

MINUTES OF REGULAR BOARD MEETING
OF WAUKEGAN PORT DISTRICT

September 16, 2015

Lilac Cottage, Bowen Park
1911 N. Sheridan Road, Waukegan IL

The following Board Members were present:

Grant Farrell
Jorge Torres
Michael Melius
Gene Bach
Joseph Legat
Tom Evers

The following Board Members were present via conference call:

Randy Podolsky

District Counsel present:

Thomas A. Morris, Jr.

Members of the Port District Staff present:

Randy Rogers, Executive Director
Jamie O'Meara, Chief Accountant
Terri Hatton, Harbor Slip Coordinator
Joe Seidelmann, Harbor Maintenance Supervisor
Cathy Smith, Administrative Assistant

Others in attendance:

Billy McCaffrey, Harbor Tenant

1. Call to order by Chairman Farrell at 2:15 PM.

2. Roll Call

Messrs. Farrell, Podolsky, Melius, Legat, Bach, Torres and Evers answered present.

3. Pledge of Allegiance skipped - done in prior meeting

4. Approval of Remote Participation/Voting

On motion of Mr. Evers to approve Remote Participation/Voting of Mr. Podolsky who was absent due to a business conflict, seconded by Mr. Melius, all members present voted aye, and the Chairman declared the motion carried.

5. Chairman Remarks

Mr. Farrell welcomed everyone and introduced Cathy Smith, our new Administrative Assistant for the Port District. She will now be doing minutes at board meetings.

Mr. Farrell stated that the public hearing on the bond issue was successful and he looks forward to for the positive impact that will have for the Port District.

In the next few months he and Mr. Rogers will be setting up meetings with the stakeholders, Mayors, local fisherman and slip holders at the Harbor.

Mr. Farrell accompanied Harbor Master Joe Seidelmann at the Marina and discussed a punch list of things to be addressed.

Mr. Farrell thanked the staff for all their hard work.

6. Approval of Regular Board Meeting Minutes of July 15, 2015

Mr. Torres shared that it's hard to review minutes that have happened as long ago as two months ago and requested minutes be sent out one week after meetings.

On motion of Mr. Legat to approve Regular Board Meeting minutes of July 15, 2015, seconded by Mr. Bach, all members present voted aye, and the Chairman declared the motion carried.

7. Approval of Closed Board Meeting Minutes of July 15, 2015

On motion of Mr. Legat to approve Closed Board Meeting minutes of July 15, 2015, seconded by Mr. Bach, all members present voted aye, and the Chairman declared the motion carried.

8. Approval of Special Board Meeting Minutes of August 5, 2015

On motion of Mr. Melius to approve Special Board Meeting minutes of August 5, 2015, seconded by Mr. Evers, all members present voted aye, and the Chairman declared the motion carried.

9. Approval of Closed Board Meeting Minutes of August 5, 2015

On motion of Mr. Melius to approve Special Board Meeting minutes of August 5, 2015, seconded by Mr. Evers, all members present voted aye, and the Chairman declared the motion carried.

10. Approval of Special Board Meeting Minutes of August 8, 2015

On motion of Mr. Evers to approve Special Board Meeting minutes of August 8, 2015, seconded by Mr. Legat, all members present voted aye, and the Chairman declared the motion carried.

11. Approval of Checks for July and August 2015

Mr. Torres questioned 4 charges for outside services. Ms. O'Meara answered all charges in question and stated that #2 should have been under capital not outside services.

On motion of Mr. Torres to approve July and August 2015 checks, seconded by Mr. Melius, on a roll call vote all members present voted aye, and the Chairman declared the motion carried.

12. Financial Reports – July and August 2015

Mr. Torres expressed concerns about being over budget in legal services and memberships and conferences and requested staff be more careful when preparing the budgets. Ms. O'Meara explained that the overage in memberships and conferences is due to our new Executive Director attending a conference that was not in the budget and reminded them that the importance of the appropriate training for our personnel.

Mr. Torres requested that any major changes be brought before the Board throughout the year.

On motion of Mr. Bach to approve the financial reports of July and August 2015, seconded by Mr. Melius, on a roll call vote, all members present voted aye and the Chairman declared the motion carried.

13. Acceptance of 2014 Audited Financial Statements

Mr. Torres asked why revenue went down 1.3 million from 2013 to 2014.

Ms. O'Meara explained that reimbursement from outside sources for capital projects does not necessarily follow the project dates. This can result in fluctuations in the millions as the federal and state governments release funding.

On motion of Mr. Torres to accept and place on file the 2014 Audited financial statements, seconded by Mr. Evers, on a roll call vote, all members present voted aye and the Chairman declared the motion carried.

14. Prevailing Wage Ordinance

Mr. Rogers explained the requirements of the State Statute pertaining to the Prevailing Wage Act. Mr. Morris confirmed the Ordinance should be adopted in the form presented to comply with the Statute. Mr. Bach added that this only relates to contracted services relating to construction projects on our property.

On motion of Mr. Bach to adopt the Ordinance Setting the Prevailing Rate of Wages, Ordinance No. 2015-O-01, seconded by Mr. Evers, on a roll call vote, all members present voted aye and the Chairman declared the motion carried.

