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FOX RIVER NAVIGATIONAL SYSTEM AUTHORITY

Summary of Proceedings

Fox River Navigational System Authority
2:00 P.M. Tuesday, May 27, 2014
De Pere Lock Tender House
At the De Pere Lock De Pere, WI

Authority Members in Attendance:

Ron Van De Hey, Outagamie County
Will Dorsey, Wisconsin Department of Transportation
Kelly Raleigh Moses for Jean Romback-Bartels, Wisconsin Department of
Natural Resources
Tim Rose, Outagamie County
John Vette, Winnebago County
Daina Penkiunas, Wisconsin State Historical Society
Bill Raaths, Winnebago County
John Shier, Brown County

Authority Members Absent:

Open, Brown County

Guests and Staff in Attendance:

Phil Ramlet, Omnni
Dennis Arnoldussen FRNSA Operations Manager
Harlan Kiesow, FRNSA CEO
Robert Stark, FRNSA COO
Rodger Urbanek, FRNSA Administrative Assistant
Tom Burgess, 3 Dam Guys LLC
Gene Rosin, Mayor City of Kaukauna
Brian Roebke, Times-Villager Newspaper
Reed Rodenkirch, Boldt Construction
Linda, Karvarna Coffee House "The Lock Tender House"
Gene Hackbarth

Chairman Ron Van De Hey called the meeting to order at 2:12 P.M.

1. Introductions

Chairman Van De Hey called for introductions. All present introduced themselves to the group. Ron Van De Hey asked if anyone had a suggestion for someone that could fill the vacant Brown County Seat. The person would need to be from the De Pere/Green Bay area. The candidate for the Board Seat would have to be appointed by the Governor.

2. Approval of Minutes of the April 2014 Authority Meeting

Chairman Van De Hey called for additions or corrections to the minutes. Motion to approve the minutes was made by John Vette Motion second by John Shier Motion Passed Unanimously.

3. Financial Status Reports, T. Rose

a. Operational Budget

Tim Rose brought to the attention of the Board some areas of the Operations Budget which have gone over budget. He sighted Labor cost over budget due mostly to the earlier startup of the locks in Menasha, and Advertising and Promotion over plan by \$1000.00. These items will need to be increased for next year. Robert Stark noted that we have seen overages in the electricity utilities used, along with increased usage of gas utilities due to a colder winter. Robert Stark explained that we have looked into these accounts to make sure that there were no items posted incorrectly and did not find any incorrect postings. Harlan Kiesow noted that the overall budget will come in within the budget guidelines.

b. Capital Budget

Tim Rose reported that we are over budget in "Repairs, State Owned" category by \$7,000.00, and asked what this item is. Robert Stark, explained that this is Capital Maintenance such as the repair projects including the repairs which were done here at De Pere. The Rapide Croche studies are over by \$3,200.00 also. Tim Rose cautioned about these item being over with a month left this fiscal year. Robert Stark stated that overall the bottom line will come in within the projected budget.

c. Unlock the Fox Fund

Tim Rose directed the Board to the spreadsheet of the "Unlock the Fox Fund" showing the balance of the fund is at \$20,103,300.00. This is the balance from the day of inception to the end of April, 2014. Earning rate is at 6.87 %, which shows we are doing very well here. Robert Stark said that \$50,000.00 was transferred from the fund to the Capital check account this month.

d. Foundations MOU Update Status

Tim Rose stated that negotiations with the Community Foundations continue toward a new agreement proposal for the MOU.

e. Legislative Funding MOA Liaison Status

Chairman Ron Van De Hey talked about the Unlock the Fox Fund and its importance to the organization and how it funds our operations until 2034. This fund has to provide the funds for the operation and it is important to secure the remaining federal funds promised in the MOU with the Corps of Engineers. Chairman Van De Hey stated that when the management plan was organized, fund earnings were projected at 6%, and that projection has been realized. This speaks well of the individuals involved in the initial planning.

