PORT & RESOURCE RECOVERY DEPARTMENT

Brown County

2561 SOUTH BROADWAY
GREEN BAY, WI 54304
PHONE: (920) 492-4950 FAX: (920) 492-4957

DEAN R. HAEN
DIRECTOR

PROCEEDINGS OF THE BROWN COUNTY HARBOR COMMISSION

A meeting was held on **Monday, May 11th, 2015**
Brown County Resource Recovery Facility, 2561 S Broadway, Green Bay, WI

1) The meeting was officially called to order once a quorum was present by Craig Dickman at 11:00 am.

2) Roll Call:

Present:	President Craig Dickman Commissioner Bernie Erickson Commissioner Hank Wallace Commissioner Mike Vizer Commissioner Tim Feldhausen Commissioner Ron Antonneau
Excused:	Commissioner Tom Kimek Commissioner Bryan Hyska Commissioner John Hanitz
Also Present:	Dean Haen, Brown County P&RR Mark Walter, Brown County P&RR Bill Meindl, Green Bay Development News Tara VanHoof, Foth I&E, LLC

3) Approval/Modification – *Meeting Agenda*

A motion to approve the agenda was made by Ron Antonneau and seconded by Mike Vizer. Unanimously approved.

4) Approval/Modification – *March 9, 2015 Meeting Minutes*

A motion to approve the minutes of March 9, 2015 was made by Ron Antonneau and seconded by Tim Feldhausen. Unanimously approved.

5) Announcements/Communication

There were no announcements or communications.

6) Fox River Environmental Clean-up Project - *Public Comments/Update on Standing Item*

Pending Approval

Mr. Haen stated that he has been meeting with the Fox River Environmental Clean-Up Project team for the past several months. They are interested in potentially placing some cleaned up material into Bayport for the project. The project leaders wanted to understand better how Bayport works and to see if there is an opportunity for them to place material. If there is this opportunity it would come back to the Harbor Commission to take action on. On the operational side of this, the Department has been operating Bayport to take material less than one part per million PCBs; this material has higher PCB concentrations. There is an economic benefit to taking material at that facility for the County. If it should be something that we are not normally involved in, for example, if they would want to hydraulically pump material or something else that is out of the ordinary that justifies a change in rates and fees, it would have to go to the County Board for approval.

Commissioner Erickson stated that in conversations he had with Tetra Tech the previous week the dredging process was discussed. The first thing that happens in the dredging process is that all of the sand falls out on the conveyer. Mr. Erickson told Paul Van Noie this because he uses a certain grade of sand in the process of manufacturing asphalt. Mr. Erickson suggested to Mr. Haen that he should check with Public Works, they may be interested in some of our sand for making asphalt.

Commissioner Dickman confirmed that this is a great suggestion. One of the objectives is to find a beneficial reuse for the sand. Mr. Haen stated that he suspects by the June meeting there will be something for the Commission to consider.

Commissioner Dickman asked if a timeline was being thought of yet. Mr. Haen explained that they are hoping this could start for the next dredging cycle next spring.

7) Standard Operating Procedures for Port & Resource Recovery Department Funds Managed by PFM Asset Management, LLC and Brown County Treasurer's Office – *Update*

Mr. Haen stated that there has been a lot of effort on the Resource Recovery side of the Department in terms of how funds are managed and of how to increase financial performance on funds invested long term. As construction costs arise, the Department wants to ensure that the money reserved is growing at the best rate possible. Public Financial Management Asset Company (PFM) went through a Request for Proposal (RFP) process and was chosen to take care of the Department's investments. Funds are gradually being moved over to PFM. The second page of the attachment shows the sums that PFM will take care of. From the Port's perspective, $2.5 million of Port funds will be moved; these funds do not have immediate needs and can be invested longer term. . One fund is for Renard Island maintenance. This fund historically received no interest and now will receive interest. The Brown County Treasurer's office prepared the standard operating procedures. Mr. Haen would like to see more added to this from the Treasurer's Office. The standard operating procedures basically explain ways to take money out if needed. PFM's strategy is to stagger the investment incrementally and not invest all at once. They see the bond market changing by this summer and want to stagger investment timing over several months.

