

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

**May 17, 2017**

**Waukegan National Airport  
SRE Bldg. / Admin Bldg. – Conference Room  
2601 Plane Rest Drive, Waukegan, IL**

**The following Board members were present:**

Gene Bach  
Grant Farrell  
Joe Legat  
Mike Melius  
Randy Podolsky

**The following Board members were absent:**

Tom Evers  
Jorge Torres

**District Counsel:**

Thomas Morris

**Members of the Port District Staff present:**

Phil Cook, Siegel-Gallagher, Mgr. Marina Accounting  
Alain Giudice, Siegel-Gallagher, VP of Marina Division  
Skip Goss, General Manager, Airport  
Tom Ceparski, General Manager, Harbor  
Barney Baker, Maintenance Supervisor, Airport  
Mary McCarthy, Staff Accountant  
Cathy Smith, Administrative Assistant  
Mary Louise Schram, Recording Secretary

**Other Public Attendees:**

Keith Koestner, Waukegan Harbor Boater (departed before meeting started)  
Frank Bucaro, Signature Flight Support

**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 welcomed everyone to the meeting. He noted that the recent election resulted in a new Mayor of Waukegan and that he will meet with him next month. The Mayor will visit the Airport and Harbor and has inquired about the Board organization and Member terms.

Chairman Farrell distributed copies of the revised draft District Procurement Policy to Board Members for their review and requested that Board Members absent from this meeting receive copies for review, also. Chairman Farrell shared that the draft policy was modeled after the DuPage County Airport Procurement Policy. The Chairman stated that the purpose of this policy is to provide the descriptions, definitions, and guidance to staff to ensure consistent and compliant purchase processes and other official uses, such and grant applications. Chairman Farrell requested that Board Members return their comments and recommendations directly to him as he would like to place a vote for adoption on next month's agenda.

Chairman Farrell noted that the Board Member Handbook is being updated and that a copy will be shared with Board Members by next month's Board meeting.

Chairman Farrell updated the Board on the status of adding a non-voting Board member to the Board, per the by-laws. The final selection of a highly qualified candidate is in the final stages and it is his intention to place the nomination on next month's agenda.

Chairman Farrell requested input from Board members regarding the topic of permit fees assessed by the District and asked Mr. Morris to develop an intergovernmental policy for waiving fees to streamline the application process and increase the availability of waivers to and between state and local government agencies. Chairman Farrell noted that he wants the District to take a cautious approach. In addition, he asked Mr. Morris to explore and share with the Board any concerns regarding waived fee agreements.

Mr. Melius, Mr. Bach, and Mr. Podolsky all shared their concerns on whether or not an intergovernmental agreement is needed and whether or not an agreement might avoid future conflict. Additionally, the discussion expanded to include the need to develop a framework that would allow a cooperative intergovernmental agreement to facilitate possible quid-pro-quo fees. This led to a discussion of how the accounting for this revenue/liability would be represented within the budget.

Mr. Morris added that the final direction would need to include a review of possible fees for a project and/or inspections. In addition, there are questions that need to be considered, not the least of which include, what is the basis for the fee, recognition that the District has the authority to collect said fees, consider any possible push-back from other agencies and businesses, and a review of the 2011 adopted Ordinance.

Mr. Podolsky noted that staff had recently agreed to notify landowners and businesses within the District jurisdiction that we can assess a fee according to the Ordinance, noting that the District has a right to assess and collect project and inspection fees unless a case can be cited which would prevent such collection, such as an exempt governmental agency like the Army Corps work on the government break wall syaytem.

Mr. Bach cited the Jones Act of 1940 as a reference to consider as the review of fees continues.

Chairman Farrell distributed a copy of 70 ILCS1865/Waukegan Port District Act Special District and requested that Board members review the statute and send comments to him regarding recommendations to revise or update.

