

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

February 15, 2017

**Waukegan Harbor and Marina
Harbor Control Building – Conference Room
55 South Harbor Place, Waukegan, IL**

The following Board members were present:

Grant Farrell
Gene Bach
Joe Legat
Mike Melius
Randy Podolsky
Jorge Torres

The following Board member was absent:

Tom Evers

District Counsel Present:

Thomas Morris

Members of the Port District Staff present:

Don Cento, Siegel-Gallagher, CFO/COO
Chris Marx, Siegel-Gallagher, VP of Marina
Phil Cook, Siegel-Gallagher, Mgr. Marina Accounting
Skip Goss, General Manager, Airport
Gregg Pupecki, General Manager, Harbor
Joe Seidelmann, Harbor Maintenance Supervisor
Mary McCarthy, Staff Accountant
Cathy Smith, Administrative Assistant
Mary Louise Schram, Administrative Assistant

Other Public Attendees:

Attendance Indicated by Topic within the Closed Minutes

Greg Weykamp, Edgewater Resources
Alderman David Villalobos, 4th Ward, City of Waukegan
Jose Guzman, Dockside Dogs
Angel Rivera, Dockside Dogs
Erik Hellquist
William McCaffrey
Jim Hellquist

Call to Order

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

Roll Call

Pledge of Allegiance

Approval of Remote Participation/Voting – not required

Chairman Remarks/SG Management/Public Comments

Chairman Remarks

Chairman Farrell stated that it was a very active month. A second meeting was held with the Lake County Forest Preserve District (LCFPD), and he was joined by Mr. Goss and a representative of the engineering consultant firm. Mr. Goss will update Board members on the status of the ongoing conversations later in the meeting.

Chairman Farrell, Mr. Cento, and Mr. Goss have been developing procedure/process documentation to provide guidance for the RFPs and IFBs. It is a lengthy document and will be ready to share with Board Members by the next Board meeting.

Chairman Farrell reported that he attended meetings with the Greater Waukegan Development Coalition (GWDC), two Friday management meetings, and met with members of the Waukegan Yacht Club (WYC).

Chairman Farrell stated that he is making an effort to share more communication received by WPD between Board meetings in an effort to keep members current on active topics.

Chairman Farrell shared that in an effort to reduce 'paper overload' he will no longer provide a handout of the General Manager worksheets from the Friday meetings at the Board meeting. If any Board member would like to continue receiving copies, they should let him know.

SG Management Remarks – none

Public Comments

Mr. McCaffrey, a resident of Waukegan and a WYC member, stated that Kathy Sivia asked him to give a report to the Board regarding the food and beverage management proposal/contract that is in final negotiation between the vendor and the WYC. He highlighted that the Waukegan Yacht Club

restaurant will become a public restaurant. The vendor will invest to upgrade the infrastructure of the facility. The improvements will not include ADA upgrades at this time as there are no major structural changes planned. The restaurant will be a 6 – 7-day operation and it is anticipated to open by May 1, 2017, under the current lease agreement. Mr. McCaffrey asked Board Members for questions.

Board members did not have questions for Mr. McCaffrey at this time.

Mr. Torres commented that the proposed vendor of the WYC restaurant has a Des Plaines business and through the research of the City for the alcohol license, met the conditions of the vetting process.

Mr. McCaffrey added that the Executive Chef of the proposed restaurant brings a significantly different dining experience to the City of Waukegan.

Mr. Jim Hellquist, WYC Membership Chairman, reported on the current membership drive. The annual dues to join is \$400 per year and members are not required to be boat owners. Membership provides reciprocity to all other US Yacht Clubs with the exclusion of NYC. He requested support from everyone to promote membership in the WYC; he is a 38-year member and encourages everyone to join. The WYC will host a membership drive party at 6:30 PM on February 18, 2017, at the Waukegan Yacht Club. Contact Jim Hellquist for an application to join.

Mr. Hellquist is also the Chairman of the Sail Committee for the WYC and shared the following: The Chicago to Waukegan Race is June 17, 2017. This year's Race is anticipated to have a larger participation than the Queen's Cup Race.

