

**REGULAR MEETING
BOARD OF COMMISSIONERS
DULUTH SEAWAY PORT AUTHORITY
OCTOBER 29, 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, October 29, 2015, in the Administration Building at 1200 Port Terminal Drive.

I. ROLL CALL

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

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, Staff Accountant Shellie Golden, Accounting Analyst Sheryl Toland, Michael Kloss of Per Mar Security, Jessica Brochu of Business North and Jonathan Lamb of Lake Superior Warehousing Co.

II. APPROVAL OF MINUTES

1. Regular Meeting, September 24, 2015 – Approved as written.

III. REPORT OF TREASURER

1. Financial Statement ending, September 30, 2015
Chief Financial Officer Kevin Beardsley reviewed the balance sheet and income statement.

RESOLUTION NO. 47-15

Revoir/Voorhees moved approval of the Financial Statement ending September 30, 2015.
Motion carried and Res. 47-15 adopted.

IV. COMMITTEE REPORTS - None

V. DEPARTMENT REPORTS

Regional Sales Manager of Per Mar Security, Michael Kloss, addressed the board regarding the liability insurance on the current contract. Discussion followed and the issue was taken under advisement for further vetting.

1. Government/Environmental Affairs (DeLuca)

Government and Environmental Affairs Director Deb DeLuca gave an update on the Authority's real estate status including Garfield & Elm, Dock 7, 1120 Garfield/Silver Shed and U.S. Steel.

DeLuca reported on active port-related governmental issues including the Surface Transportation Bill and the Export/Import bank.

2. Trade Development (Johnson)

Trade Development Director Ron Johnson reported agricultural shipments have picked up and are ahead of last year but it will not be a banner year. He attended the annual Breakbulk Conference in Houston and made many introductions to Kate Ferguson.

Jonathan Lamb of Lake Superior Warehousing Co. said the Allete project was complete in early October and for the remainder of the season there are two vessels arriving with oil and gas cargo and one vessel coming in with clay. He said there is already talk about next year's maritime schedule which is a good sign.

3. Business Development (Ferguson)

Business Development Director Kate Ferguson explained she has been spending most of her time with Ron Johnson before he retires meeting the Authority's partners and working through trade files. Along with working closely with the MN Trade Office on Belgium and Brazil trade she has been working with the Flint Group to develop a brand for the Port's trade development work. She also has been active in many events, meetings and groups around the city and region as well as continual work on economic development.

4. Port Planning/Facilities Management (Sharrow)

Port Planning & Resiliency Director Jim Sharrow summarized his written report by giving an update on the Dock C&D project (including showing a time-lapse video), and the replacement of the rail crossing on Port Terminal Drive. He said he is scheduled to give a presentation in November to the student chapter of the Society of Civil Engineers at UMD regarding the work that is being performed around the harbor.

5. Public Relations (Yorde)

Public Relations Director Adele Yorde recapped her recent activities including coordinating and conducting media interviews, providing material for various print publications in addition to various outreach efforts described in her written report. Her upcoming events include assisting Great Ships Initiative, River Quest, Gales of November and Propeller Club/Johnson Retirement gathering.

Discussion followed on the public's awareness of the connection between the estuary and the working waterfront and its coexistence.

VI. ACTION ITEMS (Resolutions)

1. Dock C&D Change Order No. 2 – Lunda Construction Company

Sharrow explained the sheetpiling placement situation on D Dock and the resulting need for a change order noting that reimbursement is expected as this is a result of an incorrect direction given to the contractor by the inspecting engineering firm.

RESOLUTION NO. 48-15

Dahlberg/Revoir moved approval of Change Order No. 2 to Lunda Construction in the amount of \$90,896.57. Motion carried and Res. 48-15 adopted. (See attached Resolution).

2. Dock C&D Change Order No. 2 – Reimbursement Claim

Sharrow said unless Krech Ojard and AMI agree to a settlement of the Authority's costs resulting from Change Order No. 2, Legal Counsel is instructing to commence litigation which will include bringing LHB in as a party to any proceeding.

RESOLUTION NO. 49-15

Dahlberg/Klosowski moved approval of a resolution approving of claim against Krech Ojard/LHB regarding the Dock C&D rehabilitation project. Motion carried and Res. 49-15 adopted. (See attached Resolution).

3. First Amendment to Lease – Rockwell Automation Inc.

Beardsley reported Rockwell Automation is interested in leasing the entire 4435 Building and as a result notice has been given to Lloyd's to vacate its portion of that building. He said this amendment will extend the lease by five years, includes an improvement allowance, a brokerage fee and also a per square foot rate increase.

RESOLUTION NO. 50-15

Voorhees/Klosowski moved approval of the First Amendment to Lease with Rockwell Automation. Motion carried and Res. 50-15 adopted. (See attached Resolution).

VII. BUDGETED ITEMS UNDER \$15,000

1. Premier Site Fence Work – Dairyland Fence Co.
2. Accounting Department Printer – En Pointe Technologies
3. Inspection and Repairs on Switch No. 5 – Lakehead Constructors
4. Refurbish DSPA Picnic Table – Ward Poppenberg Construction
5. Inspection and Repairs on Switch No. 13 – Lakehead Constructors
6. Terminal Asphalt Repairs – Premier Companies Inc.
7. Administration Building Wall Patch and Paint – Saarela & Son Painting
8. 4435 Building HVAC Inspection – Stack Brothers
9. Winterize Terminal Hydrants – Stack Brothers
10. East Warehouse Water Flow Exam – Stack Brothers
11. Annual Inspection/Maintenance of 1310 Building Heating Units – Stack Brothers
12. Transit Shed Sprinkler System Repair – Summit Fire Protection
13. Reset and Adjust Pressure in #6 Riser – Summit Fire Protection
14. Purchase and Install CFO Office Furniture – The HON Co.
15. Two Monitors and Two Printers for Admin. Staff – En Pointe Technologies
16. Repair Street Light by Waste Management – Duluth Electrical Contracting
17. Environmental Engineering at Dock 7 – Barr Engineering
18. Snow Removal Service – General Cleaning Specialists

VIII. GENERAL DISCUSSION

1. Other

IX. OTHER MATTERS

1. Future Board Meetings: Tentatively set for December 10.

Meeting adjourned.

/bmc

Norm Voorhees, Secretary