

1008 Augustine Street
Kaukauna, WI 54130
Tele. 920-759-9833
Fax: 920-759-9834

**FOX RIVER NAVIGATIONAL
SYSTEM AUTHORITY**

Summary of Proceedings

Fox River Navigational System Authority
3:00 P.M. Wednesday, October 27, 2010
FRNSA Office
Kaukauna, Wisconsin

Authority Members in Attendance:

Ron Van De Hey, Outagamie County
Tim Rose, Outagamie County
William Raaths, Winnebago County
John Vette, Winnebago County
Celestine Jeffreys, Brown County
James Draeger, Wisconsin State Historical Society

Authority Members Absent:

Will Dorsey, Wisconsin Department of Transportation
Will Stark, Brown County
Open, Wisconsin Department of Natural Resources

Guests and Staff in Attendance:

Mark Ellefson, Norris & Associates
Randy Stadtmueller, Eagle Flats, LLC
Harlan Kiesow, FRNSA CEO
Bob Stark, FRNSA staff

Chairman Ronald Van De Hey called the meeting to order at 3:20 p.m.

1. **Introductions:** Chairman Van de Hey asked for introductions.

2. Approval of Minutes of August 2010 Authority Meeting:

Chair Van De Hey called for additions or corrections to the minutes. A motion to approve the minutes as published was made by Celestine Jeffreys and seconded by Tim Rose. Motion passed unanimously.

Harlan Kiesow requested to re-order the agenda so that the Property Committee reports could be done first.

5. **Property Committee Report, C. Jeffreys**

a. Final Report on Lock Keeper House Project, Mark Ellefson

Harlan Kiesow stated most of the work has been completed. A final report and historical documentation will be presented at the next meeting.

Mark Ellefson projected on the screen before and after pictures of each house and described the work that was done to restore the exteriors and preserve the houses for future interior restoration and re-use. Each structure now has a passive ventilation system to prevent dampness and deterioration.

Mr. Kiesow stated staff is re-grading and seeding areas around some houses to direct water away from the house foundations. An open house can be planned next spring to show completed repairs to the outside of the houses. The office has received several inquiries regarding possible re-use of the houses.

c. Corps Land Transfer Report, H. Kiesow

Harlan Kiesow reported that the bypass channel at Appleton Lock 1, and a strip of land at Appleton Lock 4 that is 400 feet long and 12 to 20 feet wide would be transferred soon. Monitoring and water testing is ongoing at the parcel known as the Riverside Parking Lot at Appleton Lock 3 and will take a year to complete. Clean up is still needed at the dry dock and garage near Kaukauna Lock 3 and it could be a long time before this is completed.

Celestine Jeffreys stated some of these parcels could have possible re-use similar to Eagle Flats.

d. Kaukauna Lock 5 Lot Transfer Status, H. Kiesow

Celestine Jeffreys stated the Friends of the Fox and DNR are waiting for the contaminated parcel to be cleaned up, as the DNR grant is dependent upon the clean up.

b. Eagle Flats Project Report & Recommendation on Draft Lease, R. Stadtmueller

Randy Stadtmueller discussed the proposed 99-year lease document that was circulated with the meeting materials. The FRNSA parcels in the lease would be used mainly for ingress and egress to the Eagle Flats property. A drawing of the project showing the proposed layout and features of the project was distributed and discussed. The project will be completed in two phases with Phase 1 about to begin. Financing for the project is in place. Mr. Stadtmueller requested that the FRNSA board participate in requesting re-zoning the parcels and a creation of a TIF district by the city of Appleton. The TIF includes construction of a multi-use facility at Appleton Lock #3 that will also serve as a Visitor Center for the Heritage Parkway.

Celestine Jeffreys stated the Property Committee has no objection to the lease as presented and discussed earlier by the Property Committee.

Harlan Kiesow said property rental fee would be developed.

Bill Raaths made a motion that the FRNSA should participate in re-zoning the property from Industrial to Planned Unit development. Second by Jim Draeger. Motion passed unanimously.

Bill Raaths made a motion to proceed with preparation of a final lease to be presented for approval at the next board meeting. Second by Jim Draeger. Motion passed unanimously.

e. Menasha Lock House and Site Issues, *H. Kiesow*

Celestine Jeffreys reported that the property owner to the east of the property wants to broker a land swap with the FRNSA. The property owner wants to exchange property that includes Lake Frontage to the north of the lock property for a strip of lock property that is adjacent to his property.

Harlan Kiesow stated another issue is possible demolition of the existing lock keeper house and re-use of the site as recommended by the Heritage Parkway Board. It will be necessary to study and consider all possible options including the existing public restroom on the site as well as possibly remodeling and using the existing house.

Jim Draeger stated the lock property is on the National Register as an archeological site and anything done with the property requires an archeological survey. The existing house would also qualify for the register if structural modifications done after original construction was completed would be removed.

Harlan Kiesow will get estimates for doing the archeological survey.

