

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

**July 19, 2017**

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

**The following Board members were present:**

Gene Bach, Member & Historian  
Tom Evers, Member  
Grant Farrell, Board Chairman  
Bob Hamilton, Treasurer  
Joe Legat, Member & Secretary  
Mike Melius, Member  
Randy Podolsky, Member, Assistant Secretary & Real Estate Committee Chair  
Jorge Torres, Member & Assistant Treasurer

**District Counsel:**

Thomas Morris

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

Phil Cook, Founders 3 RES, Mgr. Marina Accounting  
Alain Giudice, Founders 3 RES, VP of Marina Division  
Tom Ceparski, F/3 Marine, General Manager, Harbor  
Barney Baker, F/3 Aviation, Maintenance Supervisor  
Mary McCarthy, F/3 Marine, Staff Accountant  
Cathy Smith, F/3 Aviation, Administrative Assistant  
Mary Louise Schram, Recording Secretary

**Other Public Attendees:**

None

**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 reported that there are still a few Board members who have not submitted their biography to Ms. Smith and requested that they get them to her as quickly as possible. Those who do not have a bio can submit their resume to Ms. Smith who will assist in the preparation of their bio. A consistent format will be applied to ensure a professional addition to the WPD website. Chairman Farrell requested that each Board member submit a current picture to add to their bio page.

Chairman Farrell reported that the letter was sent to North Shore Gas to request that \$10K charge for utility relocation at the airport for the veteran's memorial be waived.

Chairman Farrell met with the Mayor of the City of Waukegan and gave him a letter to request the City's participation with funding the Army Corps 107 shoaling project. The letter requests that the City consider a contribution of \$100K as their share toward underwriting the non-federal share of the project. Discussions will continue.

Chairman Farrell was away for 16 days on vacation since the last Board meeting. Even so, he was actively engaged and attended four meetings (two before the trip and two after). He attended the Lake County Partners event at the Marriott at Mr. Evers invitation. Chairman Farrell invited Mr. Evers to report on the meeting.

Mr. Evers shared that Abbott was a sponsor of the Lake County Partners event. It provided interesting discussions and networking opportunities. The organization hosted a speaker who spoke about demographics and the changing demographics both nationwide and the resulting local impact. The speaker focused on millennials and how they represent a large portion of the workforce. The speaker talked about some of the things that millennials are looking for in regard to work, life, and amenities and how they will influence our culture. For example, millennials are typically buying homes later, buying cars later, and getting their driver's licenses later than previous generations. The speaker talked about Lake County, the fact that the younger generation wants access to trails, bike paths, and mass transportation, and how Lake County is well-positioned to capitalize on the purchasing and living habits of the millennials. The speaker provided very interesting insight.

Chairman Farrell added that it was a good meeting. He stated that after attending he recognized that WPD needs to ramp-it-up a bit and selectively identify and target to meet some of those millennial expectations. Another takeaway of interest was that the Lake County Chairman and others are trying to get Caterpillar to move to Lake County. Chairman Farrell recognized that WPD needs to do more to ensure that potential partners (new companies to the area and other local governmental agencies) are aware of the resources available through Waukegan Port District. He was able to share with the Lake County group that of the five top employers in Lake County, three operate their jets out of the Waukegan Airport—and that when pitching Lake County to potential investors and companies that the Airport Harbor should be featured as a value-added resource. Chairman Farrell stated that WPD needs to be more determined in their outreach to inform potential partners. Chairman Farrell thanked Mr. Evers for the invitation, noting that the information and networking offered was very valuable.

Chairman Farrell stated that he met with the Waukegan Yacht Club (WYC) and that they agreed to an 8% increase in rent and payments were to begin on July 1, 2017. The July payment was made. The WYC has two more years on their lease. Moving forward, WPD needs to be more active in implementing the master plan and find someone who can develop that area.

Chairman Farrell met with the Mayor yesterday and it was a good meeting. It provided an opportunity for Chairman Farrell to introduce the resources of WPD and himself to the Mayor. The meeting was designed to

promoted knowledge, good will, cooperation, and, most importantly, good communication between both organizations.

Chairman Farrell reported that he will be on vacation and will not attend next month's Board meeting. He asked Mr. Podolsky to Chair the August Board meeting. The Members approved and Mr. Podolsky agreed.

**Founders 3 RES Remarks** - none

**Public Comments** - none

Chairman Farrell noted that there are no personnel matters to discuss in closed session but that he will need a motion to go into closed session for property matters pursuant to 5 ILCS 120/2(c)(6) of the Open Meetings Act (note subsection correction from agenda per Mr. Morris).

