

MINUTES OF REGULAR MEETING
WAUKEGAN PORT DISTRICT BOARD

October 17, 2018
4:00 p.m.

Waukegan Harbor
Waukegan Port District Administration Offices – 2nd Floor
55 S. Harbor Place
Waukegan IL 60085

The following Board members were present:

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

The following Board member was absent:

none

The following Board officers were present:

Bob Hamilton, Treasurer
Randy Podolsky, Secretary

District Counsel

Peter Friedman

Members of the Port District Staff present:

Phil Cook, Founders/3RES, Manager, Marina Accounting
Lindsay Larson, Founders/3RES, Marina Division Accountant
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 McCarthy, F/3 Marine, Staff Accountant
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 led by Mr. Torres

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 – Grant Farrell

Chairman Farrell reported about his participation in the following meetings and discussions on behalf of WPD over the last month: Diane Tecic of IDNR regarding the Teece Building, Counsel and outside Counsel regarding legal matters, Management meetings with the Airport and Harbor General Managers, and Mr. Seidelmann with members of the community regarding festivals at the Harbor. Chairman Farrell polled the board to determine attendance at the November 21 Board meeting and a majority of members will attend. Chairman Farrell noted that he will be traveling from October 19 through 24 and have limited access to email and phone.

F/3 Remarks – Phil Cook

Mr. Cook reported that the Executive Summary is included in this month's Board packet and he is looking for continued feedback from Board members. He stated that next month the Executive Summary and financial reports will be emailed as a separate pdf attachment to enhance the quality of printed materials. Mr. Cook stated that the comments received prior to today's Board meeting will be incorporated in next month's packet and requested that Board members continue to reach out to him with additional comments or recommendations.

Standing Committee Reports

Finance Committee

Mr. Hamilton presented the report contained in the Board packet. Mr. Hamilton stated that committee members Mr. Bach and Mr. Torres were away on travel during the specified review period and that he completed the review of the September check register in their absence, adding that each of the members had since taken a look at the records. Mr. Hamilton reported that it was the committee's recommendation to approve the September 2018 check register.

Insurance Committee

Mr. Hamilton reported that members of the committee met with representatives of West Insurance Agency. The committee felt that the discussion was beneficial for both organizations and will recommend West Insurance as the insurance provider for the 2019 contract. Mr. Hamilton stated that the committee made it very clear to the West Insurance representatives that their company must be supportive and responsive to the needs of WPD staff to keep the contract.

Mr. Hamilton reported that the underground fuel tank at the Harbor can be insured through 2019, but not after. He stated that it is the recommendation of the committee that WPD replace the tanks in 2019 and that the costs of replacement be represented in the next budget. Mr. Seidelmann stated that he is evaluating replacement plans and related costs, adding that regulations require underground fuel storage because of the required volume of fuel storage.

Crane Site Committee

Mr. McCaffrey reported that the committee's consensus and recommendation to the Board is to move ahead with the clean-up of the site as presented by Deigan and Associates at the last Board meeting, with a recommendation that the clean-up costs not exceed \$20,000. Mr. McCaffrey noted that the committee would continue to work to determine whether or not the costs should be shared by the last leasee. Mr. Torres requested WPD staff to determine where the money will come from to cover this unplanned expense.

Audit Committee

Members of the Board noted that F3 had not met the 2016 or 2017 audit deadline and requested an update from Mr. Cook. Mr. Cook responded that the 2017 Audit is with the firm that they are expected to complete the work, shortly. The Board stated that the 2018 Audit must be completed and given to the auditor no later than 60 days after year end.

Public Comments

Members of the public presented their concerns and commendations to the Board.

