

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

**June 18, 2014**

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

**The following Board members were present:**

Jorge Torres  
Gene Bach  
Joe Legat  
Grant Farrell  
Dale Johnson  
Mike Melius

**The following Board members were absent:**

Randy Podolsky

**District Counsel present:**

Thomas A. Morris, Jr.

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

Chris Peters, Executive Assistant  
Brion O'Dell, Harbor Manager  
Joe Seidelmann, Marina Maintenance Supervisor  
Jim Stanczak, Airport Manager  
Jamie O'Meara, Chief Accountant  
Terri Hatton, Slip Coordinator

**Others in attendance:**

William McCaffrey  
Paul Biehl  
Jim Goebel  
Kathy Sivia  
Barbara Gunther

1. Call to Order
2. Pledge of Allegiance
3. Roll Call

Messrs. Melius, Johnson, Torres, Legat, Farrell and Bach answered present.  
Mr. Podolsky was not in attendance.

4. Chairman Remarks:

Mr. Torres reported that Mr. Podolsky had been working closely with harbor staff and thanked him in his absence for his assistance. He next thanked Mr. Johnson for his efforts to move the runway extension forward through a recent meeting.

5. Approval of Board Meeting Minutes of June 18, 2014

On motion of Mr. Farrell to approve the May 21, 2014 Meeting Minutes as presented, seconded by Mr. Johnson, all members present voted aye and the Chairman declared the motion carried.

6. Approval of Closed Session Meeting Minutes of June 18, 2014

On motion of Mr. Johnson to approve the May 20, 2014 Special Meeting Minutes as presented, seconded by Mr. Legat, all members present voted aye and the Chairman declared the motion carried.

7. Approval of checks.

After review of the check report, on motion of Mr. Melius to approve checks, seconded by Mr. Johnson, all members present voted aye and the Chairman declared the motion carried.

8. Financial Reports: May 2014

Mr. Stanczak arrived at the meeting. Ms. O'Meara discussed the financial reports. The Slip Occupancy report has been updated current. The information is skewed in that the comparison is as if North Marina were open, if that information is removed it's not so bad. Also, last year in the last half of June we got 22 boaters. Harbor revenues, miscellaneous income would be Bowers, Brennan and the IPRF Safety Grant. Harbor expenses show increased legal due to extra reliance on Mr. Morris in the absence of an Executive Director. Mr. Johnson asked for an explanation of outside services at 105%. Ms. O'Meara explained our temporary workers are included in outside services which offsets the lower payroll. Mr. Johnson inquired if we were obtaining new boaters. Ms. Hatten answered yes. Mr. Farrell inquired if we checked occupancy with other marinas. Mr. O'Dell responded that he has spoken with the Manager at North Point and they have about the same percentage occupancy as us, but they have more slips to fill. North Points is about 1500 slips. Chicago has a glut of slips and it was his understanding a huge vacancy rate, but they will not answer inquiries. Kenosha has about 350 slips and they are full.

Mr. Bach inquired about St. Mary's use of their facility and whether LaFarge could sublease the premises. He asked Mr. Morris' to comment on the subleasing question. Mr. Morris responded that he would look at the Lease and let him know.

Ms. O'Meara continued with airport financials. Airport fuel flowage is down but not within our control. Mr. Farrell commented that gas is cheaper everywhere else and that pilots go where they can get the cheaper gas. Boeing wants concessions from Landmark so they do not have to tanker. Landmark is good to tenants, but Boeing is not a tenant. Airport expenses: we

watch high percentages. Mr. Johnson asked if Customs upgrades were done? Mr. Stanczak answered no we have about \$50-60,000 in IT, plus other inside work. Mrs. Peters' commented we are waiting for the Project Manager's final complete list before we move forward. Discussion followed noting that Customs funds are available for these costs as long as they are not too excessive. The land acquisition fund has gone down with the closing on the purchase of Ahern. The aging report is OK. Upon inquiry, no questions were presented about the Cash Report.

