

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

**March 19, 2014**

**Waukegan National Airport  
Landmark Aviation FBO, Inc. – 2nd Level Conference Room  
3550 N. McAree Road – Waukegan, Illinois**

**Board Members Present:**

Jorge Torres, Gene Bach, Grant Farrell, Randy Podolsky, Joe Legat, Mike Melius

**Board Members Absent:**

Dale Johnson

**District Counsel Present:**

Thomas A. Morris, Jr.

**Staff Present:**

Chris Peters, Jamie O'Meara, Jim Stanczak, Brion O'Dell, Barney Baker, Terri Hatton

**Other Attendees:**

Tom Thomas of Thomas J. Thomas Associates, Environmental Consultant for Waukegan Port District; Roy Czajkowski, Michelle Bowers, Clayton Street LLC; Kate Craffey, Grant Writer, Michael Edgar, Greater Waukegan Development Coalition and Rick Bentley, Charter Boat Captain

**1. Call to Order**

Mr. Torres called the meeting to order. On roll call, Board Members Grant Farrell, Gene Bach, Randy Podolsky, Jorge Torres and Joe Legat answered aye. Messrs. Johnson and Melius were not present during roll call, but Mr. Melius arrived immediately thereafter.

**2. Chairman Remarks**

Mr. Torres introduced Michael Edgar from the Greater Waukegan Development Coalition. Mr. Edgar described the organization's goal of fostering community involvement to encourage positive development.

Mr. Torres also introduced Kate Craffey, a grant writer that is available to assist with grant opportunities. He encouraged pursuit of any available grants and explained that Ms. Craffey could facilitate the applications. Her fee would be a percentage of the grant obtained.

Mr. Torres also introduced Michelle Bowers. Ms. Bowers expressed her appreciation for the NFR agreement by presenting a check in the sum of \$2,500 toward legal fees in negotiating the agreement.

Ms. Bowers, Ms. Craffey and Mr. Edgar departed the meeting.

**3. Approval of Regular Board Meeting Minutes of March 19, 2014**

On motion of Mr. Melius to approve the March 19, 2014 Board Meeting Minutes, seconded by Mr. Bach, Messrs. Farrell, Bach, Torres, Legat and Melius voted aye, Mr. Podolsky abstained, and the Chairman declared the motion carried.

**4. Approval of Special Meeting Minutes of February 26, 2014**

On motion of Mr. Melius to approve the February 26, 2014 Special Meeting Minutes, seconded by Mr. Farrell, Messrs. Farrell, Bach, Torres, Legat and Melius voted aye, Mr. Podolsky abstained, and the Chairman declared the motion carried.

**5. Approval of checks.**

On motion of Mr. Podolsky to approve checks, seconded by Mr. Bach, all members present voted aye and the Chairman declared the motion carried.

**6. Financial Reports: February 2014**

Ms. O'Meara reviewed the February financials. We have caught up a bit on the revenue side at the airport, but the harbor side is still down. A column has been added to the Cash on Hand section to compare the prior year. Harbor funds are down about \$700,000 due to operating revenues not covering expenses and debt. Ms. O'Meara presented a new report this month titled "Monthly Cash Statement & Debt Obligations, Commitments & Reserves." This report itemizes cash on hand, operating receipts, and proposed reserves as well as proprietary funds. Maintaining a reserve of one year of operating expenses has been the policy. The report indicated the airport had not met their goal and the harbor was behind six months.

On motion of Mr. Podolsky to approve February financial reports, seconded by Mr. Bach, all members present voted aye and the Chairman declared the motion carried.

The board continued discussion on accounts receivable asking for an explanation on the Aging Report. Ms. O'Meara explained the report is for the previous month and therefore does not reflect payments received to date. Mr. Podolsky inquired whether we charge late fees or assessments while he noted that Gillen routinely paid slow and we buy services from them. Mr. Farrell inquired if we were advertising in the right places to maximize return. Mr. O'Dell summarized that we advertise in Great Lakes Boating and Scuttlebut, marina specific magazines, and had added the Chicago Tribune this year. The board suggested that online advertising be pursued.

**Airport – Board/Public Commentary**

None

**Airport - Unfinished Business**

**7. Operations and Status Report**

Mr. Stanczak reported that operations are down at the airport due to the weather. They have had two bad months for flying. The corporations are up in fuel volume. Customs are up and we are maintaining. The Tower Agreement renewal is in process. He

reported a nice meeting with Illinois Division of Aeronautics and Dr. Shea. They reviewed the Environmental Assessment and Master Plan. We need Governor Quinn to put this in the capital bill. Mr. Torres added it will be a joint project with the Highway and Aeronautics Divisions. We need support from the FAA and Forest Preserve. The joint project needs to be on the capital budget. Mr. Melius inquired what kind of time limit do we have? Mr. Stanczak answered once we get started it will go. Crushable concrete is currently favored by the FAA, but that will not satisfy our corporate tenants. Mr. Stanczak thanked local representatives for their support on funding for contract towers. He also reported a meeting with the Lake County Department of Transportation on Wadsworth and Lewis improvements. We will work with them to achieve satisfactory arrangements for both the airport and LCDOT. They received congratulations from Abbott for the snow removal efforts. The airport has applied for the Balken Post Award. He mentioned to IDOA representatives when they were here the need for funding to demolish four houses and he felt it was favorable. Mrs. Peters added that we cannot proceed with advancing demolition funds until we have completed acquisition of the Ahern property. We do not have enough cash on hand to advance both projects at once.

