

**Waukegan Port District**  
**Board Meeting of Wednesday March 16, 2016**  
**2:00pm**  
**Waukegan National Airport**  
**Signature Aviation FBO – 2<sup>nd</sup> Floor Conference Room**  
**3550 McAree Road, Waukegan, IL**

Present: Grand Farrell, Jorge Torres, Joe Legat, Michael Melius, Tom Evers, Gene Bach, Randy Podolsky, Tom Morris, James Stanczak, Mary McCarthy, Cathy Smith, Terri Hatton, Joe Seidelmann, Frank Bucaro, Jaqueline Pardus

Mr. Evers was dialed up via landline for participation/voting prior to the start of the meeting.

**1. Call to Order**

The meeting was called to order at 2:00pm

**2. Roll Call**

Grant Farrell, Jorge Torres, Joe Legat, Tom Evers, Gene Bach and Randy Podolsky

Absent for Roll Call: Michael Melius

**2. 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, Legat, Bach and Podolsky voted aye, and the Chairman declared the motion carried.

**4. Chairman Remarks**

Mr. Farrell mentioned Siegel-Gallagher is having their annual meeting today. John and Chris are at a meeting today so they are not here for this meeting. John put together a project list for the airport and we will still continue to work on the project list for the harbor also. Everyone should take a look at some of the projects, underneath that there is a page is a project list that Mr. Farrell went over with John. Note that the yellows are the objectives that Mr. Farrell would like for S-G to accomplish this year and John will communicate projects to the appropriate party. Please review and if a member can think of additions to the project list after review, feel free to add and inform Mr. Farrell.

There is another list named S-G which is a weekly operational update and if a member is interested Mr. Farrell can forward them to interested members. There is not too much on the list at this time, but as business increases over the course of the year at the harbor and the airport simply request to be forwarded current weeklies. In the Board packet there are four or five more

detailed reports that Mr. Farrell stated he was going to be consolidating with Ms. McCarthy's assistance into a more consolidated two page report covering harbor and airport that will streamline relevant information to the Board Members. Currently the reports to the members are providing far more information than what may be needed, but if a member desires that detailed style, Mary can provide that comprehensive report. Percentages against the budget is an objective to the new reporting format. Mr. Torres suggested a third column, memo/purpose column to further clarify line items. Ms. McCarthy suggested a detail report for those members that desire that format such as Mr. Torres as Treasurer that would be more applicable to his responsibilities versus members that may not seek such details.

2:05pm Tom Morris, Esq. joined the meeting.

Mr. Farrell informed the members that there have been many meetings at the harbor with John and other key vendors along with Randy. These meetings have facilitated progress of the board's responsibilities and to also thank all board members and others who have helped with the process of the last couple of months to bring the board current.

Mr. Farrell also explained that to help with efficiency a typist was brought in to take meeting minutes.

Bring projects to Mr. Farrell's attention as board members review so that they can be communicated to John. Reminder to members that the yellow highlighted items are the major goals for 2016.

## **5. Approval**

Mr. Farrell discussed approval of Minutes from prior 2016 board meetings with the exception of the closed special meeting minutes of January 28, 2016, which are not completed to date. Mr. Farrell requested a motion to approve the remaining minutes, which Mr. Podolsky individually listed with the exception of the Closed Special Meeting Minutes of January 28, 2016 meeting.

On motion of Mr. Podolsky to approve the all the Board Meeting Minutes with the exception of January 28<sup>th</sup> closed session, seconded by Mr. Bach, all members present voted aye, and the Chairman declared the motion carried.

February 2016 check approval

Mr. Torres had a few checks that he asked for further clarification on.

- Check for \$196.04 to Grant Farrell. Randy, John, Grant and GM candidate for the airport side of the business.
- Promotion check for the Boat Show display payable to Sign Now was briefly discussed. Mr. Torres stated that information provided is too vague and a need for clearer detail of purpose/reason.
- Harbor slip check to long term customer, John Kepler, Charter Captain for \$500.00 was a refund of half deposit per policy, due to medical issues was not able to use their slip for at least less than half of the season in 2016.

- Another promotion check to North Point Digital Productions for the Boat Show was briefly discussed for clarification purposes. Vendor created the video display for the Boat Show.

On motion of Mr. Podolsky to approve the checks for February 2016, seconded by Mr. Evers, on a roll call vote all members present voted aye, and the Chairman declared the motion carried.