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

#### 9. Financial Audit Year End 2013

Ms. O'Meara inquired if there were any questions to the report emailed to board members. Hearing none, she added that airport grants are booked when the asset is completed so those numbers go up and down based on the grants. Depreciation is required by law, but since we are not taxable, it does not apply. If you remove depreciation, our report is good. Mr. Bach asked what is contained in the entry "miscellaneous" and requested a print out of those specific items.

On motion of Mr. Bach to approve the 2013 Financial Audit Report, seconded by Mr. Farrell, all members present voted aye, and the Chairman declared the motion carried.

#### Harbor- Board/Public Commentary

Mr. McCaffrey expressed his respect for board and his concern for the new bar venue and public entertainment. You could hear the loud music until 1 am on Wednesday, Friday and Saturday. Many years ago the community envisioned a Master Plan which included the park. He does not see how the new venue improved the lakefront. Boaters and residents alike have talked to him about this problem. The park is lost. The two containers are deplorable and the noise off the refrigerator is bad. It has affected business. Years ago the Pavilion was shut down due to violence. What kind of atmosphere will this create? He asked the board to carefully consider what we get for what we give up in the future. (Kathy Sivia and Barb Gunther arrived just after Mr. McCaffrey started to speak.)

Mr. Torres responded the City has a noise Ordinance and if it's a problem people should contact the City. The Lease is strong enough it will not affect the harbor. Time limits were next discussed which are addressed in the Lease. Mr. Legat commented he did not recall the containers in the plans. Mr. Torres said that would be addressed soon. Ms. Sivia said the compressor is so loud the Junior Sailors cannot hear instructions. She asked Mr. Edgar about the situation and he said a fence would muffle the noise. The view is completely obstructed from the Yacht Club and the public. Mr. Farrell said it was meant to be temporary and if it doesn't work out it goes away. Mr. Farrell had been concerned with noise and raised the question prior to approving the project. Ms. Gunther echoed the noise is terrible and the view is ruined. Mr. Legat inquired if there was a clause to reimburse other business for their losses.

## Harbor - Unfinished Business

### 10. May Operations and Status Report

Mr. O'Dell reported that Maintenance is setting up North Marina. Four charter operations will be moving over shortly. The washroom installation by Brennan has turned into an epic adventure. There is a battle going on between the manufacturer and the contractor. The manufacturer pressure tested the washrooms prior to delivery. They sat over the summer before being installed in November. The contractor did not check for water and pipes burst all over. We have not accepted the washrooms, and have told them to fix the problem, we need the washrooms for the Chicago to Waukegan Race. We are working to accommodate our boaters. We should have partial use of the facility by Friday.

Sampling has been conducted for dredging. We need the results to proceed with Contractors.

Landscaping is moving along.

Kokosing is tied up at the Gillen site doing a job in Lake Forest. They requested extra slip space and we leased part of Slip 1 to them. We are charging a daily fee. Mr. Bach had noticed Faust barges and expressed his questions about who it was and what they were doing. Mr. O'Dell responded that he would confirm with Kokosing that they were using Faust barges. Mr. Bach commented it should have been brought to the board. Mr. O'Dell reported he had worked through Mr. Torres on the dockage plan.

Gas and diesel are up over the last year. Daily launches are also up, the fish are biting!

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

### 11. Dredging

Covered under item 10.

## Harbor - New Business

### 12. Approval of \$5,000 Contribution toward IDNR Grant for Waukegan Lakefront Group

Mr. Torres requested a contribution to fund a group study to identify key projects at the Waukegan lakefront along with the City of Waukegan, Waukegan Park District, CAG and the Waukegan Lakefront Group. The total grant request is \$25,000 from IDNR which will require an equal match from the partners in the group. There is an old Master Plan in place that does not consider the needs of all parties. The intent is to implement a new group Master Plan beneficial to all partners. The boundaries for the study are Sheridan Road east to the lake front, Grand Avenue on the north and Belvidere Road on the south. He requested a \$5,000 contribution from the Waukegan Port District. The City is contributing \$10,000, the Park \$10,000. Once we have the Master Plan we would seek a grant to implement. Mr. Johnson commented that during his

tenure he has seen two plans. We had our very marina specific plan and the City had there Genesee Street plan. The two were not on parallel courses and there was some friction between the two plans. If we can work toward a lakefront specific plan that would be good. Mr. Legat added the City was getting money from CLC to update the \$50 million plan. Mr. Farrell inquired when it would happen and Mr. Melius responded “never.” He had seen plan after plan and nothing ever happened. Mr. Bach concurred, adding the City had wanted to close the federal harbor. Mr. Torres continued they intend to complete the Master Plan by the end of the year then apply for a TIGER grant. Mr. Torres’ objective for the port district was floating docks.

