

MINUTES OF REGULAR MEETING
WAUKEGAN PORT DISTRICT BOARD

May 15, 2019
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
Jorge Torres, Member and Assistant Treasurer
Grant Farrell, Board Chairman

The following Board officer was present:

Randy Podolsky, Secretary

District Counsel

Peter Friedman

Members of the Port District Staff present:

Phil Cook, Founders 3, Manager of Finance & Operations, Marina Division
Alain Giudice, Founders 3, Senior VP Marina Division
Skip Goss, F3 Aviation, General Manager, Airport
Joe Seidelmann, F3 Marina, General Manager, Harbor
Robert Kutzler, F3 Marina, Director of Marketing and Special Events
Cathy Smith, F3 Aviation, Assistant General Manager, Airport
Mary Louise Schram, F3 Aviation, Administrative Assistant

Call to Order

Chairman Farrell called the meeting to order at 4:01 PM. Roll Call

Pledge of Allegiance led by Mr. Bach

Approval of Remote Participation/Voting – none

Chairman Remarks – Grant Farrell

The Chairman informed the Board that Mr. Friedman was delayed and that the meeting will continue in his absence but that he will move the Public Hearing to later in the Agenda so that Mr. Friedman can participate.

The Chairman reported that he:

- Participated in two management meetings with the General Managers and that Mr. McCaffrey joined them at one of the meetings
- Met with John Matheson of Founders 3 to discuss the state of the contract
- Attended a Holland and Knight sponsored local government seminar with Mr. McCaffrey, adding

that he was influenced by the seminar to make the WPD Board meetings more formal

- Met with the City of Waukegan regarding various joint matters
- Met with Senator Link regarding the changes to the proposed legislation
- Met with representatives of the City of Waukegan where they requested that WPD partner with the City to monitor the sand and site north of the North Pier (handouts of designated area given to each Board member) per the requirement of the Army Corps of Engineers. The Army Corps of Engineers (ACE) requires that the City partner with another organization and both that that WPD seemed like a natural fit to monitor the site. Discussions will continue with the City, ACE, and WPD. The Chairman anticipates that the Board will be asked to review and vote on an intergovernmental agreement on this matter at the next Board meeting.

Public Hearing

Chairman Farrell deferred the Public Hearing to follow the General Manager reports. There were no objections.

Board/Public Comment – none

Treasurer’s Report

Mr. Hamilton reported that it was the committee’s recommendation to approve the April 2019 Check Register.

Ad Hoc Chairman’s Committee Reports - none

Consent Agenda

- April 2019 Regular Board Meeting Minutes
- April 2019 Closed Board Meeting Minutes
- April 2019 Check Approval
- April 2019 Financials
- 2019-R-13 Resolution Approving and Airshow Agreement with Waukegan Regional Airshow, Inc.
- 2019-R-17 Resolution Approving the Purchase and Installation of a Security Camera Surveillance System, Including Service and Warranty.

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

Chairman Farrell requested removal of Resolution 2019-R-17 from the Consent Agenda to the Agenda to allow discussion by the Board.

Motion by Mr. Evers, second by Mr. Hamilton:
To establish the Consent Agenda as amended, move 2019-R-17 to the Agenda

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

Motion by Mr. Evers, second by Mr. Hamilton:
To approve the items on the Consent Agenda as amended

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

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

No:.....none

Absent:.....none

Abstain:.....none

Agenda

Chairman Farrell introduced 2019-R-17 (Airport Surveillance Cameras) for discussion.

Motion by Mr. Evers, second by Mr. Hamilton:
To approve 2019-R-17 Resolution Approving the Purchase and Installation of a Security Camera Surveillance System, Including Service and Warranty.

Discussion clarified that there were nine qualified bidders for the project. The best qualified lowest bidder was selected. The funding for this purchase was on the 2019 Capital Budget and will be paid for by security fees. The bid documents are available to Board members who may want to review in greater detail.

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

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

Chairman Farrell opened nominations for the Board Secretary position, a one-year appointment from June 1, 2019 through May 31, 2020.

Motion by Mr. McCaffrey, second by Mr. Torres:
To nominate Mr. Evers for the position of Board Secretary

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

Chairman Farrell opened nominations for the Board Treasurer position, a one-year appointment from June 1, 2019 through May 31, 2020.

Motion by Mr. Torres, second by Mr. Evers:
To nominate Mr. Hamilton for the position of Board Treasurer

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

Harbor General Manager Remarks

Mr. Seidelmann was unable to attend the Board meeting. Mr. Goss and Mr. Kutzler were asked to present Mr. Seidelmann’s report.