Commissioner Dickman asked if PFM is in contract with the County and do they have other Departments' funds besides ours. Mr. Haen explained that PFM has a contract with the County, but their sole portion of funds are from the Port & Resource Recovery Departments. Commissioner Dickman asked who has the fiduciary responsibility for the fund choices and what types of investments these monies will go to. Mr. Haen explained that PFM makes the choices

but they are engaging the County Treasurer's Office, Finance Department, along with Mr. Haen in these choices.

Commissioner Dickman asked if the Commissioners will have visibility as to the fund options. Typically in an investment fund there are going to be some target investments that are going to have a certain amount in equity, cash or whatever the investment strategy is. He understands that this is a difficult time for investing because of the investment rates and bond rates. He is just wondering who is going to decide what the investment fund strategy is.

Mr. Haen explained that the government has rules and statutes that they have to follow and meet. This limits what government entities can get involved in. The goal for PFM is to meet 2% return on investment. PFM has been actively engaging with the County to ensure that the County is okay with the decisions and investment choices that are being made.

Commissioner Dickman asked if, as the Commission, we do not have any fiduciary responsibility for the fund management in this case. Mr. Haen confirmed that Commissioner Dickman is correct.

Commissioner Feldhausen stated that he assumes there will be a trustee for this account that will not have anything to do with the Harbor Commission. His thought is that they will not place the investments in maximum risk categories; it will be relatively conservative with bonds to minimize loss but still get some growth out of the investment.

Mr. Haen confirmed that this is correct. He asked the Commissioners to understand that these are duties of the Treasurer; they have delegated these funds to PFM to better their performance.

8) First Quarter Budget Status Report – *Update*

Mr. Haen explained that in the first quarter budget for the Department looking at the expenses and revenues the first quarter should be about 25%, though there are a few outliers. The operations and maintenance budget is met for the year. This is because maintenance is done at Bayport in the winter and the work has been completed for the year. There may be a few minor activities in that area of the budget. There is a one-time $25,000 transfer to Renard Island for maintenance. On the revenue side some miscellaneous revenue was received meeting the expectations for the year.

Commissioner Erickson asked Mr. Haen that when the second quarter report is generated to add year to date totals with the percentages as a line item. It will help to give the Commission a better understanding of the budget. Mr. Haen agreed and also added that everything in the budget is on par with where it should be.

9) Harbor Assistance Program Funding - *Update*

Mr. Haen stated that they have been reaching out to legislators regarding the Harbor Assistance Program. The letter attached to this agenda item was signed by a number of companies and sent to legislators. In addition, some of the legislators wrote a letter in support that is included in the agenda packet as well. The issue was supposed to go to the Joint Committee on Finance two weeks ago as a stand-alone item dealing with transportation. The state has three big areas of concern, K-12, UW System and Transportation in that order. Joint Committee on Finance thought that last week's revenue report would be able to solve the K-12 issue; however, they were not able to solve this issue. Mr. Haen believes that they will begin discussing transportation at the end of May or beginning of June. Until then, he is still discussing this issue. The

Legislative Fiscal Bureau laid out some options for legislation on behalf of the Harbor Assistance Program (HAP). What Mr. Haen is hoping for is that $12.5 million in grant funding will be restored. He understands that there may not be a full restoration. An additional challenge he sees facing is that there are some legislators who want all users to be paying into the system. The grant money is mostly funded through fuel tax, because fuel for ships is being purchased in other states and countries, the port industry does not actually pay into this tax collection in Wisconsin. Mr. Haen stated that he is not opposed to industry paying a share into the tax.

Commissioner Dickman stated that he believes it will be tough year. The UW System took a $300,000,000 cut and probably $25,000,000 will be restored.

Mr. Haen added that a lot of the situation has come from past governor action. There is no more cigarette money, gaming settlements with the tribes in Wisconsin and transportation funds to raid.

Mr. Haen also added that TDA is advocating on behalf of the ports as well for the Harbor Assistance Program.