John Vette suggested a possible re-use for the Menasha lock property and house could be as a B&B for Trestle Trail users.

3. Financial Status Reports, *T. Rose*

a. Operational Budget

Tim Rose stated he has reviewed income and expense items in the attached report and found that some operating categories are close to budget. Harlan Kiesow stated we are at budget for those categories because there were one-time expenditures planned for those items.

b. Capital Budget

In response to a question of funding studies Harlan Kiesow stated the consultant budget is within the Special Projects budget.

c. Unlock the Fox Fund

Harlan Kiesow stated with the receipt of the federal money the investment fund will be at \$17 million dollars and he will discuss with M&I investment officer Kyle Tripp the possibility of including restoration of one lock a year in the model.

Discussion followed concerning the remaining \$350,000.00 fund-raising still needed to meet the state match and whether the money could be borrowed to meet the match or if the state would allow using the interest earned and applying it to meet the state match.

d. M&I Quarterly Meeting and Recommended Investment Action

Ron van De Hey stated discussion at the last M&I meeting favored moving away from current strategy to a more active management strategy that could provide higher returns on investment. Current fees are capped at 50 basis points. More active management would increase fees to 64 basis points or more, but analysis predicts returns could also increase to 10 – 12%.

Harlan Kiesow reported the foundations are investigating the M&I investment strategy with the goal to become more active.

Bill Raaths stated the projected 64 basis points fee discussed at the M&I meeting needs to be capped because it can be much higher, but that active management is preferred.

Harlan Kiesow stated that changing investment strategy will require a new agreement MOA with the foundations that removes the current 50 basis points limit in the current MOA.

Jim Draeger made a motion to recommend the foundations proceed with changing the investment policy to become more active with a target cost of 64 basis points but with constraints and covenants that the FRNSA is involved with decisions. Second by Celestine Jeffreys. Motion passed unanimously.

4. Engineering Committee Report, W. Dorsey

a. Report on Kaukauna Lock #5 Design Contract, P. Ramlet

Harlan Kiesow reported the Agreement Form to contract with McMahon as the design contractor for the project has been sent to the state. The project cannot move to the

contract phase before receiving the approved Agreement Form from the state. Approval is expected back from the state in the next week to 10 days.

b. Recommendation on Kaukauna 5 Cofferdam & Dewater, H. Kiesow

Harlan Kiesow stated a cofferdam needs to be installed and the lock needs to be dewatered so that the bottom of the lock can be visually inspected. This can be done as part of the design contract with McMahon or the FRNSA could save money by putting the dam in under a small contract. Funding could come from the Annual Maintenance Cost budget. The project would require 3 estimate proposals and an approval letter permit from the DNR. It is important to have this done before freeze-up so that design work can be completed over the winter for construction to begin in the spring.

Tim Rose made a motion to have Harlan e-mail the \$30,000.00 - \$50,000.00 Cofferdam Proposal to the board for a vote after the three estimates are received. Second by Celestine Jeffreys. The motion passed unanimously.

(Contract subsequently approved by Board Member email with Resolution 8-11 on November 11, 2010.)

6. AIS Committee Report, H. Kiesow

Harlan Kiesow stated that the AIS Committee is looking at a projected annual use of 1800 boats forecast by the Rapide Croche boat transfer study and how this impacts our operations. The final report is being developed.

7. Operations Report, D. Arnoldussen

Harlan Kiesow reported that Lunda is still operating on the river and that special operations of the locks will continue until freeze-up. Winterizing of facilities has been completed.

8. Communications, H. Kiesow

a. Report on Corps Annual Partner Cooperation Meeting

Harlan Kiesow reported the main items for discussion were:

- timing for transfer of remaining land parcels from Corps to the state that were discussed earlier
- maintenance issues at water control points in De Pere that include:
 - piping creating a sinkhole that could cause failure of the canal levee - Corps is doing soil boring to determine source of the problem
 - vegetation that erodes levee – FRNSA will assist removal of vegetation
 - receiving advice from Corps for repair of lower gate problem at De Pere Lock – Corps will send engineer to consult with the FRNSA

b. Report on Navigation Buoys

Harlan Kiesow stated the FRNSA is no longer funding for removal and placement of the worn-out buoys currently in use in the Outagamie stretch of the river between the Menasha lock and Appleton Yacht Club. A committee chaired by the ECWRPC is working to establish authority for the AYC to place and maintain aids to navigation in this stretch of the river and downstream to Little Chute.

9. Other

Tim Rose requested to have FRNSA staff arrange a meeting with Amanda in Congressman Kagen's Office to discuss EPA Great Lakes and other appropriate grants.

Harlan Kiesow reported the Mill Street Bridge replacement in Little Chute has been funded and design work has been started. The new bridge is expected to be completed for operations of the Little Chute Locks as planned.

There being no other business Chair Van De Hey adjourned the meeting at 5:10 p.m.