

MINUTES OF REGULAR MEETING  
WAUKEGAN PORT DISTRICT BOARD

April 18, 2018

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

The following Board members were present:

Gene Bach, Historian  
Tom Evers, Member  
Joe Legat, Secretary  
Randy Podolsky, Real Estate Committee Chairman  
Jorge Torres, Assistant Treasurer  
Grant Farrell, Board Chairman

The following Board member was absent:

Mike Melius, Member

The following Board officer was present:

Bob Hamilton, Treasurer

District Counsel

Peter Friedman

Members of the Port District Staff present:

Don Cento, Founders/3RES, COO/CFO  
Phil Cook, Founders/3RES, Mgr. Marina Accounting  
Joe Seidelmann, F/3 Marine, General Manager, Harbor  
Skip Goss, F/3 Airport, General Manager, Airport  
Cathy Smith, F/3 Aviation, Administrative Assistant  
Mary Louise Schram, F/3 Aviation, Recording Secretary

Call to Order

Chairman Farrell called the meeting to order at 4:00 PM.

Pledge of Allegiance -led by Mr. Legat

Approval of Remote Participation/Voting

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

To approve Mr. Evers, who is away for business travel, remote meeting participation via phone.

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

Chairman Remarks

Chairman Farrell recognized the recent passing of Jim Stanczak, retired General Manager of the Waukegan National Airport.

Chairman Farrell stated that he attended a management meeting with the General Managers of both the Harbor and Airport. He noted that there were multiple FOIA requests over the last month that severely impacted staff resources. More than thirty (30) hours of labor was diverted from the regular work of WPD and there was a direct impact on the ability to complete routine work on-time. Chairman Farrell stated that he believes it is important for Board members to be aware of this as the delay in receiving Board packets was directly attributable to fulfilling these requests.

Chairman Farrell announced to the Board that F/3 offered Ali the General Manager position at Egg Harbor Marina in Wisconsin (32 inches of snow during her first weekend at her new post!). Best wishes were extended to Ali for continued success and Chairman Farrell acknowledged that WPD's relationship with F/3 allowed F/3 to recognize Ali's talent and to provide a career path for employees.

F/3 Remarks – none

#### Reports of Standing Committees

Mr. Hamilton, Treasurer, informed the Board that the application for WPD to be a participant in the Illinois Trust account was submitted. He noted that this is a holding fund that invests money for public agencies such as schools and municipalities, adding that the fund offers a higher interest rate and greater flexibility to manage monies.

Mr. Podolsky, Real Estate Committee Chairman, stated that WPD engaged counsel to pursue action against North Shore Gas (NSG) as previously discussed, noting that there may be a need for the Board to hold a special meeting on this subject before the next Board meeting.

Mr. Hamilton stated on behalf of the Committee that reviewed the airport engineering firms that Crawford, Murphy & Tilly, Inc. (CMT) is a good group and that upon initial meetings the Committee is pleased with the choice that they presented to the Board. He noted that CMT has a more intense focus and ability to identify funding sources for airport projects. Mr. Hamilton added that CMT recently hired the former IL Dept. of Avionics contact as a company representative. Mr. Bach asked about bids and vetting. Mr. Hamilton responded that WPD solicited every engineering firm approved by IDOT and each received the request to submit a proposal. Of the firms solicited, four responded and two submitted bids.

Mr. Hamilton noted that the Waukegan National Airport received a positive mention in the current issue of AOPA.

Public Comments – none

#### Consent Agenda

- March 2018 Regular Board Meeting Minutes
- March 2018 Check Approval
- Financial Reports March 2018
- Resolution 2018-R-07 approving the agreement to conduct an airshow/aviation event to Waukegan Airshow, Inc. for September 8, 2018
- Resolution 2018-R-06 approving the retainer agreement for engineering and planning consultant with Crawford, Murphy & Tilly, Inc. (CMT)

Motion by Mr. Evers, second by Mr. Bach:  
To remove the March 2018 check approval from the consent agenda.

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

Motion by Mr. Evers, second by Mr. Bach:  
To approve the remaining consent agenda items.

