

**MINUTES OF REGULAR BOARD MEETING  
OF WAUKEGAN PORT DISTRICT**

**February 20, 2013**

**55 South Harbor Place, Waukegan, Illinois  
Harbor Control Building**

**The following Board members were present:**

Jorge Torres  
Joe Legat  
Todd Binning  
Mike Melius

**The following Board member was absent:**

Dale Johnson  
Randy Podolsky  
Homer Benavides

**District Counsel present:**

Thomas A. Morris, Jr.

**Members of the Port District Staff present:**

Duncan C. Henderson, A.A.E., Executive Director  
Chris Peters, Executive Assistant  
Brion O'Dell, Harbor Manager  
Joe Seidelmann, Marina Maintenance Supervisor  
Jim Stanczak, Airport Manager  
Jamie O'Meara, Chief Accountant

**Others in attendance:**

Bill Hults  
Warren Seil  
Karl Heitman  
Lisa May  
Kathy Sivia  
2 Members of City of Waukegan

1. Call to Order at 2:10 PM

Mr. Hults addressed the audience and introduced architect, Karl Heitman, and contractor, Warren Seil with whom he was developing a plan to improve the Waukegan lakefront. Mr. Heitman had prepared and presented a power point presentation with their ideas to revitalize the lakefront with the intent to provide a destination for marina customers that is functional for the port and city. They had researched the City of Waukegan's master plan and visited with the Port District about its conceptual plan in an attempt to satisfy objectives for both parties. During this discussion, the board meeting was called to order at 2:10 PM.

2. Pledge of Allegiance

Mr. Henderson suggested we continue with Mr. Hults presentation out of order. The board concurred.

8. Bill Hults Presentation

The presentation was for a 90,000 square foot building located on the Teece lot between Madison Street and the marina entrance. Port District staff had expressed a need for indoor boat storage to generate revenue to build new floating docks. The lower level would be boat storage with restaurants and other retail establishments above. The facility would require 450 dedicated parking spaces. The presentation utilized the maintenance yard, Duphar lot and City owned rail parking areas. Larsen Marine has expressed interest in storage management. Mr. Hults suggested utilizing cordon bleu cooking schools from the Chicago area to start off the restaurants and shell type café's for entertainment such as comedy, music, food, and theater.

Mr. Hults explained that funding would be private, his, i.e. Durkin Joyce and others, namely: W.P. Cory. He said W.P. Cory loved the concept and verbally agreed. Mr. Torres inquired about a completed project for our reference. Mr. Hults said he could email a You Tube Video to the board members. Mrs. Peters suggested he email it to her for dissemination to the board. The board and Mr. Hults concurred. Mr. Morris suggested they talk to CLC. Their plans would dove tail nicely and Joe Legat is their architect. The Lake Shore Campus is a major investor. Mr. Hults indicated he had inquired of other properties in the area with no success to date. Mr. Torres thanked Mr. Hults and his team for their presentation.

Messrs. Hults, Heitman, Seil and the remaining general public departed from the meeting.

3. Approval of Board Meeting Minutes of February 20, 2013.

On motion of Mr. Legat to approve the February 20, 2013 board meeting minutes, seconded by Mr. Melius, all members present voted aye and the Chairman declared the motion carried.

4. Approval of checks.

On inquiry the \$800 expense for promotions was explained as expenses for the two boat shows. On motion of Mr. Binning to approve checks, seconded by Mr. Melius, all members present voted aye and the Chairman declared the motion carried.

5. Financial Reports: January 2013

Mr. Henderson summarized financials. Capital items were detailed with attention to the increase in permit fees to the City of Waukegan for permitting. Aging reports are current.

On motion of Mr. Melius to approve the January financial reports, seconded by Mr. Binning, all members present voted aye and the Chairman declared the motion carried.

6. Operations Reports: January 2013

Aircraft operation trends are good. Fuel delivery is down 10% tied to Landmark. Stick & Rudder now purchases their fuel direct from Landmark. Customs are off slightly.

On motion of Mr. Melius to approve the Operations Report, seconded by Mr. Binning, all members present voted aye and the Chairman declared the motion carried.

Harbor– Board/Public Commentary

None

Harbor - Unfinished Business

7. Status Report

Mr. O'Dell reviewed ongoing dredging projects. North Harbor has two underway, one the Superfund cleanup being conducted by the USEPA which will restart this Spring. Also the Outer Harbor will start in 2014. South Marina is awaiting a Permit from the USEPA, IEPA, and ACOE. We are very optimistic about being able to return the sand to the lake. He also reported attending a meeting at City Hall with Tom Thomas and lake front stakeholders. The IDNR indicated they would like to drop the sand further out to aid southerly migration, which we wholeheartedly support. Mr. Henderson added the permit we are waiting for is a 10 year annual maintenance permit.

