Board of Harbor Commissioners (BHC) Meeting Minutes

Thursday, February 9, 2023 – 8:00am

In-Person Meeting

Port Milwaukee – 2323 S. Lincoln Memorial Drive

Milwaukee, WI 53207

**BOARD COMMISSIONERS IN ATTENDANCE:**

Commrs. Alderman Mark Borkowski, Claude Krawczyk , Craig Mastantuono, Vice President (VP) Ron San Felippo, and Kathy Smith.

**BOARD COMMISSIONERS EXCUSED:**

Pres. Tim Hoelter

Diane Diel

**OTHERS IN ATTENDANCE:**

Ken Dooley

John Emmerich

Zach Sadowski

Gregory Bird

Alex Carson

Dave Grandsard

Dan Roufus

Maredithe Meyer

Chief (USCG)

**PORT MILWAUKEE STAFF IN ATTENDANCE:**

Maria Cartier – Market Development Manager

Matt Gwiazdowski – Engineering Technician IV

Peter Daniels – Civil Engineer III

John Dermyer Jr. – Port Facilities Supervisor

Brian Kasprzyk – Chief Engineer

Paula Olson – Administrative Assistant/ Asst. Secretary

Jackie Q. Carter – Port Director/Secretary

1. **BHC Meeting Called To Order**

VP San Felippo called the February 9, 2023 meeting to order at 8:03 am.

1. **ACTION ITEMS**
	1. **Approve Wednesday, December 8, 2022 Meeting Minutes**

Presented by VP San Felippo

Following consideration and discussion by the Commissioners, Commr. Kathy Smith’s motion to approve the December 8, 2022 minutes was seconded by Claude Krawczyk and carried by the following vote:

**AYES:** Commrs. Borkowski, Smith, Mastantuono, VP San Felippo

**NAYS:** None

* 1. **Approve 2023 Harbor Assistance Three-Year Statement of Intentions**

Presented by Brian Kasprzyk

*Per Mr. Kasprzyk, this is a non-committal exercise that is completed each year of potential projects that the Port may want to apply for in terms of the grant for the next three years. They include general categories such as South Shore Cruise Dock utilities and paving; roof upgrades; dock wall work; Port administration building work*

*Following consideration and discussion by the Commissioners, Commr. Kathy Smith’s motion to approve the Harbor Assistance Three-Year Statement of Intentions was seconded by Craig Mastantuono and carried by the following vote:*

**AYES:** Commrs. Borkowski, Krawczyk, VP San Felippo

**NAYS:** None

1. **INFORMATIONAL UPDATES**
	1. **Annual Review of 2022 Social Media and Website Metrics**

Presented by Maria Cartier

Per Ms. Cartier, progress was made across all channels. Web analytics: over 43,000 unique page views - the majority were direct website views, as well as Google and Facebook (10%) web traffic. The home page and vessel tracking were the top pages, and the cruise section moved up to third place from sixth due to publicity and interest. Desktop users made up 48% of the total, while mobile users made up 43% with visitors from the United States, Canada, Australia, India, United Kingdom, and Germany. Media (publications, interviews, press releases, news) coverage continues to grow. Facebook followers have grown by 44% with total reach of over 163%, which continues to be a good channel for the Port with increased engagement with organizations, government entities and stakeholders. The goal is to continue to use social media channels to drive traffic to the website. LinkedIn has grown (134%) with nearly 800 followers from Milwaukee, Chicago, Madison, Montreal, Canada, and Washington, DC in industries such as maritime, government administration, and transportation/ logistics. Since the reactivation in March 2022, the Port Twitter account has gained over 1,000 followers, 18,000 profile visits, approximately 78,000 impressions, and 1,500 total engagement. Consistent, original content is posted over all social media channels. The goal is global reach and to establish interest, awareness, and engagement in the digital community.