**Closed Session at 2:10 PM**

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

Motion by Mr. Melius, second by Mr. Evers:  
To move to closed session for the purpose of discussion related to  
**Property Matters To 5 ILCS 120/2(c) (6).**

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

There were no public participants to excuse from the closed session and WPD staff remained in the room.

**Open Session at 2:20 PM**

Reconvened into Open Session at 2:20 PM.

Roll Call: Present: Chairman Farrell, Mr. Bach, Mr. Evers, Mr. Hamilton, Mr. Legat, Mr. Melius,  
Mr. Podolsky, Mr. Torres

**Approval**

- **June 2017 Regular Board Meeting Minutes**

Mr. Bach noted that Bob Hamilton's name was omitted as a public attendee and should be added. Also, correct the typo on page 2 (Same to Sam).

Chairman Farrell stated that the changes would be made.

Motion by Mr. Podolsky, second by Mr. Bach:  
To approve the June 2017 regular board minutes with the noted corrections.

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

- **June 2017 Closed Board Meeting Minutes**

Motion by Mr. Podolsky, second by Mr. Legat:  
To approve the June 2017 closed board minutes with the noted corrections.

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

- **June 2017 Check Approval**

Motion by Mr. Torres, second by Mr. Legat:  
To approve the June 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.

- **June 2017 Financial Report**

Chairman Farrell asked if the updated format of the report provided the information requested by Mr. Bach at last month's meeting.

Mr. Bach stated that the updated report provided more clarity. He remains concerned about the decline in slip income.

Mr. Cook responded that slip income is up this year over the same period for last year.

Mr. Bach stated that the report shows 69% of revenue at this point last year and this year is 65% of revenue.

Mr. Cook responded that the variance is most likely due to the timing and the various payment plans and new offers to new boaters coming in during the second half of the season.

Mr. Torres added a comment that for both the Airport and Harbor the revenue and expenses are at approximately 50% of amounts budgeted. Mr. Torres thanked and complimented the staff for their awareness and diligence to stay within budget.

Motion by Mr. Torres, second by Mr. Evers:  
To approve the June 2017 financial report.

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

- **For Acquisition of Real Property at 20 West Water Street**

Motion by Mr. Podolsky, second by Mr. Melius:  
To approve the purchase of the real property known as 20 West Water Street, Waukegan, for \$60K, payable at \$20K at closing and \$20K on each of the next two anniversaries of the closing, subject to satisfactory completion of due diligence, further subject to satisfactory closing documents approved by Counsel and Chairman of the Board.

Mr. Podolsky stated for the record that the property is adjacent to the recently acquired 24 East Water Street, Waukegan, property (Norstates). It is at the exact corner of what is now known as

Pershing Road, though not platted that way, and Water Street. It is essentially the closest 'front door' to the Harbor and Marina area when entering from Belvidere Road. The purchase will enable WPD to control the entire corner, both for short-term aesthetic purposes and longer-term potential development.

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

Mr. Podolsky pointed to the map of the area to share the oddities of address and plat map designations, adding that surveys, environmental documents, and closing documents are believed to all be tied together to accurately represent the properties and legal status.

### **Airport General Manager Remarks**

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

Mr. Goss was not in attendance (vacation).

#### **Unfinished Business**

- Approval to re-allocate funds from the capital budget for landfill maintenance, not to exceed \$40K

Chairman Farrell noted that the Board packet contained the specifics related to the reallocation of funds to support this action.

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

To approve the re-allocation of funds from the capital budget for landfill maintenance in an amount not to exceed \$40K, as supervised by Deigan & Associates, environmental contractor.

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

Mr. Podolsky, upon inquiring if Mr. Goss will read these minutes, stated that he would like to acknowledge in the minutes, the 'clean-desk' in Mr. Goss's office during his absence. (Smiles and laughter from all.)

#### **New Business**

- In the process of obtaining quotes for the runway repairs

Ms. Smith, at Mr. Goss's request during his absence, reported that the Airport staff are in the process of obtaining quotes for the runway repairs.

Chairman Farrell added, for those who were not aware, that there are small 'bumps' developing in some of the fast lanes that can cause problems with take-off and landings.

#### **Board Comments**

Chairman Farrell reported a fatality related crash that occurred in Wisconsin last week. The flight took off from Waukegan Airport and was en route to Canada when the crash occurred. There were multiple fatalities. The Chairman and Board expressed their condolences to the families and friends who lost loved ones. The cause of the incident is still under investigation.

