

MINUTES OF REGULAR MEETING
WAUKEGAN PORT DISTRICT BOARD

July 18, 2018

Waukegan National Airport
Airport Administration Office – Conference Room
2601 Plane Rest Drive, Waukegan, IL

The following Board members were present:

Gene Bach, Historian
Tom Evers, Member
Joe Legat, Member
Mike Melius, Member
Jorge Torres, Assistant Treasurer
Grant Farrell, Board Chairman

The following Board member was absent:

Billy McCaffrey, Member (excused)

The following Board officer was present:

Bob Hamilton, Treasurer

The following Board officer was absent:

Randy Podolsky, Secretary

District Counsel

Peter Friedman

Members of the Port District Staff present:

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

Call to Order

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

Roll Call

Pledge of Allegiance

Approval of Remote Participation/Voting

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

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

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

Chairman Remarks

Chairman Farrell stated that the materials handed out at the last meeting to Board members by Mr. McCaffrey will be held, at Mr. McCaffrey's request, until the next Board meeting so that Mr. McCaffrey can be present to participate in the discussion. In addition, the relationship of the Board and Chairman questions posted by Mr. McCaffrey will be discussed at the next Board meeting.

The Chairman stated that the review of the Port District Statute will be completed by Senator Link and Mayor Cunningham and then will be shared with the Board for review.

Chairman Farrell noted the substantial number of projects and broad scope of work being undertaken at both the Airport and Harbor and acknowledged the efforts of the General Managers.

Chairman Farrell announced that the August 2018 Board meeting is cancelled. The next Board meeting will be September 19, 2018. At the next Board meeting, Chairman Farrell will review Board Committee assignments.

F/3 Remarks

Mr. Cook stated that the financial reports included in this month's Board packet are in the new format discussed at last month's meeting. The goal is to continue to improve the reports to meet the Board's objectives.

Mr. Bach requested forecasting reports.

Chairman Farrell asked Mr. Cook to review the reports contained in the Board packet to evaluate possible consolidation for efficiency.

Reports of Standing Committees

Mr. Hamilton, Finance Committee Chairman, requested consideration of an Executive Summary of the financial reports rather than the current level of detail that is contained in the Board packet. He noted that the Waukegan Port District Board is a policy board.

Chairman Farrell requested preparation of the 'regular' financial reports for the Board packet and an Executive Summary for the September Board meeting for members to be able to compare, review, and discuss. Mr. Cook agreed to the request.

Mr. Friedman gave an update on the ongoing discussions with North Shore Gas (NSG), stating that NSG has agreed to extend the tolling agreement for another sixty days while all parties continue to work toward a resolution.

Public Comments – none

Consent Agenda

- June 2018 Regular Board Meeting Minutes
- June 2018 Check Approval
- Review of Financial Reports: June 2018

Motion by Mr. Torres, second by Mr. Melius:
To approve the items on the Consent Agenda.

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

Review of 2005 Closed Session Minutes: Approval of Resolution 2018-R-15

District Counsel Peter Friedman described the requirements of the Open Meetings Act (OMA) and how the Board must review, and release closed meeting minutes for which a need for confidentiality no longer exists.

- June 15, 2005
- July 20, 2005
- September 28, 2005
- December 21, 2005

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

To approve Resolution 2018-R-15, releasing minutes of the above closed meetings of the Waukegan Port District Board.

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

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

No:.....none

Absent:.....Mr. McCaffrey

Abstain:.....none

Airport General Manager Remarks

Mr. Goss reported that the F-111 was mounted on May 12th and that the Lake County Veterans Memorial organization is seeking donations to complete the Plaza before the Waukegan Air Show on September 8th.

Mr. Goss informed the Board that the roadwork to resurface the entry road into the Airport (McAree north of Edgewood) was delayed due to state funding of the project. The delay will allow the Airport to enhance the project by adding a sidewalk to next year's funding request.

Mr. Goss stated that there is a Resolution on the agenda to approve the consultant services agreement to advance the Airport development project. Mr. Goss introduced Terry Schaddel and Craig Loudon of Crawford, Murphy & Tilly (CMT), Engineering Services Consultants.

Mr. Loudon presented an overview of the project plan noting the following two concurrent tasks:

- Environmental Assessment
- Planning

The work will require:

- Forecast of Aviation Demand
- Significant FAA Coordination
- Benefit Cost Analysis and Financial Plan
- Revised Airport Layout Plan
- Stakeholder Coordination

Mr. Loudon shared the projected costs for the master plan and anticipates that the effort will take approximately two years to complete with both tasks to be wrapped-up by Fall 2020.

