

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

June 15, 2016

**Waukegan Harbor
Waukegan Port District Administration Offices, 2nd Floor
55 S. Harbor Place, Waukegan, IL**

The following Board members were present:

Grant Farrell
Randy Podolsky
Jorge Torres
Joe Legat
Mike Melius (see time arrived below)
Gene Bach

The following Board member was voted in via conference call:

Tom Evers

District Counsel Present:

Thomas Morris

Members of the Port District Staff present:

Mary McCarthy, Chief Accountant
John Matheson, SG Management
Cathy Smith, Administrative Assistant
Terri Hatton, Slip Coordinator
Gregg Pupecki, Harbor General Manager

1. Call to Order

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

2. Roll Call

3. Pledge of Allegiance

The Pledge of Allegiance was said.

4. Approval of Remote Participation / Voting (if needed)

Tom Evers

On motion of Mr. Torres to approve remote participation for Mr. Evers who was out of town for business, seconded by Mr. Podolsky, all members present voted aye and the Chairman declared the motion carried.

5. **Chairman Remarks / SG Management Remarks**

Mr. Farrell stated that each General Manager is asked to provide him with a status listing of current projects the week before a Board Meeting and if any Board Member would like to receive this listing they are welcomed to be added to the distribution.

Mr. Melius arrived at 2:04pm.

Mr. Farrell has asked that 2 LCVM representatives come to the Board Meeting in July, 2016 to give a presentation and also an Air Show presentation will be scheduled.

Mr. Farrell expressed the importance of the Board to staying out of the day-to-day operations for the general managers to tend to their responsibilities now that the managers have had time to bring themselves current.

Mr. Matheson stated that the airport completed the transition to the Yardi system. Rent rolls for both properties have also been completed which include information such as: tenants, lease, terms of the lease and basic financial components in a one page format.

Websites are close to completion, they will be run by Mr. Farrell and Mr. Podolsky, if any other Board Members would like to preview the website, let Ms. Smith know, though after the site goes live, additional modifications can still be made. Additionally, a professional drone video of the airport was completed and will be linked to the website and a video of the marina is also planned.

Re-forecasting budgets for both the airport and harbor are currently being done and projecting out expenses in their appropriate lines so we can be better informed of year-to-date obligations. This is expected to be completed in advance of the next board meeting.

A tracking system of certificates of insurance is underway and almost complete, which will include vendors, boaters and other tenants at the airport and harbor. This project should be complete within the next week.

A long term capital budget is being worked on over the summer with a three to five year projection of needs for both the airport and the harbor.

There is also a plan to better utilize the harbor administrative and port office building. The plan is to start renovation by fall, work done during the winter for completion by next harbor season. Mr. Farrell mentioned he likes to have end dates and that going forward all project will be expected to have end dates.

Terrorism insurance was brought up by the insurance carrier. The insurance carrier wants a sign off if this type of insurance is not desired. Mr. Matheson has been looking into this insurance and would like this topic added to the next agenda so that the topic can be further vetted. Cost would be approximately \$2,800.00 a year. Mr. Matheson stated that with the

high visibility of both the airport and harbor, this might be something that the Board may want to have.

Mr. Matheson is in the process of abstracting the Waukegan Port District Articles Of Incorporation from 1957 as well as the Rules of the Board pamphlet that could also benefit revisions. This should be done in time for the July 2016 meeting.

Mr. Matheson mentioned that Skip Goss, General Manager, Airport is on vacation this week and that Mr. Matheson has covered some of the airport items.

6. Approval

1. Approval of Regular Board Meeting Minutes of May 18, 2016

On the motion of Mr. Podolsky to approve the meeting minutes from May, seconded by Mr. Melius, all members present voted aye and the Chairman declared the motion carried.

2. Approval of Closed Board Meeting Minutes of May 18, 2016

On the motion Mr. Podolsky to approve the closed meeting minutes from May, seconded by Mr. Melius all members present voted aye and the Chairman declared the motion carried.

3. Approval of checks

Mr. Torres mentioned the Hanson check for \$157,000.00 sent out for past work (some of which was for prior years). Ms. McCarthy stated that the funds were State reimbursement, an even match, and previously reimbursed to the District.

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

Mr. Farrell asked Mr. Morris if he should remove himself from votes. Mr. Morris stated that was a preference, there was no requirement for him to do so. Mr. Melius stated his believe that if you vote on ties you should vote on all approvals also.

4. Financial Reports: May 2016

Mr. Torres had a question about wages, Ms. McCarthy stated that wages were pre-SG. Mr. Torres stated that the District budget for wages has caused a couple of categories to be over budget. Ms. McCarthy stated that she would be going back and extracting the wages and taxes out and reallocating into the appropriate accounts to correct this issue. She stated this should be completed by July's meeting.

