

MINUTES OF REGULAR MEETING
WAUKEGAN PORT DISTRICT BOARD

November 21, 2018
4:00 p.m.

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

The following Board members were present:

Gene Bach, Member and Historian
Tom Evers, Member
Bob Hamilton, Treasurer
Joe Legat, Member
Billy McCaffrey, Member
Grant Farrell, Board Chairman

The following Board member was absent:
Jorge Torres, Member and Assistant Treasurer

The following Board officers were present:
Randy Podolsky, Secretary

District Counsel
Steve Elrod
Megan Cawley

Members of the Port District Staff present:
Alain Giudice, Founders 3 Senior Vice President, Marina Division
Phil Cook, Founders 3, Manager, Marina Accounting
Skip Goss, F3 Aviation, General Manager, Airport
Joe Seidelmann, F3 Marine, General Manager, Harbor
Cathy Smith, F3 Aviation, Assistant General Manager, Airport
Mary McCarthy, F3 Marine, Staff Accountant
Mary Louise Schram, F3 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. Bach

Approval of Remote Participation/Voting - none

Chairman Remarks – Grant Farrell

Chairman Farrell acknowledged the retirement of Mr. Melius from the Waukegan Port District Board.

Mr. Melius provided more than 15 years of service to the Waukegan Port District and extended his commitment until the Governor appointed his successor.

Chairman Farrell announced that Robert (Bob) Hamilton took the Oath of Office on October 26 and his appointment was certified by the State of Illinois on November 7. Chairman Farrell welcomed Mr. Hamilton for his continued commitment to the Board in his new capacity.

Chairman Farrell reported regarding his participation in the following meetings and discussions on behalf of WPD over the last month: representatives of the Greater Waukegan Development Coalition (GWDC) and 130 North Genesee Street, LLC; Mayor Cunningham; Mr. Goss and others to review and discuss the Waukegan National Airport Governance Analysis Report; CEO and executives of Signature Flight Support to discuss audit outcomes; consulted with legal counsel and outside counsel as required regarding legal matters, management meetings with the Airport and Harbor General Managers; Mr. Seidelmann with members of the community regarding festivals at the Harbor; and he attended the annual FAA sponsored Runway Safety Action Team (RSAT) meeting hosted jointly by the FAA, Waukegan Fire Department, and Waukegan National Airport.

Chairman Farrell distributed handouts to Board members for their review and comment over the next month for anticipated action at the next Board meeting. Included as handouts were the proposed 2019 budgets for Airport and Harbor, 2019 proposed Board meeting schedule, and draft copy of the 2017 Annual Audit Report.

F/3 Remarks - none

Committee Reports

Insurance Committee

Mr. Hamilton reported that a resolution will be on the December agenda to accept West's Insurance Agency, LLC, as the broker of record for 2019.

Finance Committee

Mr. Hamilton reported that he and Mr. Cook met with representatives of Wintrust to review and discuss WPD account management and strategies. Wintrust will provide an analysis of the operating funds and money market accounts to recommend options to balance fees in interest bearing (money market) and non-interest bearing (operating funds) accounts.

Mr. Hamilton shared with Board members that the Executive Financial Summary continues to be developed and is more robust this month and will continue to become a decision-making tool for the Board. He noted that the P&L report is used to inform the content of the Executive Financial Summary and that is not included in the Board Packet. The goal of the transition to the Executive Financial Summary is to facilitate a method for all Board members to focus on the financial direction needed to develop or support policies to guide the organization. Mr. Hamilton will continue to work with Mr. Cook to ensure that WPD is receiving professional advice regarding financial matters. There was general discussion by all Board members.

Mr. Hamilton noted that the P&L will be completed each month and that Board members who want the document should let him know. Mr. McCaffrey and Mr. Bach requested to continue to receive a copy.

Mr. Hamilton reported that it was the committee's recommendation to approve the October 2018 check register.

Real Estate Committee

Mr. Podolsky reported that Bay Marine has expressed an interest in developing another building (location to be determined) at the Waukegan Harbor and he wanted to poll the Board on their interest in continuing discussions. The Board consensus was that discussions should proceed. Mr. Podolsky stated that more details will be brought to the Board as they become known.

Public Comments – none

Consent Agenda

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

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

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

Motion by Mr. Evers, second by Mr. McCaffrey:
To approve the items on the Consent Agenda

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

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

Airport General Manager Remarks

Mr. Goss reported that the entry roadway improvement is scheduled to begin in Spring 2019, the runway 5/23 resurfacing project planning continued, and the design review of the new Customs building is approximately 30% complete. The ARFF is beyond economic repair and useful life and \$750,000 is needed to purchase the new Rosenbauer Panther and the Waukegan Fire Department needs support to help fund the ARFF.