1. **PORT MILWAUKEE TRADE DEVELOPMENT REPORT – Maria Cartier**

Per Ms. Cartier, tonnage is down 3% for 2022, which was expected. Dry Bulk is down 9%, but not nearly as much as in previous years. Steel increased by 46% over the previous year. This is due to an increase in direct shipments coming to Port Milwaukee that were previously offloaded on the east coast and transported by truck or rail. Liquid cargo is also on the rise. General cargo is down significantly. Overall, municipal port tonnage fell 3%, private docks fell 4%, and grain fell 9%. It was a year of unique project cargoes including brewery tanks, limestone blocks and dryers. The new cruise ad was created to promote and appeal to cruise line itinerary planners and operators to promote Milwaukee as a premier turnaround Port. The ad highlights the turnaround aspect, amenities and attractions and highlights Milwaukee as one of National Geographic’s top 25 destinations for 2023. During the staffing transition, Ms. Cartier is learning the FTZ program and starting to compile the FTZ annual report. There are currently 9 operators in the zone.

1. **PORT MILWAUKEE OPERATIONS REPORT – John Dermyer Jr.**

Mr. Dermyer provided a vessel update, stating that there are three salt ships, the last steel barge has arrived, two limestone vessels, twelve cement and asphalt ships, one barge and one ship exporting grain were the last ships to leave the COFCO facility, which has since been sold. The cold weather has caused damage to the fire protection systems in the terminals. Crane 9 has not been in operation and is currently up for auction. Interviews are continuing for the Operations Technician position. Currently, Operations is assisting four ships during their winter layup. The US Coast Guard (USCG) recently reviewed the Port security plan and inspected the area, finding no deficiencies. Collaboration continues in order to improve the security plan going forward. There was a tug that sank in January. Unofficial reports indicate there was potentially a fire suppression system fail. The Department of Natural Resources (DNR), USCG, and Port responded quickly and were able to float the vessel. There were no oil spills. Four ships are mooring for the winter.

1. **PORT MILWAUKEE FINANCIAL REPORT – Jackie Q. Carter**

Ms. Carter discussed the Port's 2022 year-end financial performance. Overall, it looks good, but the Comptroller's Office is still finalizing payable figures. Expenses are currently at 83% of what was budgeted, which was lower than expected. Some bills may still be arriving. The carryover process begins, which may have an effect on the final figures. Receivables are improving, and there are fewer delinquents. Over the last four years, delinquent accounts have tended to increase in December and then decrease when the shipping season resumes. This could be because of the operations and staffing of the customers we serve. Tenant meetings are being held and accounts are reviewed. This year's return to the City is approximately $1.1 million, but that can change as year-end close-out activity continues. According to the Revenue & Expenditures report, revenue increased significantly due to steel tonnage and cruising, including passenger wharfage and labor. Meetings will be scheduled to discuss plans for staffing during cruise season and understanding all operations.

1. **PORT MILWAUKEE ENGINEERING REPORT – Brian Kasprzyk**

Mr. Kasprzyk discussed the water levels and the six-month forecast. We're slightly above average. 6 inches less than last year and approximately 30 inches less than record highs in 2020. The Great Lakes overall are seeing lack of ice coverage at around 14%, Lake Michigan is at 11% and the typical average is 37%. Ice cover helps to reduce evaporation which affects lake effect snow and habit for marine life.

The Milwaukee Metropolitan Sewerage District (MMSD) combined sewer overflow is a pipe that runs through the Port's southern section to relieve the deep tunnel system built in 1992 to prevent basement backups. This system must be relocated. MMSD considered nine alternatives before deciding on Lincoln Memorial Drive, which is the most cost-effective because there are few utilities, it does not cross the railroad tracks, and it isolates only one street rather than multiples. It will connect with the existing structure north of Bay Street. The new structure will be similar in size, measuring 20 feet wide by 10 feet tall, and will include a new outfall at the dockwall, which will need dockwall modifications. For a year, South Lincoln Memorial Drive, from Bay Street to the liquid cargo pier will be under construction. Detours will be provided, rerouting traffic north on Harbor Drive to Port Service Drive or Jones Street. Tenants will be informed. We are collaborating with DPW on street lighting, and sewer and water utilities are also affected. We will also pursue state funding for the North end with DPW. Along with this project, a storm sewer will be extended on South Harbor Drive, south of Bay Street. Estimated project cost $17 million, bids came in at $15 million, contract will be awarded this month, notice to proceed will be issued in March, and closings will begin in April. Public fishing will be restricted and, eventually denied. The smelting community has reached out, and we are collaborating with MMSD and the DNR on public outreach. Other public access areas exist, but alternatives are being investigated. The sewer is expected to be finished in January 2024. Along with the AOC project, this will serve as an in-kind match to the overall AOC cleanup, allowing for more federal funds to be invested in this. WE energies is still on track to clean up the third ward by the end of spring.