Chairman Ron Van De Hey proposed that we approve report on items a, b, c, d and e. Tim Rose so moved and Bill Raaths seconded the motion. Chairman asked for any comments or questions. Motion passed unanimously.

f. FY2013 Audit Status

Harlan Kiesow stated that a preliminary report on the audit was presented to the Executive Committee and approved. The formal audit report at the next Board Meeting.

g. Financial Procedures Manual Approval

Financial Procedures Manuals were distributed. Harlan Kiesow noted that we had updated the By-Laws and Personnel Manual at our last meeting and we seek approval of the Financial Manual at this time. Harlan Kiesow explained about two changes needed in the manual. First the manual recognizes the COO position and authorizes the COO to handle regular day-to-day financial items like the CEO. And second the manual authorizes COO to sign checks. However, the CEO and COO cannot both sign the same checks; a Board Member needs to be one of the signatures on the checks.

Tim Rose made the motion to accept the Financial Manual and John Shier seconded the motion. Chairman Ron Van De Hey clarified that this was final approval. Motion approved unanimously.

4. Engineering Committee Report, W. Dorsey

a. Resolution No. 7-14: Approve Kaukauna Lock #5 Contract

Will Dorsey stated that following the last board meeting, the board voted via email to unanimously approve the low bid submitted by Boldt for restoration of Kaukauna Lock # 5 in the amount of \$1,387,000.00.

Will Dorsey made a motion to approve Resolution No: 7-14. John Shier seconded the motion. Chairman Ron Van De Hey asked for any comments or questions. Motion approved unanimously.

b. Resolution No. 8-14: Approve Lock 5 Construction Administration Contract

Will Dorsey explained the resolution covered construction administration service on Kaukauna Lock # 5 to be provided by Omni. Basically, it is a time

and materials contract on the oversight on the construction. The agreement set forth the hourly rates that can be charged.

Will Dorsey made the motion to approve Resolution No. 8-14. Motion seconded by Tim Rose. Chairman Ron Van De Hey called for any further comments or questions. The question was raised as to the timing of the work. The project should start shortly with a substantial completion date of August, 2015. Motion passed unanimously.

c. Approve Kaukauna Lock 5 Construction Engineering Consultant

Robert Stark explained that we had already approved this at the last Board Meeting, McMahon is to be the Construction Engineering Consultant. The proposed contract was not to exceed \$ 7,500.00, and no further action is required. What we need to do is circulate a resolution for the contract. Robert Stark will circulate an E-mail resolution ballot for approval.

Will Dorsey made a motion approving the E-mail vote. Motion was seconded by Daina Penkiunas. Chairman Ron Van De Hey asked for any comments or questions. The motion passed unanimously.

d. Approve Kaukauna Lock 5 Construction Historian Consultant

Will Dorsey discussed the proposal from Ann Biebel outlining her serving as Construction Historian Consultant on a time and material basis at the rate of \$81 per hour, plus expenses. Robert Stark explained that we already had much of the historical done, and Ann Biebel would be serving as consultant.

Motion was made by John Shier to approve the proposal. Motion seconded by Will Dorsey. Chairman asked for any comments or questions. Harlan Kiesow explained that we may not need a Resolution on this due to the small amount, (under \$5000), of the contract. Robert Stark explained that a contract is necessary to receive reimbursement because this is a DOT grant. Motion passed unanimously.

e. Kaukauna Locks 1, 2, 3, and Dry Dock Gates Update

Reed Rodenkirch, Project Manager for Bolt Construction, gave the update on the project. He explained that due to cold weather they had to suspend work at the locks in December. In the last four weeks they resumed work at lock # 1. They are working on the North wall of the lock and will then concentrate on the South wall. They are starting work on the control valve to the lock chamber on lock # 3. Chairman Ron Van De Hey asked what the completion date would be. Mr. Rodenkirch said that he felt that they would have the locks completed by the end of the construction year. Mr. Rodenkirch was excited about the contract on Kaukauna Lock # 5.

f. Approve Kaukauna Canal Wall Repair Contract

Will Dorsey introduced the Oudenhoeven Construction Contract for the Kaukauna Canal Wall Repair. Robert Stark outlined the contract with a price tag of \$156,162.00. The bid was previously approved by the Board and now we are approving the contract. The contract is for wall work on the entrance area of Kaukauna Lock # 5. That area is caved in and needs to be repaired. Then going between Kaukauna Lock # 4 and Kaukauna Lock # 3 significant wall failure has occurred which will be restored. Then at Kaukauna Lock # 4 there is significant failure that needs to be restored. This project was reviewed by Chip Brown and Daina Penkiunas of Wisconsin Historical Society during a recent tour and has been submitted to WHS,