## **SG Management Remarks**

Mr. Cook stated that the financial questions identified for additional review at the March 17, 2017, Board meeting will be addressed by Mr. Ceparski later in today's agenda.

## **Public Comments** - none

## **Approval**

### **1. April 2017 Regular Board Meeting Minutes**

Motion by Mr. Podolsky, second by Mr. Melius:  
To approve the April 2017 regular board minutes.

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

### **2. April 2017 Check Approval**

Mr. Bach requested clarity regarding multiple entries for travel to Springfield by Mr. Goss, wondering if there had been a possible multiple entry error.

Mr. Goss and Ms. McCarthy addressed the topic, noting that there were three trips to Springfield and that the entries were accurate and represented all related expenses.

Mr. Bach requested that future entries include additional detail to facilitate review.

Mr. Podolsky requested specifically that future entries include the date of the conference.

Chairman Farrell requested that staff update the Best Practices Guide and the Procurement Policy to include that staff and employees must submit a trip-report within 14-days, and the related expenses within 30-days, of completing a trip.

Motion by Mr. Melius, second by Mr. Legat:  
To approve the April 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.

### **3. April 2017 Financial Report**

Mr. Bach stated that the overall report looked good. He noticed an increase in airfield maintenance for the month and that the line item is about \$6K higher than last year for the same period. (Airport Exp 2017 – YTD Actual)

Mr. Goss stated that the increase represents a runway repair from December 2016 that just cleared for payment.

Mr. Ceparski noted that Mr. Torres received the responses to the questions he raised at the March 2017 Board meeting. The review of the questions clearly pointed to a need to improve line item detail of expenses and revenue to the Board within the report.

Mr. Podolsky recommended that the entries to the Financial Report follow the same format used within the Check Detail Report, that is, to expand a bankcard entry with a separate column identifying the specific expenditures represented by the bankcard payment.

Mr. Bach asked about the Promotions Budget noting that it was over budget for the period. Mr. Ceparski responded that the number is a bit front-loaded as it represents advance deposits required for festival and event entertainment and prepayment of related support items.

Motion by Mr. Melius, second by Mr. Legat:  
To approve the April 2017 financial report.

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

### **Airport General Manager Remarks**

#### **Operations/Status Report**

Mr. Goss reported that the airport continues to operate status quo. The Letter of Intent and Intergovernmental Agreement with the Lake County Forest Preserve District continues to move forward through the required processes. Mr. Goss and Chairman Farrell met with IDOT and Aeronautics teams and the project is highly supported. During the following week, Mr. Goss and Chairman Farrell will meet with the FAA to keep the project moving forward.

Fuel revenue is down substantially over last year by 25%. Mr. Goss turned the discussion over to Mr. Frank Bucaro, Signature Flight Support, to address the Board regarding this topic.

Mr. Bucaro from Signature Flight Support stated that the primary reason for revenue loss was the loss of tenants: a major tenant to the Milwaukee area (\$100K loss) and a few other customers who moved their planes to Kenosha Airport noting better pricing. Mr. Bucaro added that Signature is working to fill the open capacity.

Chairman Farrell stated that he would add an additional concern regarding Airport revenue loss. He has heard from some prior tenants that they left the Airport because fuel costs at the Waukegan Airport are too high and non-competitive. Chairman Farrell stated clearly that Signature must address fuel pricing in order to maintain current and attract new customers to the Airport.

Mr. Bucaro stated that Signature recently, within the last few days, added a reward points program for aviation gas just as they have a rewards program for jet fuel purchase. He also noted that the fuel price was reduced to \$5.99/gallon as of yesterday, a \$0.50 reduction in cost.

Chairman Farrell inquired about Signature's marketing strategy, as it is their responsibility to grow the Airport usage and client base.

Mr. Bucaro stated that Signature has a marketing plan and that they are working to maintain and grow the Airport client base.

Mr. Goss stated that minimally, he would like to see Signature's fuel prices competitive to the fuel pricing offered by Chicago Executive (Palwaukee) Airport.

