

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

March 18, 2015

**55 S. Harbor Place, Waukegan, Illinois
Harbor Control Building**

The following Board members were present:

Jorge Torres
Gene Bach
Joe Legat
Grant Farrell
Randy Podolsky

The following Board members were absent:

Mike Melius

District Counsel Present:

Tom Morris

Members of the Port District Staff present:

Randy Rogers, General Manager
Jamie O'Meara, Chief Accountant
Jim Stanczak, Airport Manager
Barney Baker, Airport Maintenance Supervisor
Terri Hatton, Slip Coordinator
Joe Seidelmann, Marina Maintenance Supervisor
Tiffany Long, Office Assistant

Others in Attendance:

Skip Goss, Skill Aviation
Frank Bucaro, Landmark Aviation

1. Call to Order

Chairman Torres called the meeting to order at 2:00pm

2. Roll Call

3. Chairman Remarks

Mr. Torres thanked Tiffany Long for volunteering to take minutes for the meeting. He also reported that Mr. Melius contacted him and will not be present.

4. Approval of Regular Board Meeting Minutes of February 18, 2015

Ms. O'Meara pointed out a correction in Item 10, Status Report: the fence damage was on Phase 2 fencing not Phase 3 fencing. On a motion of Mr. Farrell to approve the February 18, 2015 minutes as amended, seconded by Mr. Legat, all members present voted aye and the Chairman declared the motion carried.

5. Approval of Closed Session Meeting Minutes of February 18, 2015

Mr. Torres requested item to be held over.

6. Approval of checks: February 2015

Mr. Torres inquired about the \$500 slip fee refund. Ms. O'Meara explained that the tenant had sold his boat prior to the expiration of the refund deadline, therefore he qualified for a refund minus the initial \$500 that the Port District keeps. On a motion of Mr. Farrell to approve February 2015 checks, seconded by Mr. Podolsky, all members present voted aye and the Chairman declared the motion carried.

7. Financial Reports: February 2015

Ms. O'Meara reviewed the financial reporting they are normal for this time of year. Some items are a little behind compared to last year, however, in the last couple weeks the Harbor has received an increase in calls from prospective boaters. After two months harbor revenues are tracking better than expenses. As a review of the Harbor funds of February 2015 compared to last February we are down about \$200,000, Mr. Torres inquired if that is due to the dredging. Ms. O'Meara stated that there was no dredging in 2014. The decrease in funds is due to use of funds for regular operations. On a motion of Mr. Bach to approve February 2015 financial reports, seconded by Mr. Podolsky, all members present voted aye and the Chairman declared the motion carried.

8. Port Tariff Schedule

Mr. Rogers reported that he has created a Port Tariff Schedule for the Harbor using examples from nearby ports. He asked for the board members approval of the Waukegan Port District Tariff Schedule. Mr. Bach added that the schedule was a very cumbersome project for Mr. Rogers and it was something that should have been done 50 years ago. Every port in the country has one posted on their website so that when you have contracts with any ship returning it's already on the website. Mr. Rogers also pointed out one correction in the document in regards to tons – it should be metric tons. He then requested approval pending that correction. Mr. Podolsky asked if the document gives the Port the discretion to make adjustments at any time for any reason they deem necessary, to which Mr. Rogers replied that yes there is language in the document allowing for renegotiation of terms. On a motion of Mr. Bach to approve the Port Tariff schedule, seconded by Mr. Podolsky, all members present voted aye and the Chairman declared the motion carried.

General Manager Remarks

Mr. Rogers informed the board that they now have an estimate of \$600,000 for the building of a new airport Customs facility because Customs has new requirements and the current facility will not be able to accommodate the new requirements and regulations. There is no time restrictions, however, we need to be able to show Customs some form of compliance and progress. Right now he is going around to all of our tenants asking if they would be willing to reimburse us for the updated facilities, either up front or over a period of time, if the Port pays up front. A few of the tenants have been receptive up to this point. The goal is to get 100% of the \$600,000 reimbursed.

