

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

April 20, 2016

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

The following Board members were present:

Grant Farrell
Jorge Torres
Mike Melius
Gene Bach
Tom Evers
Randy Podolsky

The following Board members were absent:

Joe Legat

District Counsel Present:

Thomas Morris

Members of the Port District Staff present:

Mary McCarthy, Chief Accountant
Cathy Smith, Administrative Assistant
Terri Hatton, Slip Coordinator
Joe Seidelmann, Marina Maintenance Supervisor
John Matheson, Siegel - Gallagher
Skip Goss, General Manager, Airport
Gregg Pupecki, General Manager, Harbor

1. Call to Order

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

2. Roll Call and Pledge of Allegiance

3. Chairman Remarks

Mr. Farrell asked Mr. Matheson if he had updates to share. Mr. Matheson stated that hiring for the leadership of the harbor and airport have been completed. Introduced at the meeting where Gregg Pupecki as General Manager of Waukegan Harbor and Skip Goss as General Manager of Waukegan Airport.

Mr. Farrell thanked board members for helping out in various areas at the Harbor and at the Airport along with welcoming the new hires.

4. Approval of Regular Board Meeting Minutes of March 16, 2016

On motion of Mr. Podolsky to approve the March 16, 2016 regular, closed and January 28, 2016 closed minutes, seconded by Mr. Evers, all members present voted aye and the Chairman declared the motion carried.

5. Approval of checks.

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

6. Financial Reports: March 2016

Mr. Torres asked that the staff provide a list of what is considered outside services. Ms. McCarthy explained that with the SG payroll services funds for the harbor she is getting a lump sum where in the past it was broken down further. Mr. Podolsky stated that he was not interested in such detailed reports but for auditing purposes accounting probably would prefer that. Clarification that the West Insurance fees of the Beacon One invoice were paid, yet the remaining portion due would be invoiced individually.

On motion of Mr. Evers to approve March 2016 financial report, seconded by Mr. Melius, on a roll call vote, all members present voted aye and the Chairman declared the motion carried.

Harbor – Board/Public Commentary

Harbor SG Marina Remarks

Mr. Seidelmann discussed that leadership is in place now, and that branding issues are being addressed. He advised that progress will be communicated in the coming months.

7. Operations / Status Report

Mr. Pupecki mentioned that in the last couple of weeks he has been making himself familiar with the different areas that he needs to know in order to address the needs of the harbor. Lining up summer activities for the upcoming season has also been on his agenda.

Ms. Hatton mentioned 50 new slips paid for versus 36 from last year. A couple of the reasons for this were mentioned, such as the poor condition at Winthrop Harbor and that harbor's probability of becoming privatized, along with the increased difficulty of access to the Navy Base harbor, due to mounting security for getting boater's guests inside.

Well over 50 new slip rentals for the season are expected.

Larson Marine had a one-day Boat Show and three board members attended in addition to the harbor's display which was manned by staff.

8. Lease Approval

Mr. Farrell inquired about the Gillen rental increase. Mr. Seidelmann will send out the invoice for the rock storage area, lease for their property, in the next business day.

9. New Business

Mr. Seidelmann reported that CAG had leftover funds available and have donated 2 more compacting stations and 10 more trash can lids for garbage cans. Thanks were extended to CAG as they have donated much in the last two years. Fish signage project is still underway. CAG

has the mock ups and has a local company that does these, should have for presentation for next month's meeting.

Mr. Seidelmann and Mr. Pupecki attended a Corps of Engineers meeting this month and reported that Waukegan was approved for \$1.43 million for the channel dredging for this year along with \$2.36 million for channel north wall repairs. Anticipation by the Corps is to have full dispersal of harbor maintenance trust funds by 2025, to all harbors and marinas. Water level height is up 18" and the Corps, which anticipates another 18"-24" increase is expected.

Mr. Podolsky updated that for Bay Marina, the IDNR comment permit time has passed and IEPA will then finish their review. The harbor met with the USEPA who made clear that building on that site is possible. The issue is access for the continued cleanup, as it is a multi-year project. By mid-May, should have firmer status with a hopeful October Bay Marine opening. Mr. Morris, questioned the survey status... Surveying is currently underway and once completed the Bay Marine parcels will be specifically defined. Once the development is done, combining of taxable parcels will be completed for that site. Other tax parcels will be combined with future developments.

Gewalt-Hamilton, Edgewater Resources: Mr. Podolsky and Mr. Pupecki met about future growth in the Harbor. The city, the District and related agencies are all working cooperatively to move the longer range development plans into a more solid formation.

Aquatic Research & Education Center is looking to be open this year, and Mr. Legat's drawing was extremely helpful in moving this endeavor forward. Mr. Evers asked about the access with Bay Marine, which pertains to the boat lift that crosses over a pedestrian pathway.

Approval Permit to conduct a Cinco De Mayo / Harbor Event to Greater Waukegan Development Corporation

Mr. Pupecki shared that the details were received late the previous evening, this event is subject to a \$5,000 security deposit in case the District has any costs or damages, including to re-turf. This event is also subject to the City permit, conditional to the Board's and counsels approval. GWDC is the applicant and /130 Genesee, our tenant, space will also be used. City permit has certain conditions such as District approval for use of property, police officers (2) from open to close, security firm approved by the police department, certificate of liability insurance (from GWDC) listing the City of Waukegan and the District.