Mr. Goss reported on behalf of Mr. Seidelmann that high water levels have caused damage to slips and launch ramp areas of the Harbor which has also delayed the set-up process. Slip sales are slightly down when compared against the same period last year, and inclement weather is responsible for the decrease in numbers. Volunteers at the Earth Day event collected over 697 pounds of trash and debris during the clean-up activity. There was a boat fire approximately one-mile out from the Harbor; there were no injuries, the boat sank, and it has been recovered. Mr. Seidelmann recommended that the Board recognize the boaters who responded to the incident at the next Board meeting. The rehabilitation work on the government pier has begun. There is a resolution in the Board packet that will provide for the repair to Slip #1. The intergovernmental agreement (IGA) with the Park district is still with the Waukegan Park District for their review.

Mr. Kutzler reported on behalf of Mr. Seidelmann that the Harbor hosted a BBQ event in collaboration with Ace Hardware and independently sponsored a Mother’s Day Wine and Paint. This summer, the Harbor will be added to the Art Walk as a stop along the trolley route. The Art Walk is scheduled every third Saturday throughout the summer and local artists portray their art at each stop. Mr. Kutzler also mentioned the Sights

and Sounds that Sizzle is the Harbor theme and he hopes to add live music as part of the attraction to this event. Mr. Kutzler reported that the Harbor's social media campaign has ramped-up, resulting in an increase in the number of 'likes' and 'clicks', adding that sharing meaningful content will attract greater interest in the Harbor's activities and events. In addition, media outreach through the DRIVE and Daily Herald (ad in Reader's Choice) are underway.

Chairman Farrell requested a motion for the approval of the repair to Slip #1.

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

To approve 2019-R-12 Resolution Approving the Purchase of Services from Big Lake Marine to Repair Sheeting on Slip, not to exceed \$60,000.

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

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

No:.....none

Absent:.....none

Abstain:.....none

Airport General Manager Remarks

Chairman Farrell stated that he will hold for the June Board meeting, 2019-R-18 A Resolution Regarding Waukegan Port District Open View and Fence Policy, noting that there is more work to be done to make it ready for action by the Board.

Mr. Goss stated that he continues to reach out to inform and educate the community about the Harbor and Airport economic impact and future infrastructure projects in which most costs will be paid for by federal funds. Mr. Goss stated that he is focused on developing community awareness that the two entities exist, noting that, unfortunately, the Harbor and Airport have been the best kept secret in Lake County and that is hurting the organization's ability to message. Mr. Goss reported that he is evaluating PR firms that can help with our efforts in messaging and outreach. Current Airport facilities will not allow for commercial flights. With the proposed runway in place, becoming a commercial airport becomes a possibility. Likewise, by keeping the Harbor open there is the potential for a cross-lake ferry line and cruise ships. These Airport and Harbor resources are very valuable and if not developed, there will be shrinkage. Mr. Goss stated that for a modest investment there is a large return to Lake County. Mr. Goss shared the current information handout with each Board member with a request to help get the word out, reminding the Board that WPD needs a larger footprint to bond to complete the infrastructure improvements. It is believed that the runway extension will be a catalyst for the widening of Green Bay Road. This initiative is an ongoing process and WPD is gathering support.

Mr. Goss stated that it will take 12 to 15 months from the receipt of the order for the company to build the ARFF Truck (Panther). The cost of the ARFF will be paid for through a special assessment which will amortize the cost over the next twenty years. All Airport tenants will participate in the special assessment which will be based on the square footage in their lease. In discussions with the corporate tenants, the majority agreed that this would be the most fair and equitable method. An ordinance will be brought to the Board when ready. Mr. Goss requested approval to order the ARFF. The ARFF will be donated to the City and they will be responsible for the maintenance, insurance, operation, and related training. It will be dedicated to Station 5, adjacent to the Airport and currently 48 firefighters are trained on Airport Rescue and Fire Fighting. If the current ARFF fails before delivery of the new ARFF, WPD and WFD will mutually come with a stopgap measure which may include a leased vehicle.

The Board discussed the ARFF and their questions were answered by Mr. Goss and Chief Bridges of the Waukegan Fire Department.