- Financial Reports: February 2016
  - Financial Report opened for discussion with the airport portion first. Mr. Torres asked to discuss a harbor portion of the report first. Mr. Torres noted that slip revenue was down from this time last year from \$204,000 to \$174,000 a difference of approximately \$30,000.00. Mr. Torres wanted to know if there was a known reason for this difference in revenue. Joe Seidelmann stated that it was because that regular slip customers were not in a rush to get their money in as they know their slip is not going anywhere. Mr. Torres asked if there was something different from 2015 to 2016 that could reflect this slower slip payments. Mr. Seidelmann stated no, that there were no incentives in 2015 that caused slip revenue to be higher last year at this time. A comment was made that with the warmer weather in spring 2016 that should change shortly. Mr. Seidelmann did comment that an incentive might be an idea to use in future years to encourage more prompt payment from the regular long-term customers.

Mr. Melius joined the meeting at 2:13pm.

Open for questions regarding harbor financials, there were none.

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

## **6. Airport Public Comments**

None.

## **7. Airport Board Comments**

Mr. Farrell had a comment since Frank Bucaro was in attendance that Mr. Farrell has spoken to Andy recently regarding contractors that are present on site ignoring stop signs at the gate - Aramark was mentioned as one contractor seen doing this on Beach Road. Mr. Farrell also stated that he would be sending out a letter to tenants to remind them to remind their contractors that restricted entrance signs are to be adhered to by all tenants and their contractors, customers. No tailgating is permitted by law.

## 8. Airport SG Aviation Remarks

- Operations & Status Report – Jim stated he would review operations first and to note that there was a nice increase in activity. Aircraft operations were up almost 50% and up 31% YTD.

Based aircraft was unchanged.

Fuel delivery is down a bit, but Baxter took on a large load back at the end of January so that is why they are noted in the packet. We are close to what was done last year and customs are ahead of last year.

Opened for questions on Operations. The information provided in regards to operations is for the month of January, 2016. Mr. Farrell stated that they are still down from YTD from last year, 3 or 4% \$20,000.00.

- Status Report – Still working on the Ahern property. Mrs. Ahern carried out her relocation for 18 months, sent the state a check for \$5,200. Bubba cancelled his for \$14,900. We are working on paying off these bills so we can start working on reimbursement for this project, coming to an end.

Demolition is progressing, it is paperwork though it is a work in progress. Beach Park Fire Department will be utilizing those homes for training. Northern Avenue Vacating along boundary line by the lots in the process to vacating the road. There is a potential customer who wants to possibly build a hanger over in this area and this vacating would help this become reality.

Legally we have 3 homeowners and all three have to agree to accept their half of the divide or to let the District take the whole road, but once they take their half then they get a tax bill. All homeowner's are willing to vacate the road.

- Unfinished Business

Customs building received an agreement for engineering services from Hanson for site engineering for the new customs building. Sewer and water, etc. and member Legat is taking a look at this as well. The pricing is reasonable for all of what they are proposing to do, but that will be better settled for the next meeting. We also have some contacts from Homeland Security given to us, a Mr. Landford is the mission support specialist for the Chicago Field Office of US Customs. He gave us a list of a couple of airports in the area that are having this type of project underway at their locations so that we might obtain additional contractor information if necessary, approximate sizing and pricing. Will give them a call this coming week.

Mr. Torres asked if this project is sponsored by another agency or was the District paying the entire bill? Mr. Farrell answered Mr. Torres question that the District was to pay the entire bill and utilize the runway projects as the more appropriate justification for going to the airports customer base to assist with funding. The 'other' Randy believed that this is an appropriate avenue, it is changeable. This is a \$400,000-\$600,000 project. Mr.

Torres asked if not having another agency helping out with this, would the District be able to bid this out? Mr. Bach stated the District would attempt to bid out however when dealing with a tightly held agency such as Homeland Security the restrictions and micro specifications that are mandated can be incredibly difficult for contractors to meet. ModSpace is mentioned as a specialized builder (Pre-fab) who is the leader in this type of construction. Other comparable pricing is preferred. Homeland Security requires that a site needs to be pre-qualified in an interview process before specs are provided to any potential builder. If the District leases the building that option in itself can reduce the need to go get multiple bids, which Mr. Farrell stated he was told. The lease would probably require a buy-back down the road. The objective is to seek ways in order to avoid a single source builder. New Business