The Chairman and Board members also acknowledged with deep sadness and sympathy, another recent crash that resulted in the deaths of Vlado Lenocho and a passenger. Mr. Lenocho was a member of the Warbird Heritage Foundation (WHF) based out of Waukegan Airport. The WHF has temporarily suspended flight operations until further notice and has canceled all air show appearances of all of their aircraft for the remainder of the 2017 air show season. Their decision may affect the September 2017 Waukegan Air Show.

## **Harbor General Manager Remarks**

### **Operations/Status Report**

Mr. Ceparski stated that recent rains that were detrimental to so many areas of Lake County did not affect the Harbor operations. In fact, over the last five to six days, the Harbor gained seventeen (17) new boat slip leases as boaters transferred from their current location (primarily the Chain of Lakes) to Waukegan Harbor for the remainder of the season. Mr. Ceparski noted that the revenues for the Harbor are at 69% of the budget, a number that he verified after Mr. Bach stated his earlier concern about year-to-date revenues. Mr. Ceparski hopes that the increased slip leases will also result in increased launch ramp activity and fuel consumption.

Mr. Ceparski reported that Chairman Farrell introduced him to Robert Kunzler of Alpha Media. Mr. Ceparski has had the opportunity to be on-the-air twice with Mr. Kunzler, most recently last evening where he promoted the Harbor. During the show, Mr. Ceparski extended an invitation to members of the boating community who were affected by the recent flooding and who may need a new location for their boat or boating activities for the remainder of the summer. Mr. Ceparski anticipates that WPD will continue to see growth over the next couple of weeks. As of July 15, the Harbor began running a special, half-off slip rental which is also anticipated to increase growth.

Mr. Ceparski reported that there was an emergency response last week at the Harbor. Two boaters launched a 15-foot bass boat from Waukegan Harbor, got out about one mile east of the Harbor and the boat's drain plug popped. They had one life vest on board. One boater had a phone that was semi-waterproof and he was wearing the life vest. The other boater was able to float by clinging to debris. The boater was able to make a call using his cell and the Harbor staff who monitor the radio traffic noted the need for assistance. The Harbor staff were able to relay the calls between the Coast Guard and the Waukegan Fire Department for assistance. It is unclear whether the Waukegan Fire Department has a marine radio and Mr. Ceparski will follow-up with them. Fortunately, Coast Guard Kenosha responded and the boaters were in the water for about 40-minutes. Both boaters survived, were checked-out on the scene, and refused to go to the hospital for further evaluation.

Chairman Farrell asked if Mr. Ceparski had received any answers to his questions about boats that remain underwater.

Mr. Ceparski stated that he still needs to investigate to get an answer to his questions about WPD jurisdiction and, given his concerns about the depth of Lake Michigan, what are the responsibilities specific to WPD for boat recovery and/or salvage.

Chairman Farrell stated that he does not know the answer but is certain that the Coast Guard does not want boats abandoned and sitting at the bottom of the Harbor. He added that it might also be a concern for the EPA.

Mr. Ceparski will follow-up to obtain the answers and report his findings back to the Board.

Mr. Ceparski noted that the final revisions for the signs are expected to be completed before the end of the week. He met with the City to address their questions in a meeting that went very well. The discussions included how both WPD and the City could collaborate and benefit from signs placed at the south entry near Belvidere Road, at the intersection of Grand Avenue at Pershing, directing to the Harbor, the Beach, and the Metra Station. The plan calls for one sign that combines both the City and WPD information. The City agreed to use WPD branded colors and logo.

Mr. Ceparski scheduled a meeting for tomorrow with Mayor Cunningham, the City Finance Director, and representatives from the Army Corps, National Gypsum, Larsen Marine, and Bay Marine to continue discussions about funding the Army Corps Waukegan 107 project related to the shoaling study at the Harbor. The Army Corps needs a letter of intent for each partner's share of funding the non-federal share of the project before the end of September 2017 and the WPD is coordinating the effort on behalf of all partners.

Chairman Farrell asked how much was still needed to meet the non-federal share of funding for the project.

Mr. Ceparski stated that currently, the non-federal share for funding the project is about \$120K short. As of the WPD Board meeting, the City has not determined their level of commitment. Larsen pledged \$30K if the remainder of the funds are met. Mr. Ceparski hopes to impress upon all potential partners that the funding can be spread across 18 months, which may help all partners plan and budget monies for the project. If the Army Corp can accept a 24-month payment period for the non-federal share, then the contributions of each partner could be spread across three budget cycles, which would be very advantageous for all partners.

