellie Golden, DSPA Intern Andy Strasser and Jonathan Lamb of Lake Superior Warehousing.

II. APPROVAL OF MINUTES

1. Regular Meeting, May 31, 2015 – Approved as written.

III. REPORT OF TREASURER

1. Financial Statement ending May 31, 2015

Chief Financial Officer Kevin Beardsley reviewed the balance sheet and income Statement and said the annual audit is complete and will be discussed at the next meeting.

RESOLUTION NO. 25-15

Klosowski/Dahlberg moved approval of the Financial Statement ending May 31, 2015. Motion carried and Res. 25-15 adopted.

IV. COMMITTEE REPORTS - None

V. DEPARTMENT REPORTS

1. Business Development

Executive Director Vanta Coda reported Jeff Borling has left the Port Authority for a different career opportunity and that department's work has been transferred to other staff members. Coda said he is in the midst of the hiring process and expects to announce a new hire shortly.

2. Government/Environmental Affairs

Governmental & Environmental Affairs Director Deb DeLuca gave an update on her active projects including working on maps and legal descriptions for the US Steel project, grant application and planning for the preparation of the Garfield & Elm property, extension of the Dock 7 closing date, and advancing the stormwater project now that the Clean Water Partnership Grant has been received.

3. Facilities Management

Facilities Manager Jim Sharrow reported on the Dock C&D construction progress including site material removal, painting and driving of sheet piling and required dredging.

4. Trade Development

In Ron Johnson's absence Jonathan Lamb of Lake Superior Warehousing Company gave an update on the terminal operations noting vessel visits are up, the first Spliethoff vessel is estimated to arrive in July, and the warehousing volume is moving at a brisk pace.

Coda spoke to the slow grain exports throughout the US port system noting that on the other hand Thunder Bay has broken a record for the amount of grain moved in a single month. Discussion followed.

5. Public Relations

Public Relations Manager Adele Yorde recapped her recent activity which included planning events such as the Allete wind components press event, Coast Guard medal presentation to LSW's Zoran Pedisic for his lifesaving rescue, sponsorship of the Duluth Children's Museum transportation exhibit, conducting tours and presentations for multiple agencies and maritime visitors as well as continual work on Propeller Club activities and the North Star Port magazine.

VI. ACTION ITEMS (Resolutions)

1. Port Wall Calendar

Yorde said three quotes were received to produce and mail the 2016 Port wall calendars and Mellin Promotional Advertising had the lowest quote of \$15,380.

RESOLUTION NO. 26-15

Solon/Klosowski moved approval of a contract with Mellin Promotional Advertising for production and mailing of the 2015 Port wall calendar. Motion carried and Res. 26-15 adopted. (See attached Resolution).

2. Lake States Lumber Lease Amendment

Beardsley reported that the Authority and Lake States Lumber identified two additional areas of land totaling 42,729 sq. ft. that are not currently part of Lake States' leased property and an additional 1,035 sq. ft that should be deleted from the lease. He said this amendment brings the actual boundaries up-to-date and increases the rent an additional \$334.95/month.

RESOLUTION NO. 27-15

Sertich/Voorhees moved approval of a Lease Amendment with Lake States Lumber to adjust the lease area to a total of 12.907 acres. Motion carried and Res. 27-15 adopted. (See attached Resolution).

3. Stormwater Study & Concept Design Consultant Services

DeLuca said engineering services are needed to provide assistance with developing and implementing a stormwater study and concept design associated with the Authority's Clean Water Partnership Grant which was awarded by the MN Pollution Control Agency.

RESOLUTION NO. 28-15

Sertich/Klosowski moved approval of a contract with Barr Engineering for a total of \$48,000 for work required to complete the stormwater study and concept design work. Motion carried and Res. 28-15 adopted. (See attached Resolution).

4. Garfield & Elm Property Environmental Consultant Services

DeLuca said as part of the preparation in order to develop the Garfield & Elm site consultant/engineering services are needed for civil design and preparation of a work plan.

RESOLUTION NO. 29-15

Solon/Dahlberg moved approval of a contract with Barr Engineering not to exceed \$108,500 for Garfield & Elm site characterization activities, civil design and environmental response action planning. Motion carried and Res. 29-15 adopted. (See attached Resolution).

5. Silver Shed Demolition

Sharrow said a request for quotations to demolish the Silver Shed was provided to five regional contractors and of the three that were received, Holmes Recycling Services provided the low quote of \$23,689.

RESOLUTION NO. 30-15

Dahlberg/Sertich moved approval of a contract with Holmes Recycling Services for demolition of the Silver Shed at 1120 Port Terminal Drive. Motion carried and Res. 30-15 adopted. (See attached Resolution).

6. Railroad Track Maintenance

Sharrow said the annual track inspection detailed the work to be accomplished over the summer and the Authority's rail maintenance contractor, Lakehead Constructors, prepared a proposal for the repairs (parts & labor).

RESOLUTION NO. 31-15

Dahlberg/Voorhees moved approval of Lakehead Constructors to perform seasonal rail repairs for an amount not-to-exceed \$83,730. Motion carried and Res. 31-15 adopted. (See attached Resolution).

7. Dock C&D Construction Observation Services Contract Amendment

Sharrow said the Dock C&D Construction Observation Contract with Krech Ojard did not include high strain dynamic pile testing and evaluation services of the pilings that support the heavy lift dock section on Dock D.

RESOLUTION NO. 32-15

Voorhees/Klosowski moved approval of Dock C&D Construction Observation Services Contract Amendment No. 1 with Krech Ojard to add dynamic pile testing services for an amount not-to-exceed \$19,551. Motion carried and Res. 32-15 adopted. (See attached Resolution).

8. American Great Lakes Ports Association Membership

Coda said the Authority's involvement in the American Great Lakes Ports Association began with establishment as a founding member and a supporting resolution back in the '70s and has had a continual leadership presence throughout the decades. He said every year the annual budget is reviewed and approved which accounts for this professional service but added that this resolution formally validates and approves the continued participation by the Authority.

RESOLUTION NO. 33-15

Sertich/Voorhees moved approval of continued participation and involvement in the American Great Lakes Ports Association. Motion carried and Res. 33-15 adopted. (See attached Resolution).

VII. BUDGETED ITEMS UNDER \$15,000

1. Dock C&D Inspection Services – Premier Security - \$6,800
2. Silver Shed Slab Boring – Twin Ports Testing - \$200
3. Rail Track Repair – Lakehead Constructors, Inc. - \$5,750
4. Quarterly Track Inspection – Lakehead Constructors, Inc. - \$4,600
5. July 4th Road Closure Signage – Warning Lights of Minnesota - \$190

VIII. GENERAL DISCUSSION - None

IX. OTHER MATTERS

1. Future Board Meetings: July 30

Meeting Adjourned.
/bmc

Norm Voorhees, Secretary