Last meeting Mr. Morris was asked to research the beach access issue. He was prepared to make that report. Mr. Binning had provided additional information as well. We will hold over that matter until Mr. Podolsky could be present as it was his question.

Mr. Henderson also reported a request to shop rates and brokers insurance which had just been renewed. West Insurance does shop rates and providers for us. West Insurance does receive a fee for doing so. He conveyed to the board that he did not desire to seek other brokers. Without the assistance from West Insurance when the City sued the District, we would have incurred huge legal fees. Their longevity of representation gave the insight that saved the Port District a large sum. Mr. Henderson proffers two business associations for the District, insurance brokerage and legal counsel. As the Executive Director, he felt that both existing providers have served the District well.

Mr. Henderson then requested that we skip item 8 presently and go to airport business, as information from Closed Session would be pertinent to item 8. The board concurred.

Harbor - New Business

None

## Airport – Board/Public Commentary

Mr. Henderson introduced Ron Hudson from Hanson Professional Services. Mr. Hudson briefed on pending projects.

- Taxiway C had been bid in January and would be awarded soon. Payne and Dolan won the bid which is a change from Curran who had won the last couple of projects. The State found 2012 money to use for this project.
- Sequestering may affect the airport, towers are a concern.
- The State has 86 airports to fund. We will find out in May what we get but will concentrate on maintenance of pavements.
- Demo plans for four parcels acquired over the last five years are in progress.

## Airport - Unfinished Business

### 8. Status Report

Mr. Stanczak talked about snow and ice removal, two parcels on Eastwood have received tax exemption approval from the State, and we have an agreement with the Air Force. There was a suspicious vehicle by Skill Aviation. The Waukegan Police were advised.

Mr. Henderson reviewed the meeting with Department of Homeland Security on the Customs Hall. Our proactive actions helped appease the project manager. The new rules are onerous and no one can meet them, requiring such things as blast resistant windows, wet holding cells and bullet proof interrogation rooms. Discussion concluded with an agreement to work within the existing four walls. Our assigned project manager agreed we can work on improvements at a pace we can fund in order to work out a solution for DOH and for us. It is important that we comply with their requirements as Customs Service is equal in necessity to our customers as is the runway extension.

Included in the Master Plan process, Mr. Hudson's staff sent out Surveys to the tenants. That Survey indicated the tenants want 7,000 feet. Various tenant meetings have produced a group, the Coalition to Maintain Waukegan Airport. They have explicitly told us they do not want to endure construction of EMAS. They will not accept closing the runway for repairs. If they are required to relocate for a construction project, they will not come back. The only acceptable alternative for them is a parallel replacement runway. They have determined to go forward by enlisting the support first from all local authorities, the Port, the City, Lake County, the Forest Preserve District and then pursue the federal government. Mr. Henderson expressed his goal to enlist support of our corporate tenants was working.

## Airport - New Business

None

On motion of Mr. Legat to go into closed session, seconded by Mr. Melius, on a roll call vote all members present, being Messrs. Binning, Johnson, Legat and Torres answered aye, and the Chairman declared the motion carried.

Closed Session:

11. Negotiation / Value of Property Matters pursuant to 5 ILCS 120/2 (c) (6) of the Open Meetings Act.

Open Session

12. Negotiation / Value of Property Matters pursuant to 5 ILCS 120/2 (c) (6) of the Open Meetings Act.

9. Lease to Larsen Marine Services, Inc.

Mr. Melius inquired why no security deposit. Mrs. Peters responded Port leases traditionally do not have security deposits. As Larsen Marine had been paying the rent since last Fall, it was discussed that we should consider security deposits for future leases.

On motion of Mr. Melius to approve the Larsen Marine Lease, seconded by Mr. Binning, all members present voted aye and the Chairman declared the motion carried.

Mr. Henderson commented that Ms. O'Meara had been asked to investigate retirement options following Mr. Podolsky's consideration of altering the retirement plan. Ms. O'Meara reported her investigation revealed we can do whatever we want, we would need to follow the formal procedure to make the change. The Fall review was about actual investments. Mr. Henderson stated that ten percent is not out of line with other like entities. The percentage is an important component of the staff benefit package. He suggested we discuss the matter in detail next month. Ms. O'Meara was asked to provide the dollar figure for the ten percent contribution in the budget. Ms. O'Meara was asked to report her findings on the plan review to Mr. Podolsky.

There being no further business, on motion of Mr. Melius to adjourn the meeting, seconded by Mr. Binning, all members present voted aye, the Chairman declared the motion carried. The meeting adjourned.

APPROVED:

  
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JORGE M. TORRES, Chairman

  
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Homer Benavides Acting Secretary