Mr. Farrell stated that is exactly the style of problem that initiated Mr. Farrell to ask Mr. Matheson to take a new look at the budget in order to better reflect the current financial status.

Mr. Bach inquired as to why the Customs building line item was under harbor. After some discussion, the determination was that the funds should go under reserves because it is not Customs building money, but loan money that has not been thus allocated.

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

7. **Closed Session at 2:19**

- Personnel Matters pursuant to 5 ILCS 120-2 (c) (1) of the Open Meetings Act
- Property Matters pursuant to 5 ILCS 120/2 (c) (6) of the Open Meetings Act

On motion of Mr. Podolsky to move to Closed Session, seconded by Mr. Evers, all members present voted aye and the Chairman declared the motion carried.

8. **Open Session at 3:41**

Reconvened into Open Session at 3:41

9. **Harbor & Port Public Comments / Board Comments**

None.

10. **Harbor General Manager Remarks**

Mr. Pupecki stated that last month there was a Chamber of Commerce event at the marina with entertainment and food tenants that was very successful. More recently a breakfast meet-n-greet for boaters and staff was held. A beverage cart was hosted for the Chamber of Commerce Golf Event, which was very successful. This weekend there is a Father's Day pancake flip off, July 3rd an existing boater has a band that will be performing along with food options. A dingy poker run event is also planned for July 3rd sponsored by Waukegan Harbor and Tito's Vodka. Also in the works is the July 4th parade to distribute promotion material.

Mr. Pupecki stated that staff is working on a procedure for reservations for guest slips along with procedure for follow-up phone calls and emails immediately after a boater has stayed at the harbor.

Also in the works are additional ways to define the walkway from the marina over to the Yacht Club better in particularly by the launch areas for safety and flow. The boardwalk is referred to now as the HarborWauk and it should someday combine with the regional bike path and as far as the municipal beach.

Establishing a working relationship with the Youth Junior Sale Club relationship is good as the club is holding an event at the harbor next month, details to follow.

Gas lines for the Harbor Place were installed and they will be open for business Friday June 17th for food and beverage, and weekends thereafter through Labor Day

The website URL was purchased for about \$2,700.00, for WaukeganHarbor.com.

1. Operations / Status Report

Mr. Pupecki spoke of sale to new boaters out pacing YTD thus far 65 compared to total of 80 last year and it only being June. These new boaters were coming from Chicago and Wisconsin, as well as from Winthrop Harbor, along with an inquiry from an individual from Florida looking into coming in 2017 partly because of the Bay Marine project.

2. Unfinished Business

None.

3. New Business

Gates for the North Pier entrance estimates are in the works for July's meeting.

Mr. Farrell spoke about the process of a timeline for approval and preparation for events to be added to the schedule is 60 days prior in order to implement a smooth process.

Mr. Farrell stated that the Yacht Club Lease does not require action until next month's meeting and will be added to that agenda.

Bay Marine lease was discussed. Mr. Bach had questioned the 20-courtesy slips being provided free for the lease term. The clause was discussed and decided to not be modified.

On motion by Mr. Podolsky that the Land Lease be approved with an effective date of June 1, 2016 with Chicago Yachting Center, LLC (Bay Marine) for 25 years with 3-renewals for a full term of 99 years, seconded by Mr. Torres, on a roll call vote, all members present voted aye and the Chairman declared the motion carried.

11. Airport Public Comments / Board Comments

None.

12. Airport General Manager Remarks

1. Operations / Status Report

Mr. Matheson stood in for Skip, who is on vacation this week. Mr. Matheson started with the 7,000 ft. runway schedule. Also best use of land for long term of land and buildings. These are larger projects that require the summer to complete with a projected August/September delivery to the Board.

Air traffic operations goals is another large project that Skip is looking to make Waukegan a target location for tower training. Skip is also working with the tower to ensure that customer service hospitality is evident.

Performance standards are being worked on to cover a multitude of scenarios.

The new lobby and airport office remodeling that Ms. Smith worked on is impressive!

Mr. Bach mentioned the Custom's Building, he is still getting questions answered.

Mr. Bach mentioned a Pilot's lounge project. Mr. Farrell mentioned the desire for the airport to locate an area for pilots to land for bathroom and computer usage. Also in talks is selling low lead fuel because the airport is the third highest low lead fuel price in the state, which drives business away.

Mr. Farrell also added that it has been decided that one of the Baxter planes is going to Boston. This will affect fuel sales in the future.

2. Unfinished Business

None.

3. New Business

None.

Motion to adjourn was made by Mr. Melius, seconded by Mr. Bach, all members present voted aye and the Chairman declared the motion carried.

Meeting adjourned at 4:02pm.

Adjournment

Joseph Legat, Secretary

APPROVED:

Grant B. Farrell, Chairman