Mr. Bach asked for clarification of Larsen Marine's commitment to the funding.

Mr. Ceparski responded that Larsen Marine pledged to support the project in the amount of \$30K if the remainder of the non-federal funds is met. Mr. Ceparski is hoping that the Army Corp presentation at tomorrow's meeting demonstrates how complex this problem is for Waukegan and how important it is to keep the Harbor open for business and businesses.

Mr. Ceparski reported that Bay Marine is still on schedule to complete their construction by September 15, 2017, and he has a PowerPoint presentation to share later during the meeting that will include photos of the site.

Mr. Ceparski addressed the outstanding topics from the last Board meeting.

The topic of motion detector lights at the Harbor gate entry points, Mr. Ceparski credited Ms. McCarthy for her very helpful recommendation: that WPD determine the effectiveness of this security enhancement by acquiring residential-grade solar-powered lights that can be inexpensively purchased, installed, and evaluated. Mr. Ceparski is going to move ahead with this pilot.

There was a Board recommendation to evaluate the security camera placement and overall surveillance plan. Mr. Ceparski contacted a global company that he has worked with in the past to obtain a quote from them to provide an analysis of the security cameras and whether or not all areas and the 'right' areas are being monitored. Mr. Ceparski is meeting with the current security company to cover the same topic and review the current camera/surveillance configuration.

In regard to the trespassing incident that occurred in June, Mr. Ceparski met with both the Waukegan Police and Lake County Sheriff's Police to provide them with all the information, images, evidence, and witness information. Neither organization had any leads or anything to share as of last week when Mr. Ceparski followed-up with them. No further events have been reported. On select shifts during

weekends, off-duty Waukegan police officers were hired to supplement the security staff both dockside and on the land side of the Harbor.

Chairman Farrell requested that Mr. Ceparski contact the four members of the public who raised their concerns with the Board to give them an update of the current status/resolution. Mr. Ceparski will follow-up and provide a briefing as requested.

Chairman Farrell requested Board comments.

**New Business** - none

**Board Comments**

Mr. Podolsky requested an explanation for the decrease in fuel sales and thoughts about ways to increase sales. He noted the price difference (\$0.50 less per gallon) between Reef Point Marina and the Waukegan Harbor pricing.

Mr. Ceparski stated that the decline is partly due to competitive pricing and that North Point's fuel is \$0.50 less per gallon than the WPD price. The start of the season was a bit more turbulent and had notably less activity when compared to last season. In addition, the charter captains report that they are fishing closer to shore (cooler water temperatures result in three to four mile vs. ten to twelve mile trips to locate fish) and, consequently, are consuming less fuel. Mr. Ceparski will evaluate in greater depth to determine options and will report to the Board.

Mr. Podolsky requested clarification of how the July 15 pricing promo is being applied to new boaters leasing slips.

Mr. Ceparski stated that the July 15 promo is a 50% reduction in the slip fee for new boaters that commit for the remainder of the season, the same promo offered last year.

Mr. Podolsky stated that he is aware of a proration of slip fees that are offered as of July 15 every year, but that his recollection from prior years is that the proration of fees that start July 15 differs from the promotion that was offered last year. The promotion that was offered last year for boaters who leased slips in mid to late August specified that a boater would get the remainder of the current season for free if they signed up for a slip lease for the following season (year). Mr. Podolsky asked for clarification of how the promotions are being applied to new boaters and what is, or is not, being offered.

Mr. Ceparski will check with Terri and report back the details of promotional pricing and how applied to new boaters. Currently, Mr. Ceparski stated that there is no offer of 'free' applied to any of the new boater leases, only the discount.

Mr. Torres noted that the launch permits are down by about 30% over last year, in both the monthly and annual numbers. Mr. Torres noted that the weather has an effect on this number. Are there other factors that are contributing to the reduction of this activity?

Mr. Ceparski responded that early in the season, there were challenges with the construction having a negative effect. Signage needed to be improved and it has been addressed. WPD should see that number going back up. It was a combination of the weather and construction.

Mr. Torres added that during June the numbers were down on a daily basis by about 14%, stating that the Board and staff knew that there would be some challenges related to the construction project.



Chairman Farrell asked if boat launch history is available and whether or not a five-year history could be developed that would allow the Board to look at the trend in this activity.