None

- Standard Agreement for Consultant Services for UGN-4521, Rehabilitate Portions of Taxiway B & C, Phase 2 Project

Widening Taxiway B & C – Surveyors are out in the field currently working on this. J.U.L.I.E is out there locating and contacting the City to relocate the water but as you know the City does not like to do work inside the fence for the airport, but spoke with supervisor in order to get something worked out. Tomorrow we have a meeting for Taxiway ALPHA and the ramp. With the current weather we are looking forward to getting this project started. Both projects together are about \$2.4 million. Again, tomorrow the 17<sup>th</sup> we have a soil meeting for Bravo and Charlie and we need to have that done in order to avoid pipe breakage with would be our cost. Definitely no boring until that is staked out.

- Another meeting is with the Fire Chief, they want to put a training center on our property over on Dorothy where the homes are being demolished, but Jim has the engineer coming on March 17<sup>th</sup> to make sure that this would not interfere with the runways or the creek area. We will look into this and if it is feasible then it might be something for the Board to consider. More details to follow.
- Gulf Stream Aerospace people want to put up a sign and Jim is referring them to the Board.
- An individual owner would like to build a hanger, so hopefully it is feasible. One thing that we need prior to further dialogue would be signatures because of the other people looking for space at Waukegan National Airport.

Mr. Bucaro mentioned the Contract Tower award which we won last year recommended the Tower Manager for Manager of the Year, which Mr. Bucaro believes has a good chance of obtaining. Also along that line Mr. Bucaro has been in contact with Kurt, Durbin & Dole for appropriations for the contract Tower Program and they have all signed onto it, so this is a big deal with the Transportation Bill that is in progress right now. We are well underway with the

static display for the F-111 display project, we had another meeting and the response has been very well and we are moving ahead.

New business

Mr. Farrell asked Jim for an explanation on what is required of the Board for the Taxi Way – Bravo and Charlie. Jim stated that the Board needs to pay the engineering costs in order to proceed.

Mr. Farrell requested that Board members review the attachments in order to facilitate any additional questions.

Mr. Morris had some concerns that the contract was a boiler plate variety and not well constructed at that.

3 separate phases, first one being \$53,400, then the design phase is \$12,550, Special Phase \$1,252 up to \$10,000. These dollars can be approved with one motion as they are for one project per Mr. Morris

On motion of Mr. Torres to approve the engineering rehabilitation portions of Taxiway B & C, seconded by Mr. Bach, on a roll call vote, all members present voted aye and the Chairman declared the motion carried

## **9. Approval of Airport Leases:**

None.

## **10. Harbor Public Comments**

None.

## **11. Harbor Board Comments**

None.

## **12. Harbor SG Marine Remarks**

### **Operations / Status Report**

Ms. Hatton reported we currently have 678 slips at 52% full with 355 rented. New tenants are up slightly compared to last year at this time, about 30 versus 25 last year. Return tenants is very close and she is sure that quite a few more tenants will be returning as weather improves. On April 2, 2016 they will be attending the Larsen Marine Open House to host a booth to generate some interest. If any board member is interested in going it will be a half day event.

Mr. Evers asked the question as to the 30 versus 25 new tenants if that can be attributed to any new marketing tactics? Ms. Hatton attributes the increase to the Boat Show and North Point not doing very well this year, along with high priced Chicago Harbors and train line issues should further help.

Joe Seidelmann discussed the Canoe/Kayak grant that was awarded by IDNR for \$80,000 for handicapped Canoe/Kayak launch is tied up in the State budget, still not received. Citizens Advisor Group, CAG, that we work with had a surplus grant for public access to Lake Michigan, so they have given us a check now for actual price of the dock structure and ramp to get down to the dock structure. We now have this money to go ahead to put the structure in and are awaiting to hear from the DNR as to whether this will adversely affect our initial grant, or if we can proceed in advance of payment from the State. Mr. Seidelmann wants to ensure that prior to the start of the project that utilizing the CAG funds does not cause any issues along the way with the \$80,000 grant so that the moneys can be used for additional parking lot improvements and beach nutriment along with a couple of permits that still need to be obtained because the structure is touching water. Mr. Seidelmann wants to ensure they are approved by all the right agencies in advance.