Will Dorsey made a motion to approve the contract for the repairs. The motion was seconded by John Shier. Chairman Ron Van De Hey asked for any comments or questions. Motion passed unanimously.

g. Menasha House Demolition Status

Phil Ramlet of Omni and Associates presented the status of the project. Phil said the archeologist will be on site tomorrow to do their investigation. The investigation will go on to SHPO for coordination. After that is done we should get that approval in the next month. The demolition project should be completed by the end of summer.

5. Property Committee Report, D. Penkiunas

a. Approval of Visitor Center Design Phase

Bill Raaths reported that the Executive Board reviewed the project earlier today. The Board previously approved \$100,000.00 to initiate the project and approved seeking a grant from the Convention and Visitors Bureau. Robert Stark reported that the grant for \$100,000.00 from the Visitor and Convention Bureau has been approved. The Visitor and Convention Bureau is proposing a completion date of December 2015. Robert Stark wants to get the Board involved in the process because he and Tim Rose have been developing the plan, but it is time to form a committee. We are getting into the design phase of the project. Tim Rose has developed a plan for a committee to do design work. We are working with Randy Stadtmueller and his architects to get some fundamental ideas. Robert Stark wanted the Board to know where the process was and where it is headed and is seeking approval for the process. Ron Van De Hey talked about the funding of the project and asked what the project will cost. Robert Stark said that the original estimate was \$600,000.00. The architects feel that the plan is a little thin on construction cost, but is a little thick on the interior and therefore should come in at estimate. Ron Van De Hey was interested in the operational cost of the project. Robert Stark said as a part of the next phase, we will be looking at the operational cost. Robert Stark said that a party is interested in being a tenant for the refreshment stand part of the Visitor Center and if that happened it could bring revenue into the Authority. Robert Stark asked the

Board for approval to go into the design phase. A progress report will be provided next month.

b. Approve De Pere Lock Tender House Sub-lease

Tom Burgess introduced himself as the spokesman for “Three Dam Guys LLC”. Tom wanted to thank the Board Members for working with his organization. He talked about the uses he has found for the Lock Tender House. He noted that they have had fund raising events to help the community raise money for the De Pere Trail because it was a good cause. Tom talk about the addition of Karvarna Coffeehouse refreshment stand on the first floor of the house and introduced the manager Linda. Tom explained about the work that went into restoring the structure and some of the difficulties they encountered. Tom said it is 95 to 99 percent completed. He said that he has ADA approval. Harlan Kiesow explained that we need to have a sub-lease approved for the De Pere Lock Tender House. Harlan Kiesow wanted a temporary approval for the sub-lease and to follow up with an E-mail vote to approve the sub lease.

Motion was made by Tim Rose for an E-mail vote to approve the sub-lease. Motion was seconded by John Vette. Chairman Ron Van De Hey asked for any comments or questions. Motion passed unanimously.

c. Little Chute House Status

Robert Stark reported that the house is leased out to Fox Wisconsin Heritage Parkway and they are in the process of doing work on the inside. They ran into a little problem with asbestos in the basement, and they had a contractor on the site this morning removing that asbestos. Harlan Kiesow and Robert Stark met and discussed this, and feel that it is FRNSA responsibility to remove the asbestos since FRNSA owns the house. We will be working with FWHP to refund the cost of this asbestos removal which is about \$2200.00. FWHP is working with their general contractor Terry Laib. Terry has secured Tri City Electric along with Kaukauna Utility to bring electricity to the site. Robert Stark has asked for an estimate on the work to be done. It is the responsibility of FRNSA to get the electricity to the house. Robert Stark reminded the Board that last month it was reported that the basement was flooded with about ten inches of water. Since then Terry has dried the basement and during the last period of rain the basement stayed dry. We don't know why the basement flooded, but it doesn't appear that there is any ongoing problem.

d. Lawe Street House Status

Harlan Kiesow reported he has been working with Terry Laib. There is still exterior work to be done. There is some lead paint on the soffits and the siding of the house itself needs paint. As far as the interior, Terry is looking into what it would take to turn it into a B & B. FRNSA has someone interested in turning it into a B & B if FRNSA will do the inside. Nothing is

finalized yet. We are just looking at the possibilities. Robert Stark talked about the plan (drawing) for the area which was presented to the Board a couple of meetings ago showing the whole site, Lock Tender House, Visitor Center and Housing Project. This will create a three or four season destination.