Mr. Torres addressed some particulars such as - alcohol will be dispensed from the liquor license with Cyver Terrace. They cannot dispense at any other place, however they can have a beer garden in an isolated space across the street with temporary fencing.

Mr. Pupecki mentioned that he would prefer to have final approval on signage for the event as to ensure quality standards. The City permit states that music can be played from 12:00pm to 8:00pm. Mr. Pupecki will collect the security deposit check at weeks end.

On motion of Mr. Podolsky to approve the permit for the Cinco De Mayo/Harbor event, subject to all rules and regulations stated, seconded by Mr. Melius, Mr. Torres abstained, all other members present voted aye and the Chairman declared the motion carried.

Mr. Matheson offered a standardized event form that they use in cases such as this to assist in ensuring that all areas of concern are addressed.

Airport – Board/Public Commentary

Mr. Bach spoke about the Customs building project with regards to locating an architect at reasonable costs. Two other bids are being sought, and Customs did offer a couple of other names that will be contacted.

Mr. Farrell wanted to add some comments at this time – the project list for both the airport and harbor, which he would like members to review the listing to ensure that if there is something missing to let him know.

Airport SG Aviation Remarks **Operations / Status Report**

Mr. Goss spoke about getting acquainted with our tenants/stakeholders and projects in the last couple of weeks. Mr. Goss also mentioned his desire to get the Custom Building project moving forward. Mr. Goss brought up the topic of Abbott requesting an approach lighting system on Runway 5. Funding approval is currently in process with engineer Ron Hudson. Ramp reconstruction is happening in May and on track. Taxiway repair in June is also coming up. The Veteran's Memorial site is still undecided which has garnered the FAA's interest stating that they want input on this project as well.

Airport operations are flat from last month, for the year they are down. Flight school compose 60-80% of all the take offs and landings at the airport. Lost a few airplanes to Kenosha, Mr. Goss will look into getting those tenants back. Fuel sales increased by 20% over March, 2015. Custom's is up slightly.

Mr. Goss advised about the roadway improvements to Wadsworth Road and Lewis Avenue, in which they are adding a right turn lane. There is a Maslar lighting system pole which is in the county right-of-way. The airport has been asked to move the pole. A meeting with the FAA of approximately two dozen people took place because either the pole has to move or the road has to move. The pole is at its limit for spacing between the lights, so this will be a big issue to resolve. Unfortunately, the District signed a permit with the county that says the county can tell the District to remove the pole and the District has to move it. \$100,000 to \$1 million to re-do the whole lighting system, so we are working with Hansen Engineering to resolve this issue. These lights are spaced as dictated by regulations. Mr. Morris requested from Mr. Goss a copy of the permit that the District signed with the County that states if told that the District has to move the light in question.

Taxi lane 3 sits between two hangers and is need of replacement due to deterioration at a cost of \$800,000.00. Mr. Goss is looking to state and federal funding along with checking with tenants to evaluate feasibility. There is a drainage issue at taxiway 1 which is being addressed.

Mr. Torres inquired if a reason was known for the loss of two airplanes to Kenosha Airport. Mr. Goss stated that he believed it was a dissatisfaction with FBO service and pricing. Mr. Farrell mentioned that Signature will not be building any further hangers and where is a customer to go in that situation.

Unfinished Business

Mr. Podolsky moved to approve and ratify the purchase of Hugh Ryan Hangar A-13 for \$135,000.00, plus or minus proration, as well as the lease as drafted and approved for Gulf Stream Aerospace Corp, seconded by Mr. Melius. On a roll call vote, all members present voted aye and the Chairman declared the motion carried.

New Business

Approve Permit to Conduct an Airshow/Aviation Event to Waukegan Airshow, Inc. on September 10, 2016

On motion of Mr. Torres to approve the permit for the Airshow/Aviation Event to Waukegan Airshow, Inc., seconded by Mr. Evers, all members present voted aye and the Chairman declared the motion carried.

Authorization for Capital Purchases:

The 20 ft. Plow Truck will be tabled for further research to be done.

The mower is beyond repair and the cost for a new one is \$8,300.00. The money is in the capital budget for this expenditure.

On motion of Mr. Podolsky, to approve the purchase of a new zero turn mower, seconded by Mr. Melius, on a roll call vote, all members present voted aye and the Chairman declared the motion carried.

Though Mr. Bach did ask why there weren't other bids on different brands for comparison. Mr. Torres requested that in the future on any projects it would be helpful to provide 3 comparison bids to the Board.

Closed Session:

On motion of Mr. Torres to go into closed session at approximately 2:55 pm to discuss, Personnel Matters and Property Matters, seconded by Mr. Melius, on a roll call vote, all members present voted aye and the Chairman declared the motion carried.

The Board reconvened in Open Session at 3:21.

New Logos for the District businesses were presented. Discussion about horizontal and vertical for different applications, such as media and promotional items. Mr. Bach noted that “Port of Waukegan” is how the port is listed in federal registry. Mr. Podolsky stated the harbor is listed in many locations as Waukegan Harbors. The Port, Marina & Harbor, Airport and District will all have their own logo, but each will work together with others for joint uses. Final colors review is still to be done, but they are almost complete and will be utilized going forward very soon.

There being no further business, on motion of Mr. Podolsky to adjourn the meeting, seconded by Mr. Torres, all members present voted aye, and the Chairman declared the motion carried. The meeting adjourned at 3:30pm.

Adjournment at 3:30pm.

JORGE TORRES, Acting Secretary

APPROVED:

RANDY PODOLSKY, Acting Chairman