

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

January 20, 2016
2:00 pm

Waukegan National Airport
Landmark Aviation – 2nd Floor Conference Room
3550 N. McAree Road, Waukegan IL

The following Board Members were present:

Grant Farrell
Jorge Torres
Gene Bach
Randy Podolsky
Joe Legat arrived at 2:06

The following Board members were absent:

Michael Melius

The following Board Members were present via conference call:

Tom Evers

District Counsel was absent:

Thomas A. Morris, Jr.

Members of the Port District Staff present:

Jamie O'Meara, Director of Operations
James Stanczak, Airport Manager
Mary McCarthy, Accountant
Cathy Smith, Administrative Assistant
Barney Baker, Maintenance Supervisor

Others in attendance:

Brad West, West's Insurance
Scott Siemsen, Wirtz Insurance
Mark Rogina, Wirtz Insurance

1. Call to order by Chairman Farrell at 2:00 PM.
2. Roll Call
Messrs. Farrell, Podolsky, Bach, Torres and Evers answered present.
3. Approval of Remote Participation/Voting

On motion of Mr. Farrell to approve Remote Participation/Voting of Mr. Evers, who was absent due to a business conflict, Messrs. Farrell, Torres, Bach and Podolsky voted aye, and the Chairman declared the motion carried.

4. Chairman Remarks

Mr. Farrell advised that Randy Rogers's last day was Friday 1/15/2016 and conveyed that they had a good debrief on what he saw were challenges and also some of the highlights. Mr. Farrell shared that he had asked the board members to help out in Mr. Rogers's departure.

Mr. Farrell reported that the staff meetings last Monday 1/11/2016 and Tuesday 1/19/2016 went very well and that everything is going along very well.

5. Approval of Regular Board Meeting Minutes of December 16, 2015

On motion of Mr. Podolsky to approve the Regular Board Meeting Minutes of December 16, 2015, seconded by Mr. Bach, all members present voted aye, and the Chairman declared the motion carried.

6. Approval of Checks for December 2015

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

7. Approval of Financial Reports for December 2015

Ms. O'Meara summarized that the reports reflect through the month end of December that they are not year-end. As we do asset adjustments the numbers will change but not substantially.

Mr. Podolsky inquired if the contingent liability of the fuel contract is being dealt with.

Ms. O'Meara responded that she would check with the auditor when they work on year end.

Mr. Torres stated that it needs to be reflected on the financial report.

Ms. O'Meara reviewed for the airport we are at 102% budgeted revenue and 98% budgeted expense this shows we are working diligently as we try to maintain the budget. That is even with contingencies we had not planned on like additional legal fees and lease negotiations they are factor and we still met budget. As for the aging report we are still working with Landmark with the CPI adjustments from the end of December are still not paid. Nu-way has not paid but UGN has.

Mr. Bach stated that the airport looks really good year to date.

Mr. Torres summarized that they are over on the projected revenue which is great, compliments to the Airport staff.

Ms. O'Meara identified that the harbor had some difficulties throughout the year primarily the sale of the fuel and slip revenue being under budget. Still coming out of tough times finically when it comes to recreational boating and how families spend their extra money. Judging by the boat show everyone seemed upbeat about the upcoming season.

Ms. O'Meara reported in regards to lease and security we had booked potential revenue that didn't come to fruition that is why that line item is under.

Ms. O'Meara advised another notable line item is outside services which is over, close to \$90,000 that would be our temporary labor, we experienced some challenges with hiring in house so we went to a temp service. Wages line/ HR line items are under budget and moved to outside services which should balance out to budget.

Ms. O'Meara reported we have booked the new financing and we will be transferring via wire our monthly payment and it will be booked accordingly.

Ms. O'Meara indicated as for the aging both Gillen Co. and IL. Natural history survey have paid.

Mr. Torres questioned what are considered outside services.

Ms. O'Meara responded anything we cannot do in house plumbing, heating, AC and auto repair. Joe's goal for hiring full time maintenance staff will draw some of these back in. What we saved on wages we spent on outside services.

