

**REGULAR MEETING
BOARD OF COMMISSIONERS
DULUTH SEAWAY PORT AUTHORITY
AUGUST 20, 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, the Regular Meeting of the Duluth Seaway Port Authority was held on Thursday, August 20, 2015, in the Administration Building at 1200 Port Terminal Drive.

I. ROLL CALL

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

Also present: Executive Director Vanta Coda, Legal Counsel Robert Maki, Executive Assistant Becky McMillan, Chief Financial Officer Kevin Beardsley, Trade Development Director Ron Johnson, Government & Environmental Affairs Director Deb DeLuca, Director of Business Development Kate Ferguson, Director of Port Planning and Resiliency Jim Sharrow, Public Relations Director Adele Yorde, Administrative Assistant Anne Mann, Accountant Shellie Golden, Accounting Technician Sheryl Toland, DSPA Intern Andy Strasser, Ron Brochu and Jessica Brochu of Business North and Jonathan Lamb of Lake Superior Warehousing.

II. APPROVAL OF MINUTES

1. Regular Meeting, June 25, 2015 – Approved as written.
2. Special Meeting, July 6, 2015 – Approved as written.

III. REPORT OF TREASURER

1. Audited Financial statement ending, March 31, 2015

Chief Financial Officer Kevin Beardsley reported the audited financial statement for fiscal year ending March 31, 2015, which was previously distributed for review, is now ready for formal action.

RESOLUTION NO. 35-15

Revoir/Voorhees moved approval of the audited financial statement ending March 31, 2015. Motion carried and Res. 35-15 adopted.

2. Financial Statement ending May 31, 2015

Beardsley reviewed the balance sheet noting the amount in restricted assets has dropped due to a transfer of dollars that were restricted for the Dock C&D project, but otherwise the expenses are on par for the year.

RESOLUTION NO. 36-15

Sertich/Solon moved approval of the Financial Statement ending June 30, 2015.
Motion carried and Res. 36-15 adopted.

3. Cancellation of Account

Beardsley said due to the Authority's money market account balance being less than \$200 he is recommending closure of that account.

RESOLUTION NO. 37-15

Voorhees/Dahlberg moved approval to close the Authority's U.S. Bank Money Market Account. Motion carried and Res. 37-15 adopted.

IV. COMMITTEE REPORTS - None

V. DEPARTMENT REPORTS

1. Personnel Update (Coda)

Executive Director Vanta Coda introduced Kate Ferguson who was recently hired as Director of Business Development and also spoke of the current staff, highlighting the organizational changes, the significance of the expansive experience and the opportunity for future growth and development.

2. Government/Environmental Affairs (DeLuca)

Government & Environmental Affairs Director Deb DeLuca mentioned upcoming governmental Port visits in September include a group of state agency commissioners, the Senate Capital Investment Committee and also the House Capital Investment Committee.

DeLuca gave an update on the US Steel project, the Garfield & Elm property, Dock 7 and the Class I air redesignation.

3. Trade Development (Johnson)

Jonathan Lamb of Lake Superior Warehousing Company gave an update on terminal operations noting they are in their 25th year of operation at the Clure Public Marine Terminal and this current season has been extremely busy and the future outlook is very positive.

Trade Development Director Ron Johnson spoke on the Spliethoff service which brought in a ship during July with cargo from Finland, the production tax credit and the current world grain trade.

4. Business Development (Ferguson)

Business Development Director Kate Ferguson reported on her recent activity including completion of an economic development course, introductory meetings with city, local, and regional business partners as well as reconnecting with key maritime industry players around the Great Lakes and St. Lawrence Seaway System.

5. Facilities Management (Sharrow)

Director of Port Planning & Resiliency Jim Sharrow commented on his new role accompanying his new title and said a search for a facilities manager is currently underway.

Sharrow gave an update on the McArthur Lock breakdown at the Soo, the DredgeFest conference recently held in Duluth and the Dock C&D work progress.

6. Public Relations (Yorde)

Public Relations Director Adele Yorde recapped her recent activity which included special event and media coordination for various events including a Chamber luncheon, USCG Lifesaving Medal presentation, Allete Clean Energy press event, St. Lawrence Seaway Advisory Board meeting Pacesetter Award, various maritime interviews, press releases, and a multitude of advertising, promotional and print materials.

VI. ACTION ITEMS (Resolutions)

1. Duffey Paper Company Lease Extension

Beardsley said C.J. Duffey requested a one-year extension for its space in the Backup Warehouse which will bring the termination date to August 31, 2016. He said the only provision of the lease that changes is the base rent increases by two percent.