On another topic, the state took up ballast water. Recently, Coast Guard and EPA both implemented ballast water regulations that will go into effect in 2016 with uniform regulations on the Great Lakes. Prior to this, all eight Great Lakes states and two Canadian provinces had differing regulations with ballast water. A ship that travels through all those waters could potentially have to get permits from all those entities. With the new regulations each ship will only have to deal with one set of regulations. Part of the budget that Governor Walker put in was to make the fees permanent for the Wisconsin ballast water program. As a port, we wanted Wisconsin to get rid of the duplicative and unnecessary program and save money. By the 2017 state budget there will be federal regulatory procedures in place where ballast water will be dealt with and efforts to eliminate the positions and program at the state level can be considered. Joint Finance agreed with the Governor's position of keeping ballast water in place for this budget.

Commissioner Antonneau mentioned that the presentations at the Port Symposium were very informative. The explanation given about the number of projects it takes and the amount of money it takes to complete these projects just to keep the port status quo was very enlightening. With the HAP funding being cut it will make it impossible to remain near status quo, it will effect infrastructure, jobs, economic development, etc. by doing nothing.

10) 2015 Strategic Plan – *Update*

Mr. Haen explained that the Commission sub-committee met; Commissioner Hank Wallace, Commissioner Brian Hyska, Commissioner Tom Klimek and Dean Haen, and decided on how to proceed with the Strategic Plan. The sub-committee's decision was that each of them would individually review the 2015 Strategic Plan and make changes. At the next Harbor Commission meeting in June, a draft should be together for the full consideration of the Commission.

11) Renard Island – *Update*

Mr. Haen informed the Commission that a DNR letter was received last week documenting completion of all closure activities for Renard Island. He mentioned that Mr. Walter worked to get the construction documentation all approved and there are no more additional costs or unknowns.

Another agenda item under Renard Island was a letter from the Army Corps of Engineers. The Department hired Michael, Best & Friedrick (MBF) to look at what the strength of a lakebed grant from state legislature is, compared to an issued DNR Chapter 30 Permit. MBF determined that they are both equal, but both revocable to a certain extent. This was relayed to the Army Corps of Engineers; their response was that they do not agree. They are saying that a lakebed grant is needed for the causeway. With regard to the causeway itself, Commissioner Erickson has been taking the lead. The County Board gave the Department 60 days to resolve any issues.

Commissioner Dickman mentioned that there are two fundamental issues that need to be dealt with in terms of the lakebed grant. What it would take to pursue, and the timeline and the intensity of trying to get a lakebed grant. This requires the state legislature to make a determination and it is a cumbersome process. It will require a fair amount of lobbying and utilization of political capital. The choice is to either pursue that, or else we will not comply with the Corp requirement.

Mr. Haen suggested the focus should be on the easement at this time because it might change the way we look at the lakebed requirement. With the MBF lakebed versus Chapter 30 permit opinion; there may be an opportunity to push that up to Corps division and headquarters level before making a legal challenge. The easement may have an impact on the lakebed issue. .

Commissioner Feldhausen asked if MBF has seen a copy of the letter from the Army Corps of Engineers. Mr. Haen responded that, "Yes", MBF has seen a copy.

Commissioner Vizer asked what the status is on the easement. Mr. Haen responded that it is a work in progress. There are a couple different fronts that are being worked on.

Commissioner Erickson asked about details on the map that was included in the agenda packet. He asked what is A1 and A2 in reference to on that map. Mr. Walter explained that in the bottom right corner there is a PT number, those are coordinate points that they are referencing.

Commissioner Feldhausen wanted to confirm that where A1, A2, A3 and A4 prescribe to the roadway easement area and the rest is causeway.

Mr. Haen added that C3 and C4 is where land ends, and C1 and C2 are where the existing lakebed starts.

Commissioner Antonneau shared with the Commissioners that when he was on the County Board in 2004 the city and county were discussing the possibility of sharing the liability of Renard Island. Since then the city has completely changed their stand.

12) State Freight Advisory Committee – *Update*

Mr. Haen was asked to work with the State DOT on a State Freight Advisory Committee, not as the Director of the Port of Green Bay but as President of Wisconsin Commercial Ports Association (WCPA). There are 30-40 people are on the committee from all different associations. The effort is to provide input and advice on priorities and policies that impact freight and advocate for a sound freight transportation system and expand Wisconsin's roles in freight movement. The plan will take two years to complete; it involves quarterly meetings in Madison; that equates to about seven days of time from now until the end of 2016 to contribute to this effort. Mr. Haen added that the state has renewed focus on freight movement and through the Governor's office it is more focused on freight and recognition that they need some type of a plan. Mr. Haen believes this will be good for the ports.