Mr. Goss and representatives of the engineering firm CMT met with all major stakeholders at the Airport to discuss the replacement runway. The runway represents an investment of \$138,700,000 at the Airport.

Resolution 2018-R-22 – A Resolution Approving a Runway 5-23 Rehabilitation Agreement with Crawford, Murphy & Tilly, Inc.

Motion by Mr. Hamilton, second by Mr. Bach:
To approve Resolution 2018-R-22

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

Aye:.....Mr. Bach, Mr. Evers, Mr. Hamilton, Mr. Legat, Mr. McCaffrey,
No:.....none

Absent:..... Mr. Torres

Abstain:.....none

Condensed Environmental Assessment – Public Hearing and Comment

Mr. Goss provided an overview of the two hangar developments on the Northeast quadrant, noting that the documents are available for public viewing at the Waukegan National Airport office. No motion required, information to the Board and Public.

Intergovernmental Agreement with Lake County Forest Preserve District

Mr. Goss updated the Board regarding the intergovernmental agreement regarding future cooperation between the two groups as work at the Waukegan National Airport continues. No motion required, information to the Board.

Economic Impact Presentation

Mr. Goss reported that the recently completed Economic Impact Analysis shows a 20% increase over the 2012 report. The annual economic impact of the Waukegan National Airport confirms that it is a major economic driver in the region. Through airport operations, capital investments, and the facilitation of visitor spending, Waukegan National Airport contributes over \$156.5 million annually to the economy of the region. In addition to the employment, payroll, and economic impact, the Airport also generates significant state and local tax revenues that fund schools, infrastructure improvements, and social programs in the region.

Harbor General Manager Remarks

Representatives from the Greater Waukegan Development Coalition (GWDC) who were scheduled to present did not attend the meeting.

Mr. Seidelmann reported that the Marina is closed for the season, winterization of the docks is completed, and that this is the last work week for seasonal staff. Advertising for the 2019 season has begun and will include a presence at Founders 3 sponsored booths in the Florida market. The Waukegan Harbor and Marina will, again, host a booth at the Chicago Boat Show on January 9 – 13, 2019. Letters from WPD were sent to leasees to remind them to review their lease agreement requirements to ensure that their property remains compliant to the lease agreement terms related to building, grounds, and sign maintenance. The Board asked Mr. Seidelmann to:

- Identify the products being store in the silos. What is that company’s long-term plan?
- What is the maximum tonnage that can be transported on the road that accesses the commercial dock (north of crane site and Yacht Club wall)?

The Waukegan Marina and Harbor joined the Illinois Port Association as mentioned at a previous meeting. The Waukegan Harbor will be featured by aerial footage (collected by a drone) on their website. It is noteworthy that the Waukegan Harbor is the only Illinois Great Lakes Harbor currently listed on their website and that the Waukegan Harbor is one of only two Illinois Harbors that has the capacity for shipping.

The Harbor received three bids on the second request for bids for the Harbor Control Building upgrades. Mr. Legat and Chairman Farrell will participate in the review of the submitted bids.

Mr. Seidelmann presented the results of the 2018 boater satisfaction survey. Overall satisfaction has increased with specific reference to the improvements made to the Harbor facilities and amenities. Respondents noted a need to improve noise control and Wi-fi service. Mr. Seidelmann also identified

the need to improve branding and name recognition. The 2019 Harbor marketing plan will focus more on direct marketing and continue to leverage and build on the Alpha Media, Scuttlebutt, and Founders 3 Marina resources. The 2019 plan will use digital and online resources that can provide analytics to determine the value and activity levels, both which are key to measuring the value of advertising dollars. The Harbor needs to capture a younger market: memorable ads, name recognition, and improved mission statement. Waukegan Harbor's customer service will set them apart from other less expensive neighboring marinas. The goal is to become an all-inclusive resort style destination.

Closed Session at 4:47 PM

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

To move to closed session for the purpose of discussing litigation and disposition of real estate.

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

Aye:.....Mr. Bach, Mr. Evers, Mr. Hamilton, Mr. Legat, Mr. McCaffrey

No:.....none

Absent:.....Mr. Torres

Abstain:.....none

Reconvene to Open Session at 5:15 PM

Present: Chairman Farrell, Mr. Bach, Mr. Evers, Mr. Hamilton, Mr. Legat, Mr. McCaffrey

Board members discussed whether or not Festivals at the Harbor should be managed by the City of Waukegan rather than the WPD. Chairman Farrell noted that WPD and representatives of the City have been in discussions related to Festivals at the Harbor, including how they should be managed and who should manage them. He will keep the Board posted on the progress of their discussions.

Chairman Farrell requested Board members review and comment on the proposed budgets and annual report in anticipation of approval at the December Board meeting.

Adjournment

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

To adjourn.

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

Meeting adjourned at 5:20 PM

APPROVED



Grant B. Farrell, Chairman