

**ANNUAL MEETING  
BOARD OF COMMISSIONERS  
DULUTH SEAWAY PORT AUTHORITY  
MARCH 31, 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 Annual Meeting of the Duluth Seaway Port Authority was held on Tuesday, March 31, 2015, in the Administration Building at 1200 Port Terminal Drive.

**I. ROLL CALL**

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

Also present: Executive Director Vanta Coda, Legal Counsel Robert Maki, Executive Assistant Becky McMillan, Chief Financial Officer Kevin Beardsley, Trade Development Director Ron Johnson, Industrial/Economic Development Director Jeff Borling, Facilities Manager Jim Sharrow, Port Promotion Manager Adele Yorde, Accounting Technician Sheryl Toland, Secretary Anne Mann, Jonathan Lamb of Lake Superior Warehousing Co., Roger Basarich of Architectural Resources, Brady Slater of Duluth News Tribune and Ron Brochu of Business North.

**II. APPROVAL OF MINUTES**

1. Regular Meeting, January 29, 2015 – Approved as written.

**III. REPORT OF TREASURER**

1. Financial Statement ending February 28, 2015

Chief Financial Officer Kevin Beardsley reviewed the current balance sheet as well as the proposed budget for 2016.

**RESOLUTION NO. 10-15**

Voorhees/Revoir moved approval of the Financial Statement ending February 28, 2015.  
Motion carried and Res. 10-15 adopted.

**IV. COMMITTEE REPORTS**

1. Budget & Finance/Personnel-Administration

Covered under Item III Report of Treasurer.

**RESOLUTION NO. 11-15**

Revoir/Sertich moved approval of the proposed budget for fiscal year 2015-2016.  
Motion carried and Res. 11-15 adopted.

2. Nominating Committee (Deferred to Item X)

**V. DEPARTMENT REPORTS**

1. Business Development (Borling)

Industrial/Economic Development Director Jeff Borling recapped his current activities including Phase I audit completion on the Hallett 7 property, the second modification to the grant agreement regarding Dock C&D, US Steel purchase agreement, redevelopment of the Premier Services leased space and property located at Garfield and Elm as well as tracking developments on the proposed merger between LaFarge and Holcim.

2. Government/Environmental Affairs (Borling)

Borling reported in Deb DeLuca's absence about her work including various legislative updates, the US Steel project, Clean Water Partnership Grant, Contamination Investigation Grant, open water mitigation requirements and Class I air redesignation.

3. Facilities Management (Sharrow)

Facilities Manager Jim Sharrow gave an update on the TIGER project, the opening of the shipping season, lake levels and the biodiesel mandate which the legislature has deemed foreign cargo ships exempt.

4. Trade Development (Johnson)

Jonathan Lamb of Lake Superior Warehousing Co. relayed his company's shipping season forecast will include wind turbine projects, oil and gas projects and noted their warehousing operations continue to be very strong.

Trade Development Director Ron Johnson spoke on the promotion of the Spliethoff European service, the resurgence of the wind turbine components, his attendance at the annual Miami Cruise Convention, answered questions regarding trade from Cuba, and said the first grain ship coming to Duluth is in Montreal waiting for the locks to open.

5. Public Relations (Yorde)

Public Relations Manager Adele Yorde mentioned the first laker took four days to get to the Soo and vessel movements will increase as soon as the ice goes out, including the anticipated arrival of the first saltie.

Yorde reviewed her recent activity which included multiple public relations interviews and press releases, solidifying plans for the Dock C&D groundbreaking and Maritime Day on May 27, print advertising, North Star Port spring magazine development, River Quest planning and various community relations/outreach events.

**VI. ACTION ITEMS (Resolutions)**

**1. D Dock Well Closure**

Sharrow explained that a pre-existing well located at the outer end of D Dock will be closed. He said three companies gave a proposal and Graves Drilling has been selected to do the work for a cost not-to-exceed \$31,300.

**RESOLUTION NO. 12-15**

Sertich/Revoir moved approval of Graves Drilling to close the existing D Dock well for an amount not-to-exceed \$31,300. Roll Call taken, motion unanimously carried and Res. 12-15 adopted. (See attached Resolution).

**2. Intermodal Project-CP Rail Agreements**

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

**RESOLUTION NO. 13-15**

Dahlberg/Sertich moved approval of the Canadian Pacific Private Siding Construction Agreement and Agreement for Private Siding. Roll Call taken, motion carried unanimously and Res. 13-15 adopted. (See attached Resolution).