Commissioner Dickman stated that he believes this is really positive and a testament to the work that the ports are doing that Mr. Haen has a seat at the table. Staying deeply connected to movement in and out of Wisconsin is very important.

13) Director's Report – *Update*

The Director's Report included a letter from the U.S. Coast Guard requesting a ride along with the Western Great Lakes Pilots Association to travel on board and transit in and out of Green Bay. The pilots can choose which trip it is on and the time that it comes in. We are encouraging them to choose a night transit because lighting seems to be a concern on foreign vessels.

Commissioner Feldhausen asked if the pilots were concerned about the navigational lighting. He explained that navigational lighting is standard around the world.

Mr. Haen stated that their point is that the pilots are getting on a foreign vessel and they do not understand their navigational equipment due to having different technologies. Additionally their ability to communicate with the crew is an issue and physical lighting capabilities of the vessels are unknowns.

The other item in the director's report is from an article in *Insight Business* on railroads, Escanaba, Superior was included. The article explains how the state is getting more involved in providing rail service in areas that have not had service for a while, i.e. Sheboygan and Manitowoc County. Hopefully conditions improve in these places. The state will be taking a more engaged role in keeping those lines open and usable.

Mr. Haen shared with the Commissioners an article in a port magazine that focuses on a port called Koper, Slovenia. The article is on port and resource recovery operations there and pertains to everything that this Department does. This area is a big paper making area in the Baltics. They are using paper mill sludge and putting it on coal piles to reduce dust. Turning the coal piles white with paper fibers, Mr. Haen explained that we would like to advance this in the Green Bay area and have a beneficial use for paper mill waste.

Commissioner Antonneau asked Mr. Haen if he has talked to Supervisor Sieber about this.

Mr. Haen responded that he has not. He has reached out to Fox River Fiber who is a huge generator of the waste material, C. Reiss Coal, Georgia Pacific, Fox River Dock and Wisconsin Public Service and asked them if any of them would be interested in conducting a demonstration project. Commissioner Erickson mentioned that GrandTec should be reached out to because they produce paper mill sludge.

Commissioner Dickman asked if Mr. Haen has reached out to the Port Manager. Mr. Haen said that he has not, he was not sure if he would be able to communicate with him. Commissioner Dickman said we should try.

Mr. Haen added that paper fiber has BTU value; it can be burned with the coal.

Commissioner Feldhausen asked if copies can be sent to the Commission. Mr. Haen agreed to forward it.

Commissioner Vizer added that depending on the chemical make-up, it could be used as alternative fuel in other industries as well. Mr. Haen explained that with paper mill sludge, there is some of the paper fiber left, the rest of it is clay, filler and ash; there is not a lot of BTU value .

14) Tonnage Report – *Request for Approval*

Commissioner Antonneau asked about why the Port is doing better this year, in 2015 than last year in 2014 at this time. Mr. Haen responded that last year there was still ice at this time and the first ship did not arrive until the middle of April. The tonnage reports in 2015 are more representative of normal, 2014 was very abnormal.

A motion to approve the Tonnage Report was made by Ron Antonneau and seconded by Bernie Erickson.

15) Audit of Bills – *Request for Approval*

A motion to approve the Bills was made by Ron Antonneau and seconded by Tim Feldhausen.

16) Such Other Matters as Authorized by Law

Commissioner Erickson mentioned that at the Port Symposium he talked to Steve Fisher about water removal from the Great Lakes. Commissioner Erickson believes that there should be a reinforcement resolution written in regards to that. This resolution should be sent to other ports, harbor commissions, states and even provinces and send it to Steve Fisher in Washington D.C. so they can start thinking about this issue. With the number of droughts that are occurring around the country ships might start arriving in the Great Lakes to fill up on water and take it with them.

17) Adjourn

A motion to adjourn was made by Ron Antonneau and seconded by Bernie Erickson.

Craig Dickman, President
Harbor Commission

Dean R. Haen, Director
Port & Resource Recovery Department

Request for Approval