

**REGULAR MEETING
BOARD OF COMMISSIONERS
DULUTH SEAWAY PORT AUTHORITY
MAY 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, a Regular Meeting of the Duluth Seaway Port Authority was held on Friday, May 29, 2015, in the Administration Building at 1200 Port Terminal Drive.

I. ROLL CALL

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

Also present: Executive Director Vanta Coda, Legal Counsel Robert Maki, Executive Assistant Becky McMillan, Chief Financial Officer Kevin Beardsley, Industrial/Economic Development Director Jeff Borling, Trade Development Director Ron Johnson, Facilities Manager Jim Sharrow, Port Promotion Manager Adele Yorde, Secretary Anne Mann, Accountant Shellie Golden, Accounting Technician Sheryl Toland, and Jonathan Lamb of Lake Superior Warehousing.

II. APPROVAL OF MINUTES

1. Annual Meeting, March 31, 2015 – Approved as written.

III. REPORT OF TREASURER

1. Financial Statement ending March 31, 2015

Chief Financial Officer Kevin Beardsley reviewed the balance sheet and said the audit will begin on Monday, June 1.

RESOLUTION NO. 21-15

Revoir/Sertich moved approval of the Financial Statement ending March 31, 2015. Motion carried and Res. 21-15 adopted.

IV. COMMITTEE REPORTS

1. Budget & Finance

Committee Chair Revoir said the Budget & Finance Committee members met with the external auditors (McGladrey) and confirmed the Authority is in good shape to move forward with the annual audit.

V. DEPARTMENT REPORTS

1. Business Development

Industrial/Economic Development Director Jeff Borling gave an update on his current projects including Dock C&D, Hallett Dock 7, Waste Management, Garfield & Elm property, Silver Shed, US Steel and the proposed Holcim Cement merger.

2. Government/Environmental Affairs

Borling reported in Deb DeLuca's absence on her legislative work to amend tax increment financing language and noted there was a \$3M general fund appropriation for the Port Development Assistance Program. He noted she is also involved in various Authority brownfield projects and she was successful in obtaining a \$24,000 Clean Water Partnership Grant from the MPCA to evaluate the stormwater system at the Clure Public Marine Terminal.

3. Facilities Management

Facilities Manager Jim Sharrow spoke on the Dock C&D TIGER project progress, the upcoming visit by General Kaiser of the U.S. Army Corps of Engineers Ohio River/Great Lakes Division, and the successful Green Marine audit.

4. Trade Development

Jonathan Lamb of Lake Superior Warehousing Company reviewed recent terminal activity and noted a strong year is expected compared to last year due to a resurgence in wind shipments and continued oil and gas movements. He said last week he attended the Great Lakes Seaway Trade Mission and the breakbulk conference with Executive Director Vanta Coda in Antwerp.

Trade Development Director Ron Johnson mentioned he was recently in Orlando to attend the annual wind conference and that gradual growth is predicted for wind projects through 2017. Johnson said a group of grain buyers will be visiting the Port in June as part of the U.S. Wheat Associates.

5. Public Relations

Public Relations Manager Adele Yorde said special events have been the center of her attention starting with the annual first ship ceremony, the four-day River Quest program, National Maritime Day, and the official Dock C&D groundbreaking ceremony which included MARAD and congressional members along with local dignitaries and invited guests.

Yorde also produced a 24-page Port spring magazine and began work on the summer issue among additional community relations/outreach efforts.

VI. ACTION ITEMS (Resolutions)

1. Intermodal Project – BNSF Rail Agreements

Borling said the BNSF Railway Company is preparing to construct a track as part of the Dock C&D project and there are two agreements that need approval in to facilitate the project. One agreement is to cover the construction and the other is a lease to guide the long-term operation of the track.

RESOLUTION NO. 22-15

Revoir/Voorhees moved approval of the BNSF Railway Company Industry Track Agreement and Lease of Land Including New Track Construction. Motion carried and Res. 22-15 adopted. (See attached Resolution).

2. Dock 7 Additional Engineering Services

Borling said upon completion of the Phase I investigation of the Dock 7 property additional soil borings and groundwater testing is recommended to better define the environmental profile of the property. He said this resolution would increase the previously approved contract with Barr Engineering from \$58,800 to \$66,500 for the work plan.

RESOLUTION NO. 23-15

Solon/Sertich moved approval to increase the Barr Engineering contract for additional engineering service for Dock 7 to \$66,500. Motion carried and Res. 23-15 adopted. (See attached Resolution).

3. Track Maintenance Services Contract

Sharrow said bids were advertised for a three-year track maintenance services contract and three bids were received. After an analysis of the previous three years of track work it was determined that Lakehead was the low bidder due to the difference in markup on materials.

RESOLUTION NO. 24-15

Voorhees/Sertich moved approval of a three-year non-exclusive railroad track maintenance services contract with Lakehead Constructors, Inc. Motion carried and Res. 24-15 adopted. (See attached Resolution).

VII. BUDGETED ITEMS UNDER \$15,000

1. Stormwater Quarterly Inspection – Barr Engineering Co. – \$ 1,800
2. Administration Bldg. Annual Landscaping–Grussendorf Lawn & Landscape-\$1,457
3. Airpark Annual Landscaping – Grussendorf Lawn & Landscape – \$1,400
4. Rail Maintenance by Mid-Continent – Lakehead Constructors, Inc. – \$3,500
5. Security Call Box Pole Replacement – Poppenberg Construction – \$300
6. Rail Track Inspection & Report – Lakehead Constructors, Inc. – \$2,000
7. Rail Maintenance by Russell Steel – Lakehead Constructors, Inc. – \$8,585
8. Rail Maintenance by Holcim – Lakehead Constructors, Inc. – \$5,125
9. Rail Maintenance by Como – Lakehead Constructors, Inc. – \$5,150
10. Seasonal Groundwater Monitoring – Twin Ports Testing – \$6,110
11. Dock C&D Groundbreaking Site Clearing–Northern Interstate Construction–\$600
12. Berth 4 Fence Realignment – Dairyland Fence – \$4,450
13. Dock C&D Groundbreaking Paint Striping – Krech Ojard – \$917.50
14. Building Valuations – Marsh & McLennan Agency – \$700
15. Purchase of Color Copier – Metro Sales, Inc. – \$13,146.69
16. Hydrographic Surveys – AMI Consulting Engineers – \$5,100
17. Berth 4 Fence Realignment Change Order – Dairyland Fence – \$270
18. Green Marine Program Change Order – Randolph Helland – \$250

VIII. GENERAL DISCUSSION

1. Other

Coda pointed out Budgeted Items under \$15,000 Nos. 7-9 were each individual purchase orders well within executive director signing authority but when combined totaled \$18,000. He said there were three separate issues and the commissioners were informed of these rail maintenance requirements that were discovered through track inspection. Sharrow added that CP Rail had imposed a repair deadline in order to continue servicing the Port Terminal.

IX. OTHER MATTERS

1. Future Board Meetings: June 25, July 30

Meeting Adjourned.

/bmc

Norm Voorhees, Secretary