Also from CAG we have been donated funds for harbor historical signage. Waukegan Parks District was also a part of this, they have some mock up designs that hopefully Mr. Seidelmann will be able to present to the Board next month. We are looking at 7-signs starting at the South end breakwater, along our defined boardwalk area all the way to the North end by the Yacht Club that will have pictures on them of Waukegan in earlier years from the different vantage points. Information on the Harbor and the City as well as information on some migratory birds, what fish you might be able to catch on others and general information that viewers might find useful. At the bottom of the signs will be either a QR code that one might scan so that the information can be updated so that it can be a living/breathing sign or text code that will send an individual a link to a website similar to what St. Joe's Michigan has on their walking tour. So the signage could be relevant for a long period of time. This is no charge to us, the only foreseeable expense would be maintenance of the website over time.

Maintenance might be a small expense in the future. Installation will be done in-house, so that is a minor cost to us.

Commercial dock testing - for the weight restrictions will be looked into. Next week Mr. Seidelmann, Tom Thomas and Tim Harrison will get on the barges, when we are free of ice and get the visual inspection first. He feels that with the visual inspection that the tiebacks he may be able to get us a capacity number with that information. If not, if there are some gray areas we might have to dig a couple of spots to get a visual inspection of the tiebacks further back to make sure there is no deterioration on them. Based on that he feels he can get us a solid number so that we will know what kind of weigh we can handle on the commercial dock. This in itself will save a lot from the \$100,000 price of a full scale engineering as previowsly proposed.

We signed a contract with Valv-Tech to obtain fuel additive again from them this year. They were down yesterday on the 15<sup>th</sup> of March to test our tanks and tanks are fine. We can order from a local group so we can input it ourselves and still be flexible with our fuel supplier, so that we do not have to go to a Valv-Tech fuel distributor. One deal that Mr. Seidelmann is exploring with them is to do some co-marketing, Valv-Tech offers free training to dock staff at their fuel docks who use Valv-Tech to give information to boaters. Mr. Seidelmann was talking to Valv-

Tech about possibly shooting a video for their own purpose but at our site to help promote the harbor in video on its web site and Facebook page.

Break Wall - Still waiting for repair permit from the Corp of Engineers. It should be here soon, though the permit was assigned to person who is not familiar with the area, so raised red flags that normally would not occur, which included Illinois Historical Society, endangered species watch list and various other things.

Tom Thomas conducted a study of endangered species and environmental hazards for the entire area. So that is typically done with the DNR so any future project we will not have to go back and revisit it. That was approved last week, the DNR signed off along with the EPA, so we are simply waiting on the Corp for the permit on the break wall.

Gillian's aware and can start work immediately once notified by us.

Bay Marine will benefit as they can utilize our existing permits for their work. Our dredging permit is valid thru the end of this year, along with original construction permit from South Pier project. Mr. Seidelmann is verifying this with the IEPA.

Dredge Waste – the IEPA indicated that no dredging material may be returned to the lake. The one item that Mr. Seidelmann needs to stress to the Board is we are seeking avenues for where to place the dredge material in a cost effective manner. Any possibility of airport disposal for the dredge waste would be cost efficient. This was a cost effective item during the original construction of the South pier. Fill material, sound barrier, simply storage, etc.

The silt is comprised of sand and mud and is residential quality, minor hazardous, but nothing that breaks thresholds of EPA standards. This could help keep dredge costs down. Trucking fees would be a 3 to 1 ratio and if necessary any trip fees. Mr. Melius asked if anyone could use it for other project, such as fill for any purpose. Mr. Seidelmann stated yes. Last year the harbor was unable to obtain the material in the time frame that the EPA wanted (during the boating season) to place the material at the OMC Site 2, even though the EPA was not going to be helping with the removal or transfer costs.

Mr. Farrell suggested that Jim and John need to see if the house demo projects could utilize this material as fill.

Mr. Torres asked if tonnage and content information could be sent to him so he could contact Director of Public Works in order to find someone to take the material.

Harbor newsletters will be sent via Constant Contact, who will assist with better distribution and recipient feedback.

Mr. Bucaro mentioned that a neighbor complained about rebar and concrete from the harbor that is being stored at the airport. Mr. Farrell indicated that this issue would be for the Park District because the material belongs to both groups.