Mr. Torres questioned Skill Aviation missing Sept, Oct, Nov and Dec payment on the Airport AR pending.

Ms. Smith responded that Mr. Goss stopped by today and informed me we should have something by weeks end.

Mr. Stanczak announced that on the Monthly cash statement under Land Acquisitions Fund it should read Ahern and + 4 parcels

On motion of Mr. Torres to approve the Financial Report of December 2015, seconded by Mr. Bach, on a roll call vote all members present voted aye, and the Chairman declared the motion carried.

8. Approval Meeting/Holiday Schedule

Mr. Podolsky pointed out there are 11 closed days and 3 of which are critical days at the harbor, Memorial Day, 4th of July and Labor Day that need to be staffed.

Ms. O'Meara explained that the Marina is staffed with seasonal employees on these holidays and management is available by cell phone.

Mr. Podolsky stated that last year a senior manager was requested to be on site and this should continue this year.

On motion of Mr. Podolsky to approve as presented the Meeting/Holiday Schedule for 2016, seconded by Mr. Torres, on a roll call vote all members present voted aye, and the Chairman declared the motion carried.

9. Approval of 2016-17 Property & Casualty Insurance for an amount not to exceed \$173,000.00

Ms. O'Meara introduced Mr. West from West Insurance and Scott and Mark from Wirtz Insurance agency. After a lengthy discussion it was determined that the matter should be tabled until next week when a Special meeting could be called.

On motion of Mr. Podolsky to **table** the Property & Casualty, seconded by Mr. Legat, on a roll call vote all members present voted aye, and the Chairman declared the motion carried.

10. Discussion & Possible Decision to Add a Check Signer

On motion of Mr. Podolsky that Randy Podolsky board member and Gene Bach be added as authorized check signers, seconded by Mr. Legat, on a roll call vote members present voted aye, and the Chairman declared the motion carried.

Executive Director Remarks

Mr. Farrell conveyed that in the absences of Mr. Rogers the staff and some of the Board Members have taking on certain responsibilities thank you for spreading all that out and thank you for all the hard work.

Airport – Public/Board Comments

None

Airport – Ongoing Business

11. Airport Operations – December 2015

Mr. Stanczak reported operations are down for the year a lot of it had to do with the fuel and the economy, bright side fuel is hanging in there. Baxter was down for ½ the year and we still did pretty good on fuel. Customs is down, no reason for it none of the loco's (? Locals?) are clearing anywhere else.

12. Airport Status Report

Mr. Stanczak updated the board that we had a great tenants meeting today with over 40 attendees, snow removal crew received a lot of compliments from the tenants.

Skill Aviation the flight school on the field was named one of the top 40 flight schools in the nation.

AbbVie meeting was very constructive they are looking at building a new hangar.

Mr. Podolsky conveyed that we are still working with an aircraft service company to determine if we can satisfy both there storage and transportation needs. There are benefits of being at Waukegan Airport and they would be a great tenant to have here.

Mr. Farrell indicated we have users on the field that want them at Waukegan as well.

Mr. Podolsky advised that the corporate tenants want them close because it is very expensive to get them to their planes, or fly their planes to the repair service.

Mr. Stanczak shared that the Customs meeting went well and that we are hoping to have questions answered by Friday.

Mr. Stanczak reported that there is a meeting on Monday with Baxter.

Mr. Stanczak conveyed that the 2 incursions are being wrapped up with Trisha (FAA). Working on signage to prevent this from happening again.

Mr. Stanczak expressed that in the near future we need to consider home purchase of the property to approach 1 -4 airport obstruction runway safety project, it is something we need to do.

Airport – New Business

13. Resolutions:

1. That the Chairman and Secretary execute and deliver the Division's Standard Agreement for Engineering Services between the Port District and Hanson, for Construction Phase services for the Rehabilitate Southeast Portion of Main Apron, IDA Project UGN-4256, on a Cost plus Fixed Fee Basis, Not-to-Exceed amount of \$136,450.00, pending Division concurrence.