1. **PORT MILWAUKEE DIRECTOR’S REPORT – Jackie Q. Carter**

The Port Director discussed a variety of subjects, including financial closeout and tonnage for year-end reporting. Economic Impact studies are underway. Jackie and Maria attended the annual Marine Club in Toronto in January. Highway H2O provides economic updates, as well as industry trends and any concerns. The seaway tonnage was down 6%, while the Port was down 3%. Connections were made with other partners and networking, which may have contributed to the improved social media performance. Port 101 sessions have continued with the Mayor's new Chief of Staff and the Port's new budget analyst – the goal being to help others better understand how the Port operates and how the budget is broken down. The new aldermen will also be scheduled. Jackie's appointment as the new Port Director has created opportunities for transition check-ins, including with Milwaukee World Festivals. We have received a tentative calendar, which will be presented at the April meeting. Annual reporting on community outreach efforts is expected to be completed by April, with assistance from Commr. Mastantuono. A financial report is also expected. Milwaukee World Festivals has a number of high-level staffing changes, which could provide opportunities to revisit reporting formats and expectations. The Milwaukee Press Club hosted the city's 177th birthday celebration, the Port was highlighted as part of the Great Lakes cruise theme. In January, Inland Rivers, Ports & Terminals reached out to the Port to discuss their services and support. They are the connection with the Mississippi River. Basin meetings, which have not taken place in a long time, were discussed, with the possibility of the Port hosting and being represented at these meetings. Topics at basin meetings include discussion of issues to be addressed regarding various sections that service the rivers. Barge activity on the river provides opportunities for business, particularly with the construction of the DeLong terminal. The Mayor's office is leading a citywide efficiency study, which will include meetings with all departments working with a consultant who will conduct the study, which is expected to be completed in April. They are looking at how we do business in the city and whether there are any opportunities for efficiencies and cost savings. It is not only about cost and time, but also about seeking value – with value being defined as accomplishing: more with less, more with the same, or the same with less. More information will be provided at the April meeting. A new Port technician will be starting. The ranking list of Trade Development Representative candidates is still being developed by DER, but is expected soon, with scheduled interviews to follow. The request for the Finance & Administration Officer position was sent to the Budget office for an open recruitment to both city employees and the private sector or other agencies. It is anticipated to provide a better pool of candidates.

VP San Felippo requested informal informational update from Port partners of the USCG, the Milwaukee Police Department (MPD) and Discovery World representatives who were present. The USCG reported receiving cyber security awareness updates about the docks. They are doing outreach in that regard and keeping everyone informed. The summer inspection schedule was reworked and is expected to start soon.

As the Milwaukee Police Department prepares for spring, they have a couple boats in the shop for routine maintenance. They have a total of six boats, including one dive boat, all of which are currently docked. During patrols, there does not appear to be a trend of intoxicated or reckless boating. Their presence on the water typically deters unacceptable activity. When MPD performs safety checks, they record video of registration and operators’ faces and cite them as needed.

In January, Discovery World launched a new strategic plan. They recorded a 103% increase over 2019 daily attendance levels as the 2022 year ended, indicated that people have returned. The President/ CEO is scheduled to speak at the April meeting and will provide additional information as well as other updates. Dock space that was previously used by larger ships is now available for use. Discovery World’s program will be expanded with the Summer Sailing Center, which allows youth to operate boats alongside educators. The docks will require considerable maintenance in the near future to accommodate yachts and superyachts.

1. **ADJOURNMENT**

*Commr. Smith’s motion for adjournment was seconded by Commr. Mastantuono and carried by the following vote:*

**AYES:** Commrs. Borkowski, Diel, Krawczyk, and VP San Felippo

**NAYS:** None

VP San Felippo adjourned the February 9, 2023 Board of Harbor Commissioner’s meeting at 9:32 a.m.