The project cargo dock (as named by Mr. Rogers), which is the commercial dock next to the Waukegan Yacht Club, needs to be tested. We have a proposal to do a cargo job in August – a 500 ton piece of equipment needs to be off-loaded. We also have another company that is interested in moving their product through the harbor, more details to come in closed session. The challenge with the dock is

that we do not know how much weight the dock can hold since it was built in 1937, and none of the original plans state the weight limit. Mr. Rogers has spoken with a very well-known maritime architect company to tell us what the dock can hold and includes taking soil samples and doing some bagging. The estimate came in much higher than expected, and has not been completely reviewed, but the total estimate is \$96,000. The project cargo job in August and would net us 5% of that alone. Mr. Torres asked that the Port get at least 2 different proposals for the project before making a decision. Mr. Podolsky suggested that the Port just go off of the original engineering drawings, not taking into account prior conditions. Mr. Rogers advised against it because there had been a similar situation at Burns Harbor in Indiana and the terminal operator made the same decision to just go by the engineer drawings, not knowing exactly how much weight the dock could hold, and now Burns Harbor has to pay \$3.5 million to repair the dock. Mr. Bach asked if Mr. Rogers was talking about the area from the edge of the water back up to the concrete section or the parking area near the Yacht Club. Mr. Rogers replied that he was referencing both areas. For this particular job, the 500 ton piece of equipment, they're going to roll it onto a barge. He stated that this testing is something that could be argued both ways. Either we spend the money to have the dock tested to find out the exact weight it can hold for future business planning, or forgo that business altogether. We do have another company that is interested in moving product through the Port, which would generate \$10,000 in revenue per trip, with at least 3 trips scheduled per year. Mr. Torres also added that there is not just weight to be considered, but also oversized material, such as was the case with Hayes Mechanical. Mr. Rogers believes that if we get the harbor dredged and re-start commercial shipping we will get more interest.

Mr. Rogers informed the board that he also met with the U.S. E.P.A. in regards to several issues, including dredging and establishing an education and research institute.

This week Mr. Rogers and Mr. Stanczak traveled to Springfield to meet with the Illinois Department of Aviation. We have some challenges with the funding of the runway extension. Also talked about doing a tax referendum. We need to look at other forms of funding rather than relying solely on State and Federal funds to pay for the runway extension.

Mr. Rogers also talked with the IL E.P.A about dredging the marina, and was told by them that the soils from the entrance of the marina can be dumped back into the lake.

Airport – Board Commentary

Airport – Public Commentary

Grant Farrell, in his role as Chairman of the Waukegan Airshow, confirmed that the Navy committed two F-18's to the airshow this year. Now the only challenge left is to have 23 neighbors evacuate their houses for a couple hours that weekend due to safety measures.

9. Airport Operations Report

Mr. Stanczak reviewed the February 2015 report as well as 2015 overall, stating that fuel is looking good up about 7% for 2015. Operations from the flights school should start picking up now with the nicer weather as well. On a motion of Mr. Farrell to approve the airport operations report, seconded by Mr. Bach, all members present voted aye and the Chairman declared the motion carried.

10. Airport Manager's Status Report

Mr. Stanczak reported that the blimp wants to come be a part of the BMW Golf Tournament, held the day after the airshow. He is hoping to get an OPR from them being at the airport.

The asbestos removal of five parcels is going to be tight, as they were capped at \$60,000. The airport will find out after April 10th if they can make that mark due to the fact that some cases they will not be able to remove the plywood due to extensive contamination. After speaking with the company there might be some funds available for demolition, which we are trying to work out a deal for.

Mr. Stanczak also reported that he had a good meeting with the village administrator from Beach Park in regards to the little restaurant on Wadsworth Road wanting to lease some additional property in the ILS light lane lot. He is also in the process of checking with consultants to make sure we would not be infringing on the runway protection zone.

Clean up is underway on the side of Green Bay Road. There is concern about the Airport's parcel by the Master Hitch lot. With someone moving stuff into the lot, it's beginning to look a lot like a junkyard.

The state should have the funding to us by June for the taxiway ramp.

Phase 3 fencing permits and paperwork are all squared away, just waiting to hear back from the contractors on a few minor issues.

Mr. Stanczak has also sent out emails and letters to our legislators for their support on the appropriations bill for Contract Tower.

A few airport problems were discussed in detail regarding homeowner complaints of the water drainage and flooding of her property, as well as tree removal. Mr. Torres tasked Mr. Stanczak with involving Hansen Engineering to help resolve these matters.

Airport New Business

11. Airport Consultant Agreement for Project UGN-4225, Repair to NE End of Taxiway "A"

Mr. Rogers informed the board that the Airport has entered into a consulting agreement with Hansen to continue to do work for the airport project UGN-4225, which is for the repair of Taxiway A. The proposal is broken down into two phases; the design phase and the special services phase. On a motion of Mr. Farrell to approve the airport project UGN-4225 in the amount of \$40,300.00 for the Design Phase and \$6,500.00 for the Special Services Phase, seconded by Mr. Legat, all members present voted aye and the Chairman declared the motion carried.