RESOLUTION NO. 38-15

Solon/Sertich moved approval of the Duffey Paper one-year lease extension, including a two percent base rent increase. Motion carried and Res. 38-15 adopted. (See attached Resolution).

2. Calumet Lease Amendment

Beardsley said the Authority and Calumet have identified areas of land that Calumet is utilizing which is not currently a part of the leased property as well as some land that is no longer needed by Calumet. He said this lease amendment adjusts the land parameters to actual usage.

RESOLUTION NO. 39-15

Revoir/Voorhees moved approval of the Calumet Lease Amendment which amends the land usage areas. Motion carried and Res. 39-15 adopted. (See attached Resolution).

3. Storm Sewer Inspection & Repair

Sharrow said two sinkholes and rail damage has resulted from storm sewer leakage along Port Terminal Drive and, in addition to that repair, an full inspection of the storm sewer in the East Warehouse storage yard will be performed.

RESOLUTION NO. 40-15

Dahlberg/Voorhees moved approval of storm sewer cleaning and repairs under the Plumbing Maintenance Contract. Motion carried and Res. 40-15 adopted. (See attached Resolution).

4. Commissioner Compensation

Coda said the current resolution in place to compensate commissioners follows Minnesota Statute and also allows the board to designate the days in which the commissioners shall be compensated. He explained that when commissioners are officially requested to participate in an event, speaking engagement, seminar, conference or other function which

supports the Authority's mission that the commissioners would now be compensated as dictated by statute.

RESOLUTION NO. 41-15

Solon/Sertich moved approval of a revised resolution on Commissioners compensation which repeals and supersedes Resolution No. 42-05. Motion carried and Res. 41-15 adopted. Revoir – Nay. (See attached Resolution).

VII. BUDGETED ITEMS UNDER \$15,000

1. East Warehouse Annex Addition Site Plan – DSGW - \$4,900
2. Hold Harmless Agreement for Emergency Response Exercise – Bay West - \$1
3. Holcim/LSW Parcel Lease Update – TKDA - \$900
4. Terminal Utility Map Update – TKDA - \$2,450
5. Well Casing & Security Pole Painting – Saarela & Son Painting - \$970
6. East Warehouse Annex Sprinkler Maintenance – Summit Companies - \$600
7. Administration Building Fan Repair – Stack Brothers - \$2,200
8. Administration Building HVAC Inspection – Stack Brothers - \$1,000
9. Berth 6 Light Pole Repair – Duluth Electrical Contracting - \$1,500
10. Administration Building Duct Cleaning – Black Goose, Inc. - \$1,300
11. Airpark Stormwater Drainage Road Repair – Stack Brothers - \$10,000
12. Dock C&D Ordnance Removal and Disposal – Bay West - \$35,549.05
13. Stormwater Compliance Assistance – Barr Engineering Co. - \$3,800
14. 1310 Building Annual Sprinkler Inspection – Summit Companies - \$1,500
15. 4435 Venture Ave. Annual Sprinkler Inspection – Summit Companies - \$2,000
16. East Warehouse/Annex/Transit Shed Annual Sprinkler Inspection – Summit Co. - \$8,000
17. Backup Warehouse Annual Sprinkler Inspection – Summit Companies - \$2,000
18. Transit Shed Sprinkler Pipe Relocation – Summit Companies - \$8,940
19. Prepare & Paint Four Bollards – Saarela & Son Painting - \$340
20. Prepare & Paint Ten Bollards – Saarela & Son Painting - \$850
21. Prepare & Paint Administration Building Bollard – Saarela & Son Painting - \$85
22. Rail Track Brush Clearing – Lakehead Constructors Inc. - \$1,190
23. Computer Backup Storage Drive – En Pointe Technologies Sales, LLC - \$225.79
24. Preparation of US Steel Exhibits – TKDA - \$3,750
25. East Warehouse Area Stormwater Line Repair – Stack Brothers - \$10,000
26. Premier Landscaping Environmental Assessment – Bay West - \$3,700
27. Berth 3 Bollard Replacement – Poppenberg Construction - \$7,200
28. Berth 3 Bollard Painting – Saarela & Son Painting - \$2,125

VIII. GENERAL DISCUSSION - None

IX. OTHER MATTERS

1. Future Board Meetings: September 24

Meeting Adjourned.
/bmc

Norm Voorhees, Secretary