On motion of Mr. Bach to approve the \$5,000 contribution by Waukegan Port District as its shared match for the IDNR grant, seconded by Mr. Johnson, on a roll call vote, Mr. Melius voted no, and Messrs. Johnson, Torres, Legat, Farrell and Bach voted aye. The Chairman declared the motion carried.

### Airport – Board/Public Commentary

#### Airport - Unfinished Business

##### 13. May Operations and Airport Manager’s Report

Mr. Stanczak reported that operations are down at the airport. Based aircraft are the same, fuel delivery – is down, some trucks are expected this week. Customs are paying.

Messrs. Biehl, Goebel, McCaffrey, Seidelmann and Mesdames Sivia and Gunther left during this report.

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

Mr. Stanczak continued the EAA fly in had a low turnout but was a good start and good publicity for the airport. Mr. Farrell added the Tower was great for the event. They greeted the pilots with a Welcome to Waukegan Airport which was very positive. He had spoken to many people interested in a hangar and said we need to do a better job of marketing. Mr. Torres suggested the Fly-in pictures be posted to Facebook.

Mr. Stanczak continued with the Red Hangars are full as of July 1.

The 20:1 Project is in progress and we have to take down some trees which will cost some money. He said that when the Bubba project is done we need to buy that parcel because this problem will continue. Mrs. Peters’ asked which runway was affected and Mr. Stanczak replied 14/32.

The landfill inspection found a monitoring well which we will need to have removed. He has a copy of the landfill report for administrative files.

There were two recent aircraft incidents. One landed with wheels up and one jet blew a nose wheel tire. There were no injuries. Mr. Torres inquired if there was documentation for the incidents. Mr. Stanczak said yes the tower reports to the FAA.

The Lease for the Construction Office has been sent for signature. That is for Fence Phase 2.

Fence Phase 3 was bid, but there was only one bidder and it was excessive. The State will re-bid that project.

Airport - New Business

14. Permit to Conduct an Airshow / Aviation Event September 6, 2014

Mr. Farrell presented the Air Show Permit and reported that he would abstain from voting due to his involvement with the Air Show. Mr. Johnson asked if it was the same as last year, no changes to our contract or to insurance provisions, only dates were changed? Mr. Farrell responded it was the same and that the fee paid by the Air Show last year had been removed from the permit.

On motion of Mr. Johnson to approve the September 6, 2014 Air Show Permit, seconded by Mr. Bach, Messrs. Melius, Johnson, Torres, Legat and Bach voted aye, Mr. Farrell abstained, and the motion was declared carried.

15. FAA License No. DTFACN-15-J-00001; Revocable License Agreement for Non-Federal Use of Real Property

After discussion, on motion of Mr. Farrell to approve the Tower License, seconded by Mr. Bach, all members present voted aye and the Chairman declared the motion carried.

On motion of Mr. Melius to go into Closed Session, seconded by Mr. Johnson, on a roll call vote, all members present voted aye and the Chairman declared the motion carried.

Closed Session:

16. Personnel Matters pursuant to 5 ILCS 120/2 (c) (1) of the Open Meetings Act.

Open Session


17. Personnel Matters pursuant to 5 ILCS 120/2 (c) (1) of the Open Meetings Act.

18. Authorization to Negotiate an Employment Agreement with Executive Director Nominee

In open session, board members present were: Messrs. Melius, Johnson, Farrell, Legat and Bach. On motion of Mr. Johnson to tender an offer to Candidate 2 (Jorge Torres), seconded by Mr. Bach, on a roll call vote, Mr. Melius abstained, Messrs. Johnson, Legat, Bach and Farrell voted aye. The motion was declared carried.

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

APPROVED:



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JORGE TORRES, Chairman



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GRANT B. FARRELL, Secretary