Consent Agenda

Motion by Mr. Evers, second by Mr. Melius:
To establish the Consent Agenda

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

- September 2018 Regular Board Meeting Minutes
- September 2018 Closed Board Meeting Minutes
- September 2018 Check approval
- Review of Financial Reports: September 2018

Motion by Mr. Evers, second by Mr. McCaffrey:
To approve the items on the Consent Agenda with the change to the regular minutes recommended by Chairman Farrell (i.e., Mr. Hamilton as Chairman of the Insurance Committee)

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

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

No:.....none

Absent:.....none

Abstain:.....none

Harbor General Manager Remarks

Mr. Seidelmann reported the completion of two harbor projects: the fish cleaning canopy and the North pier gate. He reported that the pier removal to create larger slips was delayed due to equipment breakdown (Big Lake Marine) and weather. Mr. Seidelmann noted that the City of Waukegan is able to repurpose the material removed which is a benefit to them and WPD benefits by reduction of the costs related to disposal of these materials. Mr. Seidelmann stated that he is getting quotes to remove and replace the fuel storage tanks. The decommissioning of the harbor facilities has begun in preparation for Winter. Mr. Seidelmann reported that the RFP for the HCB building was reposted for architectural firm responses, adding that no responses were received after the first posting of the RFP. Mr. Seidelmann noted that the F3 surveys were mailed to boaters and that their responses will drive the 2019 marketing plan. The contracts for 2019 slips were sent out. Mr. Seidelmann reported on two recent news events: the North Shore Gas litigation and an alligator that was rescued and transferred to a wildlife refuge.

The Board requested that Mr. Seidelmann provide a report on gift shop sales. It was recommended that WPD ensure that the landscapers who damaged the sidewalk near the USC Auxiliary building correct or pay for the problem before final year-end payment. The Board requested the boater survey results prior to the next Board packet and budget review.

Crane Site Discussion

The Board discussed available options to fund the clean-up as this was not in the 2018 budget. Mr. Cook is to work with Mr. Seidelmann to identify the funding source and the subsequent budget impact.

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

To approve funds not to exceed \$20,000 to authorize Deigan and Associates to clean-up the environmental contamination at the crane site with work to be completed before Winter 2018 with the agreement that staff will inform the Board of how this expense will be paid and its impact on the budget.

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

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

Airport General Manager Remarks

Mr. Goss reported that the Economic Impact Analysis was completed, and the Airport represents \$150,000,000 per year of business to the area, which is up 20% from 2012. Mr. Goss reported that the customs building project is moving ahead and plans are under review.

Resolution 2018-R-21 – Approving a Private Hangar Lease Amendment

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

To approve Resolution 2018-R-21, a private hangar lease amendment.

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

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

Resolution 2018-R-20 Approving Lease Agreement for a Corporate Airport Hangar

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

To approve Resolution 2018-R-20, a lease agreement for a corporate airport hangar.

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

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

Resolution 2018-R-19 Approving Consultant Services with CMT for the Customs Building Sitework

Motion by Mr. Evers, second by Mr. Bach

To approve Resolution 2018-R-19, consultant services with CMT for the Customs Building sitework.

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

Statutory Amendment Recommendations

The Board discussed the proposed changes represented in the statute. It was noted that this is the first proposed update to the statute since its inception in 1955.

Chairman Farrell stated that the statute has been under extensive review by the Board, Mayor Cunningham, and Senator Link over the last eighteen months and that it is his recommendation that the Board submit the changes to Senator Link with a request for state legislative committee review as the next step of the process. Chairman Farrell polled the Board members and the consensus was to submit the changes to Senator Link.

In favor:.....Mr. Evers, Mr. Legat, Mr. Melius, Mr. Torres
Not in favor:.....Mr. Bach, Mr. McCaffrey
Absent:.....none
Abstain:.....none

Closed Session at 4:52 PM

Motion by Mr. Melius, second by Mr. Bach:
To move to closed session for the purpose of discussing litigation.

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

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

Reconvene to Open Session at 5:30 PM

Present: Chairman Farrell, Mr. Bach, Mr. Evers, Mr. Legat, Mr. McCaffrey, Mr. Melius, Mr. Torres

Chairman Farrell polled the Board to evaluate attendance at the November 21 Board meeting. The November 21 meeting will be held as scheduled.

Chairman Farrell thanked staff and Board for continued commitment on behalf of the District.

Adjournment

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

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

Meeting adjourned at 5:35 PM

APPROVED



Grant B. Farrell, Chairman