On the following roll call vote, the Chairman declared the motion carried:  
Aye: Mr. Bach, Mr. Evers, Mr. Podolsky, Mr. Torres, Mr. Farrell  
Abstain: Mr. Legat

- March 2018 Check approval

There was a brief discussion to confirm check register item detail.

Motion by Mr. Bach, second by Mr. Podolsky:  
To approve the March 2018 check approval items.

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

#### Harbor General Manager Remarks

Mr. Seidelmann stated that as of the meeting, thirty-six boats were moored in the Harbor. He added that the inclement weather has been a challenge to maintenance staff and boaters. Mr. Seidelmann reported repairs to reinforce the steel were completed to the S12 finger pier due to minor damage from the current and weather. Water service to the piers was turned on yesterday and minor repairs are ongoing. ComEd is scheduled to install a meter. The webcam was installed and is ready for the wireless service connection. Signage at the fuel dock was installed and other signs are ready and pending installation. The inclement weather has delayed the landscape clean-up but it is underway.

The Earth Day event is a nature clean-up sponsored by the Harbor on Sunday, April 22. Last year, the clean-up volunteers collected 7500 pounds of trash.

Mr. Seidelmann reported that the lot South of the old Mathon's lot is to be clear cut by the City and volunteers.

Mr. Seidelmann, with the support of Mayor Cunningham, was able to connect with Carl Lewis, an architect and wheel chair athlete. Mr. Lewis has offered to provide recommendations to improve the ADA access to the Kayak/Canoe launch.

The Army Corps of Engineers small and shallow waters funding budget increased and the Waukegan share is larger than planned. In addition, the Army Corp announced a multi-million-dollar project to improve the Waukegan government pier to make it more accessible. Work is anticipated to begin in August 2018.

Mr. Seidelmann reported that he generates an in-house weekly operations report and requested that Board members who would like a copy to let him know. The report includes slip info and history in addition to marketing and sales information. Chairman Farrell requested that Mr. Seidelmann add the designation "confidential" to the report.

Mr. Seidelmann reported that he will attend the national meeting hosted by Delta Institute to represent both the City of Waukegan and WPD. A workshop at the conference will feature the successful collaboration

between the City and WPD. He hopes to make beneficial connections through his attendance. Mr. Seidelmann informed the Board that Alpha Media radio station management company has been engaged to produce a series of ads to promote the Harbor. They are also creating a digital marketing campaign. Mr. Seidelmann hopes to share more information with the Board at the June Board meeting.

- Resolution 2018-R-10 approval of three 2018 Harbor Fest Events for GWDC

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

To approve the GWDC request, Resolution 2018-R-10, to host three 2018 Harbor Fest Events.

The Board discussed the application and related fees noting that next year WPD should break-out designated areas and place a value/cost on each to use. General discussion was held regarding signage, crowd control, and parking.

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

#### Airport General Manager Remarks

Mr. Goss reported that this April is the second worst April start in the history of the Airport due to the affect of the weather on airport activity. The maintenance crew is hopeful that they will be able to put the snow plows away, soon. He noted that CMT was a welcome new addition to the Airport, adding that they are working to refresh the economic output study. CMT is also identifying financial resources available to the Airport and are developing a way to extend the life of the runway.

Mr. Goss reported that Jim Stanczak, former Airport General Manager and a Director of the Lake County Veterans Memorial (LCVM) Board, passed away in March. The LCVM F-111 metal fabrication of the base that is required to mount the airplane has begun and is expected to be completed in two weeks. Completion of the plaza will be dependent upon acquisition of funds through fundraising and gifts. Mr. Goss reported that Jim Goodman has joined the Lake County Veterans Memorial Board of Directors.

- Resolution 2018-R-09 to approve Signature's extension of sublease with Reyes Holdings

Motion by Mr. Torres, second by Mr. Bach

To approve Resolution 2018-R-09 to approve Signature's extension of Reyes Holdings sublease.

The Board discussed the terms of the sublease and whether or not the terms offered by Signature could extend beyond the terms that Signature has with WPD.