2. That the Chairman and Secretary execute and deliver the Division's Standard Agreement for Engineering Services between the Port District and Hanson, for Construction Phase services for the Repair of 300 Feet at NE End of Taxiway A, IDA Project UGN-4225, on a Cost Plus Fixed Fee Basis, Not-to-Exceed amount of \$43,100.00, pending Division concurrence.

After brief discussion

On motion of Mr. Torres to approve both resolutions as presented, seconded by Mr. Bach, on a roll call vote all members present voted aye, and the Chairman declared the motion carried.

14. Authorization for Capital Purchase: M5-091 Kubota Diesel Tractor for an amount not to exceed \$ 52,000.

After brief discussion and the request of an aging schedule of all the tractors the board decided to table until next week's special meeting.

On motion of Mr. Torres to **table** the authorization for the Kubota Diesel Tractor, seconded by Mr. Podolsky, on a roll call vote all members present voted aye, and the Chairman declared the motion carried.

Harbor – Board/Public Comments

None

Harbor – Ongoing Business

15. Harbor Operations – December 2015

Ms. O'Meara stated that there was nothing to report, there was not business in December at the harbor.

16. Harbor Status Report

Ms. O'Meara conveyed that the boat show was last weekend Power, Sail and RV show Thursday – Monday. Thursday and Saturday were the busiest days, we had 2 new tenants sign up today from the boat show.

Mr. Podolsky complimented the new booth design.

Ms. O'Meara introduced a new vendor Snag a Slip hosts a website for renting slips, our name will be advertised on the website, Joe is looking into it. Also in June the America's Cup Trial are being held at Navy Pier and we are trying to let boaters know we are here and have slips available.

Mr. Bach shared he believes he has a contact of who is running it in Chicago.

Ms. O'Meara reported that we are at 50% occupancy, 680 total slips and 339 are rented already.

Mr. Podolsky conveyed that with the current proposal on the table with the new marina service operator the plan is to tear out the 1st 3 main fixed docks on the north side of the north pier, inside the south harbor and replace them with a 100-ton lift well. The fish cleaning station and the bathrooms may need to be removed and possibly relocated.

Ms. O'Meara announced that there are 2 architectural proposals for the upgrade of a boater's lounge facility/addition that is on hold until February.

Ms. O'Meara advised that we have obtained the IDNR Planning Grant from the State of Illinois.

Mr. Podolsky reported that there is \$1.5 million worth of grants dedicated to transient slips, so if we want to add floating docks in the future we could pursue this grant program. GWDC, on our behalf, is looking into the matter and it will be tied to the Planning Grant study to follow.

Harbor - New Business

17. Authorization for Capital Purchases:

1. Purchase two (2) Electric long bed Carryall golf carts for an amount not to exceed \$21,000 (with the trade-in of three (3) non-operational golf carts and one (1) Cushman.
2. Purchase five (5) jet-ski docks for an amount not to exceed \$7,500.

After brief discussion ensued and staff was encouraged to try to find used jet-ski docks.

On motion of Mr. Podolsky to approve both 1 and 2, seconded by Mr. Evers, on a roll call vote all members present voted aye, and the Chairman declared the motion carried.

Suggestions for the Good of the Port District

None

Closed Session

On motion of Mr. Podolsky to go into closed session at approximately 3:27pm to discuss, Personnel Matters pursuant to 5 ILCS 120/2 (c) (1) of the Open Meetings Act, seconded by Mr. Torres, on a roll call vote, all members present voted aye and the Chairman declared the motion carried

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

Mr. Legat left at 3:52

Open Session

On motion of Mr. Podolsky to return to open session, seconded by Mr. Torres, all members present voted aye and the Chairman declared the motion carried.

The Board reconvened in open session at 4:03 pm.

There being no further business, on motion of Mr. Torres to adjourn, seconded by Mr. Podolsky, all members present voted aye and the Chairman declared the motion carried. Board meeting adjourned at 4:05 pm.

JOSEPH J. LEGAT, Secretary

APPROVED:

GRANT B. FARRELL, Chairman