Closed Session at 2:15 PM

- **Personnel Matters To 5 ILCS 120/2 (c)(1) of the Open Meetings Act**
- **Property Matters To 5 ILCS 120/2(c)(5), (6), (8), (11) of the Open Meetings Act**

Chairman Farrell directed the Board to Closed Session

To move to closed session for the purpose of discussion related to personnel **5 ILCS 120/2 (c) (1)** and property matters **5 ILCS 120/2(c) (5), (6), (8), (11)**

On a roll call vote, all members present voted aye and the Chairman declared the motion carried.

Open Session at 3:10 PM

Reconvened into Open Session at 3:10 PM.

Present: Chairman Farrell, Mr. Bach, Mr. Legat, Mr. Melius, Mr. Podolsky, Mr. Torres

Approval

- Regular Board Meeting Minutes from January 2017
Motion by Mr. Podolsky, second by Mr. Melius:
To approve the January 2017 regular board minutes.

All members present voted aye and the Chairman declared the motion carried.

- Closed Meeting Minutes from January 2017

Motion by Mr. Podolsky, second by Mr. Melius:
To approve the January 2017 closed meeting minutes.

All members present voted aye and the Chairman declared the motion carried.

- January 2017 check approval

Mr. Torres referred to the Payment Summary by Vendor report and asked if the Harbor expenses were reimbursable from the grant or if the cost would be a WPD expense.

Ms. McCarthy stated that monies front the grant would go toward the expense and that the reimbursement was almost even. She will follow-up and provide exact numbers on this item.

Mr. Seidelmann added that all of the costs currently associated with the project are reimbursable. The reimbursement occurs quarterly after the expenses are verified by the CPA and inherent in the process is a delay in reimbursement.

Mr. Torres referred again to the Payment Summary report and asked if there was a budget line item for the runway repairs and to confirm the cost associated with the repair.

Mr. Goss responded that the item was budgeted for \$12K,

Mr. Torres noted that the Outside Services for the Harbor expense report was received the day before the Board meeting and requested that he receive it earlier in the future to allow time for a more thorough review.

Chairman Farrell requested that Mr. Bach receives a copy of the report and then requested that in the future, all Board members receive a copy of the report prior to the Board meeting and to give more lead time for review.

Mr. Torres also requested clarification of the \$108K in revenue for the Airport.

Mr. Goss responded that the value was lease revenue from Airport facilities.

Ms. McCarthy added that some payments are received monthly and others are a semi-annual payment.

Mr. Bach noted that the Harbor Revenue report appears to have a clerical error for January 2017. He stated that the report appeared to represent 2016 actual in the column for January 2017. Mr. Bach will follow-up with Ms. McCarthy to clarify and ensure the numbers are accurately represented in the report.

Motion by Mr. Torres, second by Mr. Podolsky:

To approve the January 2017 check approval as presented to the Board.

On a roll call vote, all members present voted aye and the Chairman declared the motion carried.

- Financial Reports: January 2017

Motion by Mr. Torres, second by Mr. Podolsky:

To table the January 2017 Financial Report as presented to the Board.

All members present voted aye and the Chairman declared the motion carried.

- Abatement of Tax Levy

Motion by Mr. Podolsky, second by Mr. Melius:

To approve the annual resolution required for the Abatement of Tax Levy in the form provided by counsel.

On a roll call vote, all members present voted aye and the Chairman declared the motion carried.

- Bay Marine Cost Sharing Agreement as to previously approved North Shore Gas Settlement Agreement

Motion by Mr. Podolsky, second by Mr. Melius:

To approve the cost sharing agreement between the Waukegan Port District and Bay Marine as to an ancillary document required for the previously approved North Shore Gas Settlement Agreement as presented to the Board.

On a roll call vote, all members present voted aye and the Chairman declared the motion carried.

Harbor General Manager Remarks

Operations/Status Report

Mr. Pupecki presented the Harbor and Marina monthly report to the Board. A copy of the report is on file.

Mr. Pupecki reported the following summary:

- 2017 Sales and Revenue metrics show an increase in all measures over the same period in 2016.
- Maintenance and Operations continue to ready the facilities for summer 2017 with specific improvements aligned to the branding plan. Seasonal staff is being recruited. Canoe/kayak launch is ordered and expected to arrive for installation in March.
- Continued to review lease recommendations for the Harbor facilities. This month, Mr. Pupecki recommends the WPD renew the leases for Dockside Ice Cream and Deli and the Salmon Stop as presented.