Mr. Torres amended the motion, seconded by Mr. Bach:

To approve Resolution 2018-R-09 to approve Signature's extension of Reyes Holdings sublease as long as the term offered to Reyes Holdings does not extend beyond the terms that Signature has with WPD.

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

- Resolution 2018-R-08 to approve the sale of WPD property 08-06-206-007 Lot 3 to the Waukegan Fire Department

Mr. Goss reviewed the parcel history specifically noting that it was donated to WPD in the 1960s. The Waukegan Fire Department approached WPD to request the property for use as a training area. Mr. Goss stated that the Fire Department is a valuable partner to the Airport and that the proposed

use would be a good enhancement. The current value of the parcel is estimated at \$22,000.

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

To approve resolution 2018-R-08 to approve the sale of WPD property 08-06-206-007 Lot 3 to the Waukegan Fire Department contingent on the City of Waukegan recognizing the \$22,000 estimated valuation and WPD's request for in-kind services or property.

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

The Board briefly discussed whether or not the Waukegan National Airport would be subject to permit fees as the Airport boundaries are not within a single municipal boundary. It was Mr. Friedman's opinion that no fees should be assessed on WPD if, for example, the Airport were to construct a new building. Mr. Friedman will review and confirm.

- Approval to reallocate \$15,000 out of the Runway Rehabilitation funds to put towards a new airport vehicle.

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

To approve reallocation of funds not to exceed \$15,000 from the runway rehabilitation capital account for the purchase of a new airport vehicle, noting that the reallocated funds are in addition to the \$6,800 received from the insurance company.

The Board discussed both past insurance coverage and future replacement value coverage on the vehicle. They discussed the type of vehicle needed for security and the related work. Both gas and electric engine vehicles will be considered. Due attention will be given to competitive bidding.

On the following roll call vote, the Chairman declared the motion carried:

Aye: Mr. Bach, Mr. Evers, Mr. Legat, Mr. Torres, Mr. Farrell

Abstain: Mr. Podolsky

#### Discussion regarding the January 27 meeting minutes

Chairman Farrell requested Mr. Legat to present his request to the Board for their consideration.

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

To holdover the discussion regarding the January 27 meeting minutes until Mr. Melius is in attendance.

On the following roll call vote, the Chairman declared the motion failed:

Aye: Mr. Bach, Mr. Legat

No: Mr. Evers, Mr. Podolsky, Mr. Torres, Mr. Farrell

Abstain: none

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

To amend the January 27 meeting minutes to include Mr. Legat's assertion that Mr. Podolsky stated that West cheated WPD out of \$80,000 and Mr. Farrell voted no because he didn't like West.

Board members discussed Mr. Legat's requested addition to the minutes.

On the following roll call vote, the Chairman declared the motion denied:

Aye: Mr. Legat

No: Mr. Evers, Mr. Podolsky, Mr. Torres, Mr. Farrell

Abstain: Mr. Bach

New Business

Mr. Bach stated that he is concerned about the 2017 financial audit, stating that 2017 Harbor revenue numbers were incorrect and that F/3 promised a correction by February 2018 and that his concern is still unanswered.

Mr. Cook responded that WPD is still on-track to have the 2017 financial audit completed by July 1, 2018.

Mr. Friedman stated that the auditor will determine the accuracy and report all findings but he will look into it to provide an answer to Mr. Bach's question.

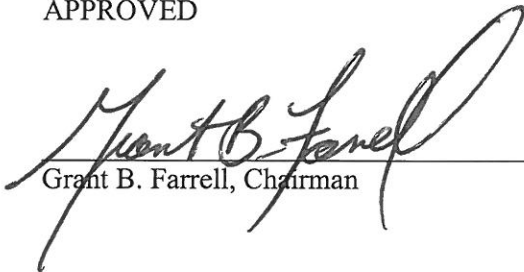
Mr. Friedman also informed the Board that they may need to hold a special meeting to discuss North Shore Gas before the next Board meeting.

Adjournment – 5:00 PM

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

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

APPROVED



Grant B. Farrell, Chairman