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

To approve 2019-R-15 Resolution Approving Intergovernmental Agreement by and Between the Waukegan Fire Department and the Waukegan Port District for ARFF (Aircraft Rescue and Firefighting) Truck

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

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

No:.....none

Absent:.....none

Abstain:.....none

Mr. Goss reviewed the history of the cost projections to build the Customs Building with the Board. Initial discussions were held with Homeland Security in 2012, before he became General Manager of the Airport. In 2012, the Executive Director reported to the Board that the anticipated cost for the Customs Building would be \$600,000 and would likely be 100% reimbursed. Mr. Goss stated the government doesn't provide an avenue to get reimbursed for this project—even back in 2012. Mr. Goss stated that in the event the rules change, and reimbursement becomes possible, WPD is keeping the records required to submit. Mr. Goss stated that it was difficult to project costs for the customs building because Homeland Security was changing their specifications while WPD was negotiating with them regarding the facility size. Homeland Security initially wanted WPD to build a 4000 sq. ft. building. WPD negotiated the size down to 3000 sq. ft. which is the final negotiated size. Currently, OMNNI, the architectural/engineering design firm, has completed 80% of the design and, at this point in the project, "real" costs are being identified. The estimated cost to build the Customs Building, based on the architectural/engineering projections, is \$1,800,000. Mr. Goss shared with the Board that Signature offered to renovate an area of their building for Customs for a cost of \$1,500,000, demonstrating that the WPD costs are not out of line from other organizations who are analyzing the cost to meet Homeland Security's requirements. The Board inquired about the fees being charged by the architectural/engineering design firm and Mr. Goss stated that the costs were extremely reasonable at approximately \$80,000. The larger users of Customs services at the Airport will be assessed a fee and the current plan is to create a special assessment for users that lease one or more acre. If a user states that they should not be assessed because they do not use Custom's services, they will be reminded that their property value increases because of this valuable resource. Mr. Goss will continue to keep the Board updated on the progress of the Customs Building. It is anticipated that construction will begin in Spring 2020. Mr. Goss reported that no action is required by the Board at this time, though their support of the Bond to cover the cost of the Customs Building is appreciated.

Mr. Goss updated the Board on the intergovernmental agreement (IGA) that was pending Lake County Forest Preserve District (LCFPD) approval. WPD has a letter of agreement with the LCFPD that generated a draft IGA that was to be executed within 108 days of the letter of agreement, pending an environmental assessment. It was later discovered by our new engineering consultant (CMT) that the environmental data was deemed to be too old by the FAA and that WPD needed to redo most of it. The environmental assessment could not be completed in time to execute the IGA. WPD asked LCFPD for an extension to the agreement. LCFPD wanted more time to acclimate the newly elected Board so that they could understand and support the IGA. A meeting to address the new Board is set for Monday, June 3, 2019.

Mr. Goss informed the Board that a hangar has been sold and will result in a 1% fee of the sale price being directed to the Airport. It is his recommendation that the Board approve the sale as required by the land lease.

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

To approve 2019-R-16 Resolution Approving Landlord Consent of Windsock and Beacon, LLC

The Board discussed this matter.

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

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

Public Hearing – commenced at 4:48 PM

It was announced that the Board would go into a public hearing related to the issuance of District Bonds. Chairman Farrell requested General Counsel to read the required materials.

Mr. Friedman read the Public Hearing pursuant to the requirements of Sections 10 and 20 of the Bond Issuance Notification Act of the State of Illinois, as amended on the plans to issue General Obligation Bonds (Alternate Revenue Source), Series 2019 in the amount not to exceed \$2,600,000.

See Minutes of the Public Hearing dated May 15, 2019.

The public hearing was declared closed at 4:50 PM.

Closed Session at 4:50 PM

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

To move to closed session for the purpose of discussing pending 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, Mr. Torres
No:.....none
Absent:.....none
Abstain:.....none

Reconvene to Open Session at 5:05 PM

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

Mr. Evers stated that he was sorry that Mr. Podolsky left before he and the other members of the Board could thank him for his many years of service as a Board member and his continued service as Board Secretary over the last year.

Chairman Farrell acknowledged the value of Mr. Podolsky's tenure on the Board and stated that the Board will do something to recognize his service.

Adjournment – 5:10 PM

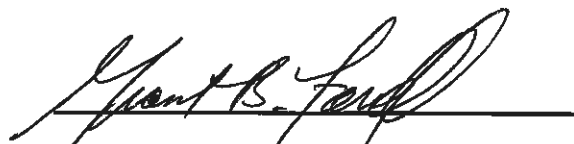
Motion by Mr. Evers, second by Mr. McCaffrey:

To adjourn

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

Meeting Adjourned at 5:10 PM

APPROVED


Grant B. Farrell, Chairman