Mr. Guidice, Founders 3 RES, responded that there should be history available and will develop a report to share with the Board. He added that Founders 3 RES has looked at marinas all the way up the shoreline of Lake Michigan and there are a number of factors impacting activity. The season started late due to weather, the weather has been generally colder and, when these factors are combined, activity levels in fuel consumption and boat launches are affected.

Mr. Podolsky also noted how the weather this year has been a challenge for boaters.

Mr. Ceparski attempted to share a PowerPoint presentation of activities and project at the Harbor so far this season. The Wi-Fi was unable to maintain a connection to allow the presentation to run. Mr. Ceparski will either email a link to the presentation to Board members or will present it at next month's Board meeting which will be at the Harbor.

Chairman Farrell noted that there are two areas near the government pier where significant floating debris collects. He stated that WPD needs to ensure that their best image is presented, particularly in this highly visible, high use area of the Harbor. Chairman Farrell directed the Harbor staff to look for solutions to this problem and develop a plan to ensure the area remains clear of debris. As part of the solution, consider the needs of the fishermen whose activity increases harbor debris later in the season (addition of garbage cans, safe disposal of monofilament line, etc.).

Chairman Farrell noted that the white crosswalk striping adjacent the launch ramp is finished and has really helped manage foot traffic in the area. Walkers are using the stripes as guides. Nice job!

Chairman Farrell commented that while on his trip to Oslo, the number of electric charging stations available to the public was remarkable. There were 25 stations on either side of the Fort and, for him, confirmed the direction taken by the Board last month is the direction to take. The goal in both Oslo and Waukegan is to reduce the environmental impact of carbon-emissions.

Mr. Podolsky stated and wanted the Board to be aware, that the monies advanced by the WPD to Bay Marine at the last Board meeting were reimbursed to WPD by North Shore Gas directly after the last Board meeting. WPD has received \$220K out of \$530K due in total, and has paid out \$220K.

Mr. Torres commented that he did not realize the number of grants available and being pursued by WPD. He stated that the grant document included in the Board packet was well done and an excellent resource. Kudos to Mr. Podolsky and the staff who contributed with the document and who are working to obtain funds.

Mr. Podolsky added that there are more grants to pursue but WPD is limited in their pursuit, as they do not have a grant writer on staff. Currently, Edgewater Resources has been assisting WPD to write grants.

Chairman Farrell noted that identifying and obtaining grant funding allows WPD to think outside of the box. The scope will broaden to include identifying grants that will benefit the Airport, also.

Mr. Podolsky identified that the grant report indicates the status of reimbursement of monies to WPD.

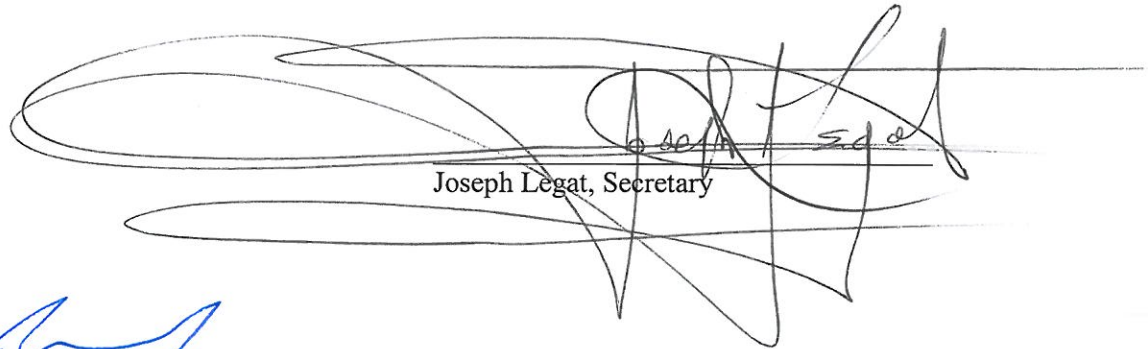
Chairman Farrell thanked everyone for the attendance and participation.

## **Adjournment**

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

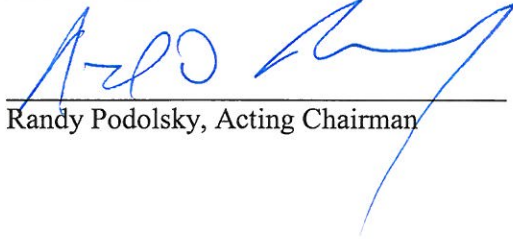
All members present voted aye and the Chairman declared the meeting ended.

Meeting adjourned at 2:45 PM



Joseph Legat, Secretary

APPROVED



Randy Podolsky, Acting Chairman