Executive Director Remarks

Mr. Rogers reported that he and Mr. Farrell have been having ongoing discussions related to outside services. It was recommended that we establish a schedule, structure and a process for these contracts. Mr. Torres recommended we tailor-make each agreement to the specific type of service

Mr. Rogers recognized two new hires Joe Seidelmann –Harbor Master and Cathy Smith – Administrative Assistant. We are happy to have them in their positions; they are doing a great job. As personnel restructuring continues we have two additional positions that we plan to fill: Bookkeeping and Security Chief.

National Gypsum continues to bring ships in. This is a positive for it generates other business opportunities for us and justifies the dredging of the channel to keep it open.

Mr. Rogers and the Mayor co-signed a letter of support for a dredging study.

Mr. Farrell asked if there was any news from LaFarge and St. Mary's regarding their operations at the Harbor. Mr. Rogers answered that LaFarge has indicated an interest in re-opening their silos. St. Mary's is not interested at this time as they are not convinced the approach channel will stay dredged.

Mr. Farrell suggested the possibility of using outside services for the two positions that need to be filled (Bookkeeper and Security Chief). Mr. Rogers replied that staff will research and he will get back to the Board.

Harbor – Public/Board Comments

None

Harbor – Ongoing Business

15. Harbor Operations - August 2015

Ms. O'Meara stated fuel sales remain down but the profit margin would not be affected. Launch ramp usage has picked up and we now have an increase over last year in daily usage. Slip occupancy is slightly down from last year at this time. Mr. Torres asked about new tenants to which Ms. Hatton answered that we have 12 more new tenants than last year at this time.

16. Harbor Status Report

Mr. Seidelmann shared that the season is winding down and maintenance is making plans for winterizing the marina. The weather for Labor Day wasn't that great so the harbor wasn't as crowded as past years. The Salmon Unlimited Kids Fishing Derby was also a success, despite inclement weather.

In his new role as Harbor Master, he has been out on the docks trying to be seen and talking to boaters, getting suggestions, comments and feedback from boaters for next year.

Per Board member requests, maintenance continues to strip and clean North Pier north stationary docks.

He is working with CAG on the finishing touches for the signage on the board walk which will include historical photos of Waukegan and informational posters of the types of fish and birds in our area. There are a lot of funding opportunities through CAG. They were able to get us trash can toppers and additional big belly trash compactor containers. We continue to work closely with them on lakefront and Harbor improvements.

We have had a number of large power outages at the harbor the past few weeks; at Mr. Podolsky's recommendation we sent out emails to the boaters and this was much appreciated. As a result of the power surges we lost a few pieces of electronic equipment at the gas dock and launch ramp.

Beach pass usage is down from last year.

Gillen Marine has assured us they will be able to fix the two damaged slips on the north pier at the end of October/early November.

Harbor – New Business

17. Slip Fees for 2016

Ms. O'Meara explained that after many discussions, staff has determined that raising slip rates would damage the increases we have been able to make this year. We are competing with other marinas right around us. Staff proposes maintaining existing slip rates with the following changes: North Pier slips 26' = \$1400.00 and 30' = \$1700.00; we would continue with the \$900.00 promotion on 26' and 30' North Harbor slips as this discount has proved successful. These prices make these slips less than surrounding marinas. Mr. Podolsky suggested reducing the 40 and 45 slips also. After discussion it was agreed that prices will be accepted as presented with the additional discount on South Pier 45' slips to \$3500.00. No other fee increases.

A Staff/Board discussion followed regarding various marketing strategies and opportunities, including partnering with students enrolled in a Lake Forest College entrepreneur course, which will include an in depth analysis and presentation of a comprehensive marketing strategy.

There was also a brief discussion about adding boater amenities, such as guest gathering areas and a boater lounge. Staff will research costs for the various suggestions.

On motion of Mr. Torres to accept the slip fee schedule as presented with the addition of the lower 45 ft. slip fee, seconded by Mr. Melius, on a roll call vote, all members present voted aye and the Chairman declared the motion carried.

Airport – Board/Public Comments

Board Comments: there was a recommendation to announce our new snow brooms to airport tenants.

Airport – Ongoing Business

18. Airport Operations – July & August 2015

Ms. O’Meara reported that aircraft operations are down slightly from 2014 for the same period, however overall YTD are up slightly 2.5%. We are in the process of requesting updated information from all of our based aircraft tenants. Fuel delivery is up month to month and YTD by 6.7%

19. Airport Status Report

Mr. Rogers reported we are pursuing a variety of business opportunities. He also announced we have accepted the opportunity for a donation of a F1-11 aircraft at the airport. We are working on getting cost estimates for transport as well as an appropriate display.

Airport-New Business

None

Closed Session

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

On motion of Mr. Legat at 3:21 pm to go into closed session, seconded by Mr. Bach, on a roll call vote, all members present voted aye and the Chairman declared the motion carried.

Open Session

The Board reconvened in open session at 3:37pm. All members present previously remained in attendance.

21. Action on Property Matters pursuant to 5 ILCS 120/2 (c) (6)

On motion of Mr. Podolsky to approve the Baxter lease in its first 10-year option be extended through December 31, 2015, at the newly negotiated rent and security fees retroactive to the prior termination date, and those fees not currently paid would be due at the next rent due date, 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, seconded by Mr. Torres, all members present voted aye and the Chairman declared the motion carried. Board Meeting adjourned at 3:41 PM.

JOSEPH J. LEGAT, Secretary

APPROVED:

GRANT B. FARRELL, Chairman