Harbor Board/Public Commentary

None

12. Harbor Operations Report

Ms. O'Meara reported that the season has not begun yet, however, as you can see, slips rentals are coming along as of March 11th the Harbor is at 40% compared to last year at 54%. On a motion of Mr. Bach to approve Harbor Operations, seconded by Mr. Podolsky, all members present voted aye and the Chairman declared the motion carried.

13. Harbor Status Report

Mr. Seidelmann reported that maintenance will be launching the barge within the next couple days as the North Harbor is completely free of ice; the South Harbor is starting to clear out fast as well.

However, there are five spots on the South Pier that were damaged over the winter from the ice shifting. Those five sections pulled apart along the main walkway where bolts pulled straight through the metal and some of the steel got mangled. The welder that came out to give an estimate on the

damage said that they could fix it for just time and materials and that they should be able to finish the repair by April 1st.

K&K Welding will also be fixing the north pier iron gate. Because they will have to physically take the gate to repair the weak sections, we will put in place a secure but temporary piece of fencing until the regular gate is returned.

The Wi-Fi project is going really well and they are hoping to have it all up and running shortly. There are a few sections on the north pier that have some issues receiving reception, however, that was all stated in the original bid. Unwired did propose that we take the antenna from the north pier by slips N1 – N3 and move it further out by S12 to have a stronger signal base for all the boaters out there, since there are only a handful of boaters left on N1 & N3. We will inform the current tenants of those slips of the weak Wi-Fi signal and offer the option to choose another slip if they would like.

Ms. O’Meara reported that she and Mr. Seidelmann have been investigating installing a small play area south of the Marina office for families with young kids. Due to the fact that this project was not in the capitol budget we have to start small. We would like start with a sandbox, basketball hoop, and hopscotch the first year. We would also have to install fencing for obvious safety reasons. Pricing for all the building and equipment is still being researched. After much discussion it was determined that the Harbor should start pricing for all items right away and stay in direct contact via email with the board members, so that the project can get started prior to the next board meeting. Mr. Podolsky suggested that the harbor staff reach out to the SiVer Terrace and have them install the Bocce court that was previously agreed upon in their contract so the boaters have one more amenity to utilize.

14. North Pier Demolition Bids

Mr. Seidelmann passed out two proposals for the demolition and dredging of the north pier, one from Gillen Marine the other from Faust. Faust proposed removal of the north half of the north pier, which was their same proposal from last year. Gillen had two different proposals - A & B. Plan A involved taking off 20ft of the end of the north pier and all docks west of the service building. Plan B suggested the removal of all the docks except N10 & N12, which is enough to hold all current tenants as well as additional transients. In the meantime the harbor is trying to get in touch with other companies for more competitive bids based on the expense.

15. Dredging Bid

See above discussion.

16. Dockside Dogs Lease

Ms. O’Meara reported that Mr. Guzman, owner of Dockside Dogs, is looking to build out his leasehold. Using the SiVer Terrace lease as a base point, a 5 year lease with a 5 year extension was developed. It was then sent to Mr. Morris and Mr. Guzman for review. Mr. Podolsky requested that he remain in the discussion of all leases.

Closed Session

On a motion by Mr. Podolsky to enter into closed session, seconded by Mr. Bach, all members present voted aye and the Chairman declared the motion carried. The Board entered into closed session at 3:03pm.

Open Session

At 3:50pm, on motion of Mr. Podolsky, seconded by Mr. Farrell, the Board entered into open session. Present were Jorge Torres, Grant Farrell, Randy Podolsky, Gene Bach, Tom Morris, Randy Rogers, and Jamie O’Meara.

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

On motion of Mr. Podolsky, seconded by Mr. Farrell, it was decided to restore Mr. Rogers' title to Executive Director and to accept the updated staff organizational chart as presented. All members present voted aye.

On motion of Mr. Podolsky, seconded by Mr. Farrell, any salary adjustments associated with staff changes are tabled until requested information is received by the board.

There being no further business, on motion of Mr. Podolsky to adjourn the meeting, seconded by Mr. Farrell, all members present voted aye and motion carried. The meeting adjourned at 3:54pm.

Grant B. Farrell, Secretary

APPROVED:

Jorge M. Torres, Chairman