Mr. Farrell asked for a definitive timeline from Mr. Hudson on airport projects. Mr. Stanczak said we need the Governor to commit to designing the highway with the tunnel.

**8. Boeing Luncheon**

Mr. Farrell reported Boeing had not committed to fund the luncheon and perhaps we would scale it back. He wanted to keep the May 13 date on the schedule, to assure the corporate tenants. He asked for a line item on the April agenda.

**Airport - New Business**

None

**Harbor- Board/Public Commentary**

None

**Harbor - Unfinished Business**

**9. Operations and Status Report**

Mr. O'Dell reported harbor operations had not yet commenced. Compared to last year, we are down 30 slips. Freezing weather has not helped. We have a jacked pile and one finger pier that needs to be replaced. There is a margin pier that is canted – we are waiting for the ice to melt to evaluate. Hayes signed the Contract and returned it to us. There was a request from the Illinois Department of Transportation, along with the Department of Commerce and Economic Opportunity seeking information to give them a better understanding of Port needs and challenges. While no funding was identified or even mentioned as available, Mr. O'Dell put together a detailed inventory in a narrative format as they had requested naming any possible potential project and challenge that he could anticipate. Mr. Torres had received a copy of the narrative and volunteered to forward it to the other board members.

Board members discussed what kind of grants may be available. Mr. O'Dell was aware of TIGER, U.S. Fish & Wildlife. Mr. Podolsky suggested Boat U.S. and Mr. Bach suggested Working Waterfronts and National Sea Grants. Mrs. Peters added that we frequently search on grants.gov.

Maintenance updates were discussed. Mr. Podolsky requested a copy of the Events brochure prior to printing. He also offered that insurance providers had suggested with the complexities of boat ownership vs. port owned facilities, enforcement may preclude a policy. Bids for gate: K&K has new machine and lowered their price. Mr. Farrell asked about amenities to draw people and indicate he could provide contact information for Dragon Boat people. Mr. O'Dell said he trying to re-establish a fishing tournament. When OMC pulled out we lost a big sponsor.

**10. Tom Thomas Presentation**

Mr. Torres introduced Tom Thomas. Mr. Thomas has been providing support to the Port district since the 2007 construction project and on various projects since then. Currently he has presented a Joint Application to the Army Corps for a new concept to "mine" the migrating sand at the North Harbor Entrance on behalf of the City of Waukegan and the Waukegan Port District. The Corps can only take the sand to two locations, either sand mountain or Illinois Beach State Park. The North Harbor Entrance was dredged in the Approach Channel last year and the Outer Harbor will be done this Spring. He is also working on the South Harbor which currently can dredge based on extensions of the construction permit. That permit only allows for upland disposal and was originally for 160,000 cubic yards. We have been able to utilize the OMC site for upland disposal which is the closest and therefore most cost effective disposal site. It is to our benefit to dispose of as much sand at OMC before they close their project. The problem we have is silt content which is about 40%. IEPA will not entertain in lake disposal for our ten year navigational permit which has been pending for two years due to the silt content. The cost to demo and dredge South Pier was \$3 million. It is likely to be about the same to demo and dredge North Pier. We need to move as much material as possible now to the OMC site. The South Harbor construction permit terminates in December of 2016.

Mr. Thomas also reported he had completed the Storm Water Pollution Prevention Plan for the harbor which is required by regulating agencies in permitting processes. He suggested that some of our tenants are subject to the SWPPP and should acknowledge their understanding of its requirements.

**11. Approval to Increase Annual Dredging Budget Amount to \$300,000**

Following on the discussion above, Mr. Podolsky asked Mr. Thomas to review the area and make a recommendation for dredging.

On motion of Mr. Podolsky to approve the budgeted sum of \$150,000 for dredging South Marina, seconded by Mr. Bach, on a roll call vote, all members present voted aye and the Chairman declared the motion carried.

**12. North Pier Gate**

Mr. Melius commented we cannot implement the gate due to dredging costs. Mr. Podolsky acknowledged we should have firm numbers on dredging before taking any action on a gate even though we do have two gate estimates. On motion of Mr. Podolsky to table the North Pier Gate, seconded by Mr. Melius, all members present voted aye and the Chairman declared the motion carried.

**Harbor – New Business**


**13. Approval of Request for Proposal to obtain Concessionaire**

Mr. Torres reported liquor sales at the marina had resulted in losses over the term. As it is essentially restricted to boaters, he recommended an alternative location and an RFP for an outdoor café and bar next to the hot dog stand which could be accessible to the public. As time is of the essence, and a new liquor license process could be six weeks, Mr. Torres requested that the RFP go forward quickly so the concession could open for the summer season. Other locations were discussed, and would be open to consideration, but the park location was deemed the best public venue. On motion of Mr. Podolsky to issue an RFP for a Concessionaire, seconded by Mr. Melius, on a roll call vote, all members present voted aye and the Chairman declared the motion carried.

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

APPROVED:

  
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Jorge M. Torres, Chairman

  
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Grant B. Farrell, Secretary