New Business

1. Approval of Dockside Ice Cream and Deli Lease and
2. Approval of Salmon Stop Lease

Mr. Pupecki shared with the Board that consideration was given to Dockside as the current leasee improves the WPD property and nearby City property at his own cost, including landscaping and general upkeep, and has done so for years.

Mr. Melius asked if the lease agreements recommended for approval will interfere in any other plans being considered by the WPD.

Mr. Podolsky stated that they do not.

Mr. Podolsky consulted with Mr. Morris to determine if the motion could include both lease agreements. Mr. Morris stated that they could be combined into a single motion.

Motion by Mr. Podolsky, second by Mr. Melius:

To approve the lease for Dockside Ice Cream and Deli at the same annual rate for one year, and to extend the Salmon Stop lease for a period of one year with a 3% increase.

On a roll call vote, all members present voted aye and the Chairman declared the motion carried.

Capital Budget Approval

1. Marina Office pure fuel system upgrades.

Mr. Pupecki stated that this request for approval represents Phase II of the upgrade to the point-of-sale system at the Harbor. Phase I was implemented last year and the point-of-sale system was upgraded in the office. Phase II represents the integration of the same system to the fuel dock so that both locations are on the same point-of-sale system which will improve fuel management efficiencies as well as accuracy and staff accounting time.

Mr. Torres asked about the cost for training contained in the proposal and requested an explanation of the costs.

Mr. Seidelmann described the content of the training and the rationale and benefit to the WPD staff related to the costs.

Mr. Pupecki noted that the request for funds to cover Phase II should not exceed \$15.5K. Chairman Farrell asked if these monies were from the capital budget. Mr. Pupecki stated that they were.

Motion by Mr. Torres, second by Mr. Melius:

To approve the Phase II pure fuel system upgrades for the Marina Office with costs not to exceed \$15,500.

On a roll call vote, all members present voted aye and the Chairman declared the motion carried.

2. Security Camera System upgrades.

Mr. Pupecki stated that this project is Phase II of the upgrade plan. For obvious reasons, the detail of the systems is not shared in public session. A primary benefit of the new system is that staff can view all the property using an iPad which improves flexibility for staff to monitor the Harbor property.

Chairman Farrell asked if this is the final phase of the security upgrade. Mr. Pupecki stated that this is the final project phase and that ongoing costs will be related to upgrades. Mr. Seidelmann added that the grant monies did not cover the federal area of the port and that if future grant monies become available that a request to upgrade the security for that area would be brought to the Board.

Motion by Mr. Melius, second by Mr. Podolsky:

To approve the security camera system upgrade not to exceed \$20,000 in costs.

On a roll call vote, all members present voted aye and the Chairman declared the motion carried.

Board Comments

Chairman Farrell announced and will attend the June 3, 2017, Meet and Greet at the Waukegan Harbor and Marina to welcome boaters and to kick-off the summer season.

Airport General Manager Remarks

Mr. Goss stated that he along with Chairman Farrell, Mr. Evers and Hanson Engineering continue to meet and work with the leadership of the LCFPD. The project is looking favorable and it is believed that the LCFPD letter will be forthcoming.

Operations/Status Report

Mr. Goss stated that the unprecedented lack of snowfall this season has produced revenue savings for the Airport.

New Business

Capital Budget Approvals

1. Deigan Environmental Consultants

Mr. Goss stated that he is seeking approval of \$25,000 for Diegan Environmental Consultants to monitor a landfill on Airport property for the period of one-year. The item is represented in the current capital budget.

Motion by Mr. Podolsky, second by Mr. Bach:

To approve \$25,000 for a one-year contract to monitor a landfill on Airport property.

On a roll call vote, all members present voted aye and the Chairman declared the motion carried.

2. LTV & Broom

Mr. Goss reported that the Airport needs a utility vehicle with a broom on it. There are one-hundred-sixty acres of runway and only one pickup truck to keep the taxiways clear of debris. The Airport crews need another utility vehicle with a broom on it and he is recommending the purchase of a Polaris. The cost to purchase should not exceed \$28,000.