Chairman Farrell closed his comments by noting that Waukegan Airport has the second highest fuel costs in the state of Illinois and that Signature needs to address this as it is limiting Airport business. The Chairman added that this reflects badly on the District, not just Signature, and must be remedied.

New Business - none

Board Comments - none

Harbor General Manager Remarks

Operations/Status Report

Mr. Ceparski stated that more boaters have committed to slips at the Harbor at this point than the number of boaters at the end of the season last year.

Mr. Melius asked for an explanation, if known, for the increase.

Mr. Ceparski stated that increased marketing and improved signage has been a beneficial selling point to boaters.

Chairman Farrell asked whether or not the District can track the number of boaters lost every year.

Mr. Ceparski stated that annual tracking is in place and Waukegan Harbor has gained more boaters than they have lost with an increase in activity in all four areas measured over the last four years.

Mr. Ceparski continued his report by noting that Bay Marine construction should be finished by this fall. The Harbor maintenance crew is power washing the piers to ready them for summer. The planting around the Harbor will be completed by Memorial Day.

Chairman Farrell asked for an update on security staffing for the summer at the Harbor.

Mr. Ceparski reminded the Board that there was a decision to hire security staff rather than utilize the services of a security agency in an effort to reduce costs and have greater control. Mr. Ceparski stated that he hopes to have security staff hired by Memorial Day weekend.

Mr. Podolsky questioned whether or not Mr. Ceparski has the time needed to hire and train new staff to be staffed and ready by Memorial Day.

Mr. Ceparski responded that he is working diligently to meet the goal. Additionally, he has requested greater police presence at the Harbor.

Chairman Farrell asked for an update on the Cinco de Mayo event security and logistics.

Mr. Ceparski stated that there were challenges with the event but that all ended well. The security provided for the event created a bottleneck which caused frustration by attendees and members of the Yacht Club. Alderman Villalobos, the District and GWDC addressed the issue and discussed ways to avoid a recurrence.

Mr. Podolsky stated that the WPD should request that the GWDC provide 'No Festival Parking' signs for all parking areas not designated to the festival for future events.

Mr. Podolsky reported that the NorStates Bank land acquisition would close on or about June 15, 2017. Mr. Morris reported that he needs a few more figures from NorStates but sees the date achievable. Staff was asked to provide recommendations with associated costs for clean-up and exterior improvements as close to the acquisition date as possible.

New Business - none

Board Comments - none

Closed Session - none

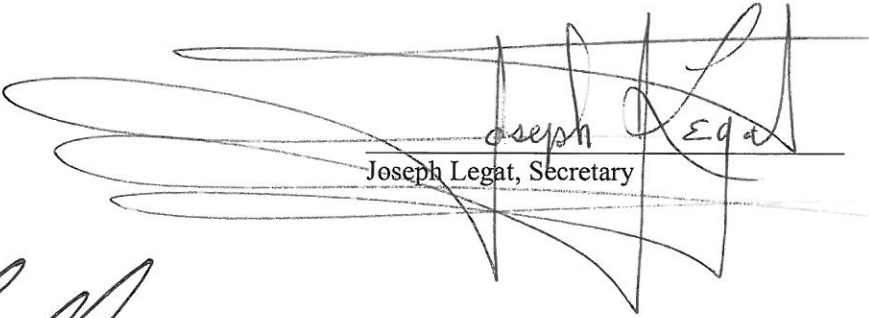
- Personnel Matters To 5 ILC 120/2(c)(1) of the Open Meetings Act
- Property Matters To 5 ILCS 120/2(c)(1)(5) of the Open Meetings Act

Adjournment

Motion by Mr. Legat, second by Mr. Podolsky:  
To adjourn.

All members present voted aye and the Chairman declared the meeting ended.

Meeting adjourned at 2:45 PM



Joseph Legat, Secretary

APPROVED



Grant B. Farrell, Chairman