The budget for the master plan was proposed across three years. As incremental steps within the plan are

completed, there would be some reimbursement, noting that there is an opportunity to recoup some of these expenses but WPD cannot bill for work previously completed. Mr. Loudon added that WPD cannot acquire land and be federally reimbursed until the environmental assessment is approved.

Mr. Loudon stated that if the agreement is approved, the timeframe to construct the replacement runway is 2024 to 2028. The LOI, (the FAA funding tool) is anticipated in 2021-2022 to secure federal investment in the runway. The critical path begins with the final Environmental Assessment followed by land acquisitions in 2021-2024. In 2023, the design package will be presented, resulting in multiple contracts being issued. In 2024, contractors can begin work.

The Board members discussed the timeline and plan related to budget and proposed cost, noting their concern about the agreement exceeding the budget. It was recommended that a release statement for future funds be added to the agreement.

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

To approve Resolution 2018-R-14, approving a consultant services agreement with Crawford, Murphy & Tilly, Inc. (CMT) for Architectural/Engineering, Planning and Special Services on condition of 2019 and 2020 budget plan and approval and a release statement added to the agreement for future funds.

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

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

No:.....none

Absent:.....Mr. McCaffrey

Abstain:.....none

General Manager Remarks

Mr. Seidelmann reported that the 4th of July activities and fireworks were a great success.

The slip rental revenue is ahead of last year's pace.

John J. Bolling, a large shipping freighter, is docked at National Gypsum and is impressive to see in the Harbor. This ship also keeps the port in good standing with the Army Corps of Engineers (ACE), because of the shipping channels and dredging requirements.

Mr. Seidelmann reviewed the status of ongoing improvement projects at the Harbor, including the fish cleaning station, north pier gate installation, repainting of the USCG Auxiliary building, and various sidewalk and asphalt resurfacing projects.

Mr. Seidelmann reported that he is in preliminary discussions with representatives of the Waukegan Park District as they are interested in installing a nautical theme play area on the west side.

The Army Corps of Engineers delayed the government pier resurfacing to the Spring of 2019. ACE also reported that the CAP107 project discovered, as part of their early data review and modeling, that extending the Johnson pier is insufficient to stay the flow of sand. The evaluation and modeling will continue.

Mr. Seidelmann stated that Cora Berry joined WPD last Monday in the Marketing position and she is a great addition to the Harbor staff. He invited the Board members to drop by and introduce themselves to her.

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

To approve Resolution 2018-R-16, approving the annual lease for Big Lake Marine.

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

Aye:.....Mr. Bach, Mr. Evers, Mr. Legat, Mr. Torres
No:none
Absent:.....Mr. McCaffrey
Abstain:.....none

Mr. Seidelmann reported that the Harbor needs more space for 60-foot boats, noting that the Harbor has recently turned away potential customers due to lack of capacity. The proposed reallocation of funds would increase capacity by 10 (ten) 60-foot boat slips.

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

To approve the reallocation of funds from the approved capital budget item of \$27,000 for north harbor gate replacement to remove section of N-Pier and reface for reuse by larger vessels.
Additional \$13,000 needed to complete full channel removal and refacing.

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

Aye:.....Mr. Bach, Mr. Evers, Mr. Legat, Mr. Torres
No:none
Absent:.....Mr. McCaffrey
Abstain:.....none

Mr. Seidelmann reported that discussions with Larsen Marine regarding the contamination on the crane site have stalled as Larsen states that the prior tenant may have caused the contamination. The Board discussed the alternatives. Last year, Deigan provided an estimate of \$15,000 to clean the site and the cost would be higher, this year. Chairman Farrell asked Mr. Seidelmann to arrange for a representative from Deigan to provide a report and update to the Board at their September meeting.

Chairman Farrell recognized Mayor Cunningham.

Mayor Cunningham stated that it was good to see the progress being made at the Waukegan National Airport and Harbor. The Mayor acknowledged the spirit of cooperation and partnership between the organizations and the importance of his monthly meetings with Chairman Farrell. Mayor Cunningham stated that, "Partnership is where we are today, and where we will be in the future."

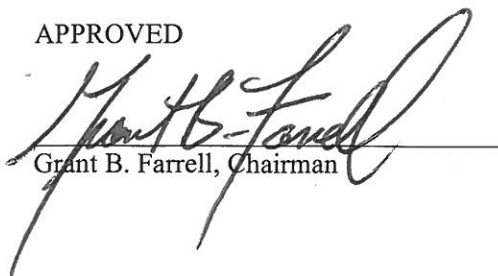
Mayor Cunningham presented the "Waukegan Proud Award" to Mr. Podolsky. Chairman Farrell accepted the award on behalf of Mr. Podolsky.

Adjournment – 4:30 PM

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

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

APPROVED


Grant B. Farrell, Chairman