Mr. Torres clarified that this is a budgeted item. Mr. Goss stated that this item was in the 2016 capital budget and the monies were not spent but carried over to the 2017 budget.

Chairman Farrell confirmed that this will be a capital budget item and that the transaction will need to be properly identified.

Motion by Mr. Melius, second by Mr., Bach:

To approve the purchase of a Polaris LTV and broom not to exceed \$28,000.

On a roll call vote, all members present voted aye and the Chairman declared the motion carried.

3. AARF Funds/Removal of other capital budget item

Mr. Goss reported that the airport rescue and firefighting truck (AARF) blew an engine last fall. It will cost approximately \$50K to repair the engine and this is a short-term solution. It would cost \$850K to buy a new unit which is cost prohibitive for the Airport to purchase. Currently, the Airport is using a loaner AARF from Spring Grove, IL, and it is barely working. The standard operating procedures of most of the airlines using the Waukegan Airport require that a fully functioning AARF is available at all times. Boeing is not using the Waukegan Airport because the AARF does not meet their standard. Chairman Farrell and the City of Waukegan have agreed to split the cost of the repair of the Waukegan ARFF.

Mr. Melius asked about the cost of a used vehicle.

Mr. Goss responded that the cost would be in the hundreds of thousands of dollars. The WPD along with the City are exploring all/other alternatives, including grant monies, used military equipment, generous donor(s), etc.

Chairman Farrell stated that this is a bridge until the WPD can locate and purchase a bigger and better unit. Chairman Farrell believes and the Mayor of Waukegan agreed, that the burden should not rest with the WPD, alone. They are working through the process to share in the cost to repair the AARF.

Mr. Goss shared that this item was not on the capital budget, so monies will be redirected from an incinerator which was in the budget to cover the WPD share of the AARF, an approximate \$25K (half of the \$50K). Mr. Goss believes that the incinerator was always a tough sell and a long-shot to achieve and that shifting the monies at this time makes the most sense.

Motion by Mr. Melius, second by Mr. Bach:

To authorize funds to repair the AARF at not to exceed \$25,000; funds to be derived from funds budgeted from the incinerator.

On a roll call vote, all members present voted aye and the Chairman declared the motion carried.

Board Comments

Mr. Bach stated that he had discussed the AARF replacement with Mr. Goss and that the life of the AAR is expected to be 10 years. He asked if Mr. Goss had followed up to place the WPD request for a used military AARF on their list. Mr. Goss confirmed that he placed the WPD AARF request on the list.

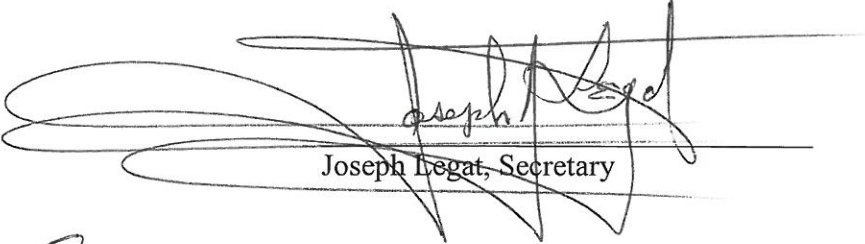
Adjournment 3:45 PM

Motion by Mr. Podolsky, second by Mr. Melius:

To adjourn.

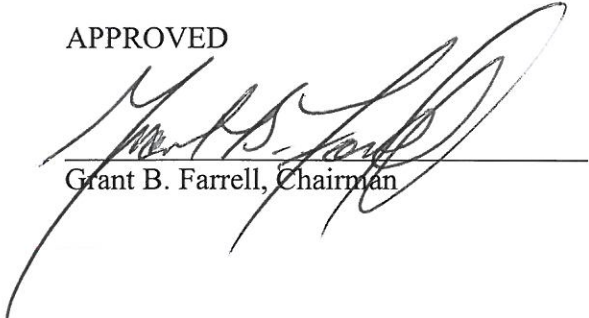
All members present voted aye and the Chairman declared the motion carried.

Meeting adjourned at 3:45 PM



Joseph Legat, Secretary

APPROVED



Grant B. Farrell, Chairman