**3. DEED Contamination Investigation & RAP Development Grant Application**

Borling said this resolution approves the submission of a grant application for use in offsetting the costs associated with contamination investigation and RAP development for the Authority-owned former Union Pacific Rail yard property located on Garfield Avenue and Elm Street.

**RESOLUTION NO. 14-15**

Voorhees/Revoir moved approval of submission of a DEED Contamination Investigation & RAP Development Grant application for the Garfield & Elm site. Roll Call taken, motion carried unanimously and Res. 14-15 adopted. (See attached Resolution).

**4. TIGER Grant Project Budget**

Beardsley said this resolution updates the TIGER Grant project budget for the Port of Duluth Intermodal Project and will be submitted to MARAD.

**RESOLUTION NO. 15-15**

Dahlberg/Voorhees moved approval of the updated TIGER Grant budget costs. Roll Call taken, motion carried unanimously and Res. 15-15 adopted. (See attached Resolution).

**5. Special Taxing District Levy**

Beardsley explained the special taxing district levy is annually submitted to the St. Louis County. This year the amount will be .01813 percent of 2015 taxable market value.

**RESOLUTION NO. 16-15**

Sertich/Prettner Solon moved approval of a tax levy of .01813 percent of 2015 taxable market value. Roll Call taken, motion carried and Res. 16-15 adopted. (See attached Resolution).

**6. Arrangement Letter for Annual Audit**

Beardsley said the annual audit agreement letter from McGladrey & Pullen states services for the financial audit will not exceed \$27,500.

**RESOLUTION NO. 17-15**

Revoir/Dahlberg moved acceptance of McGladrey & Pullen performing the annual audit for year ending March 31, 2015, for a cost not to exceed \$27,500. Roll Call taken, motion carried and Res. 17-15 adopted. (See attached Resolution).

**7. Employee Manual Update**

Executive Director Vanta Coda presented the employee manual maternity/parental leave amended language on behalf of the Personnel-Administration Committee.

**RESOLUTION NO. 18-15**

Revoir/Voorhees moved approval of the employee manual parental leave amended language. Roll Call taken, motion carried and Res. 18-15 adopted. (See attached Resolution).

**VII. BUDGETED ITEMS UNDER \$15,000**

1. East Warehouse Fire/Burglar Alarm Panel Troubleshoot & Repair– ESC Systems - \$360
2. Clean Water Partnership Grant Application Preparation – Barr Engineering - \$2,900
3. Renewal of Great Plains Accounting Software – Summit Group Software, Inc. - \$5,292
4. Navigation Lights Replacement – Duluth Electrical Contracting - \$1,680
5. Electric Gates Annual Maintenance – Barnum Gate Services - \$1,125
6. Security Cameras/Monitoring Station Repair – DSC Communications - \$3,500

7. East Warehouse Annex Pressure Valve Replacement – Summit Fire Protection - \$1,025
8. Great Plains Accounting Software Update – Summit Group Software - \$2,500
9. Fixed Assets Module Installation/Training – Summit Group Software - \$5,520
10. East Warehouse Annex Sprinkler System Accelerator Replacement – Summit Fire Protection - \$1,035
11. Stormwater Inspections at Catch Basins – AMI Consulting - \$4,568
12. Stormwater Annual Report Assistance – Barr Engineering - \$2,900
13. Green Marine Audit – Randolph Helland - \$2,008
14. Industrial Building Snow Drift Analysis – AMI Consulting Engineers - \$1,600

#### **VIII. GENERAL DISCUSSION - None**

#### **IX. OTHER MATTERS**

1. Future Board Meetings: April 30

#### **X. OTHER MATTERS**

1. Nominating Committee Report

The Nominating Committee submitted its recommendations for officers for the term April 1, 2015 to March 31, 2016 and President Raukar called for other nominations.

#### **RESOLUTION NO. 19-15**

Revoir/Voorhees moved to close nominations for the 2015-16 slate of officers. Roll Call taken, motion carried and Res. 19-15 adopted.

#### **RESOLUTION NO. 20-15**

Sertich/Revoir moved acceptance of the Nominating Committee's recommendations for officers for the term April 1, 2014, to March 31, 2015:

President – Steve Raukar  
Vice President – Ray Klosowski  
Secretary – Norm Voorhees  
Treasurer – Rick Revoir  
Assistant Treasurer – Chris Dahlberg

Roll Call taken, motion carried and Res. 20-15 adopted.

#### **CLOSED ATTORNEY/CLIENT MEETING TO FOLLOW FOR PENDING LITIGATION**

Legal Counsel Robert Maki led a closed attorney/client discussion on CP Railroad's announcement to sue the Port Authority and its managing agent.

Meeting Adjourned.

/bmc

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Norm Voorhees, Secretary