7. Rapide Croche Transfer Committee Report, *J. Shier*

a. EIR Status Update

John Shier reported the EIR has been submitted to the DNR and that we are currently awaiting work on the results of their EA process. Last month Jean Romback-Bartels stated results are expected sometime in June.

b. Transfer Station Timeline Scenario

Phil Ramlet performed an analysis of a possible timeline scenario and stated that it would take 60 to 90 days to finalize the plan and then put out an RFP as a design/build project. This would allow for a start date of summer of 2015

John Shier said that we may need to alter spray cleaning procedures because two new AIS have been identified.

Bill Raaths discussed the impact the requirement to maintain abandonment funding may have. Harlan Kiesow stated the management plan is projected to have enough money through 2034.

8. Operations Report, *D. Arnoldussen*

a. Lock Tender Orientation

Dennis Arnoldussen reported that he held the Lock Tender Orientation on May 7, 2014. As of now we have twenty hired Lock Tenders. Only 8 were able to attend the meeting because some of the locktenders have full-time jobs and could not attend. Ann Clausen gave a talk on history and presented information on how the lock tenders are also ambassadors. Harlan Kiesow and Robert Stark went over the policies and discussed dress code and interaction with visitors and boaters.

The Lock Tenders who attended will pass on the information to the others and the information is in a binder at each lock shack. There was a cook-out following the orientation.

Chair Van De Hey stressed the importance of having all the Lock Tenders attend orientation meetings in the future.

b. 2014 Work Plan

Dennis Arnoldussen reported that this year the plan is to hire some extra individuals along with the Lock Tenders to tuck point canal walls at

Kaukauna. Dennis reported that he had twenty applicants twelve scheduled interviews and only 4 showed up. He hired one gentleman who we are now training not only tuck pointing, but also lock tending as well. We will try to get two fulltime individual doing the tuck pointing.

c. Lockage Report

Dennis Arnoldussen reported that we have been open in Menasha for six weeks and had 120 boats and 100 of them were on the weekend. It is slower than normal. This past weekend we open in Appleton and had 3 boats. Cedars was also open this weekend and we had one boat. Little Rapids opened for three weekends and had 125 boats. At De Pere we have been open for three weekends and had 145 boats which is low for De Pere.

9. Communications, *H. Kiesow*

a. State Building Commission

Harlan Kiesow reported we have a State Building Commission meeting mid-month and the State will be approving the two Little Chute easements. We have developed a priority list on what easements we will be bringing down to the State Building Commission and in what quarter.

b. Kaukauna Bridge

Harlan Kiesow reported on a Kaukauna Bridge meeting with the Kaukauna Mayor, City Engineer, City Planner, and City Budget Director. The city hired an engineering firm to evaluate the bridge. The estimate to restore operation is \$1.2 million dollars. The city is working to identify funding for the project to make the bridge once again able to open for navigation traffic.

c. Grand Chute Town Board

The Grand Chute Town Board approved the Visitor & Convention Bureau's Grant of \$100,000.00 for the FRNSA Visitor Center. The Town Chairman would like FRNSA to do a presentation to that Board. Tim Rose, Ron Van De Hey, and Robert Stark will attend the next Town meeting to make the presentation

10. Other

a. Bylaws Handout

Robert Stark presented copies of the amended Bylaws to the Board members to be added to the Board Members' Handbook.

Meeting Adjourned

Motion made by John Shier to adjourn the meeting. Seconded by Will Dorsey
Chairman Ron Van De Hey adjourned the meeting at 4:07 p.m.