Mr. Podolsky reports that the fuel contract executed by Mr. Rogers last year with Landmark (fuel co-op, not the FBO) has an unpaid obligation \$47,700. Mr. Podolsky has spoken to Dave



Jennings that the pay down of that amount in order to be whole, with leaves two choices which are evident with the fact that we are going to be able to get 89 gas, add Valv-Tech and buy gas at a competitive price from time to time this year. In order to bring balance after last year's disaster, we can either take our profit of last year of about .25 cents a gallon and have that applied to our obligation throughout the 2016 season, or as of this morning, Landmark has said that if we pay them in full they will give us a courtesy discount of \$3,000 off the balance. Mr. Podolsky suggested that the Board take the discount and put the matter to rest. This option also allows for a clearer tracking of this year's fuel sales. Mr. Evers agreed, as long as no cash flow problems are created. Mr. Torres suggests using reserves to pay. We would have 10-days to pay if we take advantage of the \$3,000 discount.

On motion of Mr. Podolsky that he be authorized to negotiate the best deal possible for the remainder balance with Landmark, in no event less than the \$3,000 discount, seconded by Mr. Torres, on a roll call vote, all members present voted aye and the Chairman declared the motion carried.

2:54pm Mr. Evers dropped off.

#### Unfinished Business

Mr. Seidelmann spoke about S-G is working on redeveloping the information on the Harbor website with a separate page with all the Charter Captain information and their advertisements.

#### New Business

Edgewater Resources Master Plan brought up by Mr. Farrell for the Harbor. Mr. Podolsky stated that Harbor planning grant from IDNR is for \$150,000 and almost everything that we are doing is 100% reimbursable and/or is covered through a matching grant, but between Greater Waukegan Coalition and our staff time and contributions in services we would be able to match the grant of \$40,000 with no issues. There are some expenses that are not to exceed \$2,500 and they are non-reimbursable. This is our grant and GWDC and Shia Lothan along with Mike Edger of GWDC helped us to obtain this grant. We are not in conflict with the City master plan. Mr. Podolsky would like the Board to approve any and all documents of the planning grant needed to be executed in the ordinary course of the process, as long as counsel approves them along the way. Jered Dillinger at GWDC is our contact and grant writer, while we and S-G are the primary contacts and decision makers for the District. GWDC will also be managing the money invoicing processes and legalities.

Additional contracts more of the administrative variety are to be expected so to maintain a ease of flow, Mr. Podolsky recommends to motion that any and all documents to give chairman the authority to execute said documents as long as counsel approves, specifically Edgewater Resources and Gewalt-Hamilton Engineering Services.

On motion of Mr. Podolsky to approve all required planning grant contracts, specifically including those for Edgewater Resources and Gewalt-Hamilton, and to allow spending of

expenses not to exceed \$2,500 for Edgewater Resources and to advance all the funds per the grant which are subject to reimbursement under the grant, seconded by Mr. Torres, on a roll call vote, all members present voted aye and the Chairman declared the motion carried.

Mr. Podolsky thanked Joe and Tom for all their diligent efforts.

Mr. Farrell brought up the camera for security for the piers and docks. Mr. Seidelmann states \$18,855 to replace a very out dated system. System itself is not able to update, analog where current technology is digital. Use of existing wiring, expandable system and new camera in lobby of administration building where monies are exchanged. Multiple sign-on capabilities where viewing a specific camera by one person does not limit others signing on from seeing normal full view, along with motion sensor capability in order to limit time searching the system for specific action. Proposed upgrade is over \$30,000 less than the original \$50,000 proposed budget. Remote monitoring is available. Email alerts are also a benefit.

On motion of Mr. Podolsky to approve the contract for security systems upgrades for 2016, seconded by Mr. Bach, on a roll call vote, all members present voted aye and the Chairman declared the motion carried

### **13. Approval of Harbor Leases:**

Dockside Deli

Dockside Ice Cream

Dockside Dogs

Salmon Stop East

WYC

No Leases to discuss.

### **14. Closed Session**

#### Closed Session

On motion of Mr. Torres to go into closed session at approximately 3:13pm to discuss, Personnel Matters pursuant to 5 ILCS 120/2 (c) (1) of the Open Meetings Act, seconded by Mr. Melius, on a roll call vote, all members present voted aye and the Chairman declared the motion carried

#### 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 3:44 pm.

There being no further business, on motion of Mr. Farrell to adjourn, seconded by Mr. Melius, all members present voted aye and the Chairman declared the motion carried. Board meeting adjourned at 3:45 pm.

---

JOSEPH J. LEGAT, Secretary

APPROVED:

---

GRANT B. FARRELL, Chairman

