

MINUTES OF THE SPECIAL MEETING
WAUKEGAN PORT DISTRICT BOARD

November 26, 2019
8:00 a.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 and Secretary
Bob Hamilton, Member and Treasurer
Joe Legat, Member
Billy McCaffrey, Member
Grant Farrell, Board Chairman

District Counsel

Peter Friedman (absent)

Members of the Port District Staff present:

Phil Cook, Founders 3, Manager of Finance & Operations, Marina Division
Skip Goss, F3 Aviation, General Manager, Airport
Joe Seidelmann, F3 Marina, General Manager, Harbor
Mary McCarthy, F3 Marine, Staff Accountant
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 8:00 AM.

Roll Call

Pledge of Allegiance – led by Mr. McCaffrey

Approval of Remote Participation/Voting - not required

Chairman Remarks – Grant Farrell

The Chairman welcomed members and guests to the meeting. Chairman Farrell reported that since the last Board Meeting, he participated in the following meetings and/or activities:

- Two Management Meetings – Chairman Farrell reminded Board members interested in attending these meetings to contact him as he would welcome one additional Board member to attend.
- Proposed 2020 Budget for Airport and Harbor - Worked closely with the two GMs and a copy will be

distributed by each GM later during this meeting. He asked Board members to sign-up for a one-on-one review meeting that will include both GMs and Chairman Farrell so that each Board member has the opportunity to review and ask questions before the December vote to adopt.

- Attended the Lake County Transportation meeting with Skip Goss.
- Toured the construction sites near runway 1/4 and reported to the Board how the weather created delays for the projects from spring to current status.

F3 Remarks – none

Board/Public Comment – none

Treasurer's Report – Mr. Hamilton

Mr. Hamilton stated that the Committee recommended approval of the October 2019 check registers.

Ad Hoc Committee Reports – none

Consent Agenda

- October 2019 Regular Board Meeting Minutes
- October 2019 Closed Board Meeting Minutes
- October 2019 Check Approval
- October 2019 Financials
- November 20, 2019 Regular Board Meeting Minutes

Motion by Mr. Evers, second by Mr. McCaffrey

To establish the Consent Agenda

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

Motion by Mr. Bach, second by Mr. Evers

To move Resolution 2019-R-33 from the Consent Agenda to the Airport Manager's remarks.

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

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:.....none

Abstain:.....none

Agenda

- 2020 Budget & Capital Expenditure Review – Airport and Harbor

Mr. Seidelmann distributed copies of the budget to the members noting that it will be reviewed during the one-on-one meetings scheduled for the first week of December. He stated that the capital expenditures noted are not included in the budget but are listed for future planning.

Mr. Goss handed-out copies of the proposed Airport budget for 2020. He stated that the Airport received a \$4 MM grant (to be awarded in 2021) which is the largest grant award ever received by the Airport and will require the local share. Mr. Goss stated that the capital expense budget items are listed for future planning but not all are covered within the proposed budget.

The Chairman asked Mr. Goss to present Resolution 2019-R-33.

Airport General Manager Remarks (operations/status)

Mr. Goss reported that he attended the Annual Meeting of the Lake County Transportation Alliance, a group that brings consensus to Lake County transportation topics. Mr. Goss shared that the widening of Green Bay Road (phase 2 - Wadsworth to Sunset Roads) has been funded. The design includes accommodations for the runway over Green Bay Road. Mr. Goss is scheduled to meet with Regional FAA representatives and IDOT to discuss planning of the two projects next week. The environmental assessment is ongoing and on schedule and the public hearing is anticipated in Spring 2020 with the hope that it will result in a finding of no significant impact.

Mr. Goss reported that Resolution 2019-R-33 is to approve an agreement for Signature to sublease a hangar. It is a three year lease with two, three year extensions. He noted that this type of lease activity is routine.

Mr. Goss reported that Resolution 2019-R-30 is an agreement for the Airport security office to be relocated to office space available in the Gulfstream hangar.

Mr. Goss reported that Resolution 2019-R-31 is a consultant agreement with SB Friedman, a municipal financing consultant firm that will evaluate any and all funding sources that may be available to fund the local share portion of the new runway project. The funds needed to pay for this agreement are available within the current Airport budget and the cost for the service will not exceed \$65,000.

- Resolution 2019-R-29, Approve 2020 Board Meeting Schedule

Motion by Mr. Evers, second by Mr. Hamilton

To approve Resolution 2019-R-29, Approve 2020 Board Meeting Schedule

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

- Resolution 2019-R-33, Approving Aircraft Hangar Sublease Between Signature Flight Support and Sagitta LLC

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

To approve Resolution 2019-R-33, Approving Aircraft Hangar Sublease Between Signature Flight Support and Sagitta LLC

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:.....none
Abstain:.....none

- **Resolution 2019-R-30, Approve 2019 Gulfstream Lease Agreement**

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

To approve Resolution 2019-R-30, Approve 2019 Gulfstream Lease Agreement

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:.....none
Abstain:.....none

- **Resolution 2019-R-31, Approve SB Friedman Local Revenues Feasibility Assessment**

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

To approve Resolution 2019-R-31, Approve SB Friedman Local Revenues Feasibility Assessment in an amount not to exceed \$65,000.

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:.....none
Abstain:.....none

Harbor General Manager Remarks (operations/status)

Mr. Seidelmann reported that the maintenance staff continues to prepare the Harbor facilities for winter. He stated that the 2020 Harbor marketing plan will be shared during the budget review meetings. Mr. Seidelmann noted that 2020 slip rentals are tracking higher when compared to this time, last year. He reported that there have been many meetings regarding the former Harbor's Edge property and two options will be pursued: 1) find a proprietor for a 1-year lease or 2) rent the area for events. Mr. Seidelmann described the current status of the temporary fencing related to the NSG clean-up and his conversations with the City of Waukegan representatives related to the project which is anticipated to take 7 – 10 years. Deigan & Associates are scheduled for weekly site visits to ensure the scope of the clean-up is aligned with the agreement and Mr. Seidelmann described the horizontal boring process. Mr. Seidelmann provided an update of the CAP-107 project. He reported that he requested the Army Corps of Engineers (ACE) to refine the local share number because it currently has a 48% margin of error. ACE is expected to report on the project in December or January. ACE will require a non-binding letter from all CAP-107 partners to generate their final report.

Members of the Board discussed Harbor property values and rental values related to leases and square footage rates. Mr. McCaffrey asked for a copy of the report from Argianas. Mr. Seidelmann stated that he had delayed providing a copy of the report because the second phase of the report is not yet available. Mr. Seidelmann agreed to send Mr. McCaffrey the first part of the report.

- **Resolution 2019-R-28, Approve 2019 Bristol Boat Service Lease Agreement**

Mr. Seidelmann stated that this lease has been revised since last presented at the October meeting when it was tabled. Most notably, the lease is no longer for the white garage on Water Street but is for a year-to-year lease of the Teece building. The lessee agrees to complete certain improvements at his expense

as identified and defined within the agreement and the monthly lease rate, based on square footage, was reduced to recognize the investment/improvements required by the leasee.

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

To approve Resolution 2019-R-28, 2019 Bristol Boat Service Lease Agreement

Discussion:

The Board discussed the terms of the lease and the square footage rates for leases at the Harbor, indicating that WPD should always strive to negotiate the highest square footage rate. Mr. Seidelmann explained that the variability of lease rates are dependent upon the market conditions, property location, and physical condition of each leased property. It was noted that the Master Plan calls for this specific property to be demolished. Mr. Seidelmann stated that the cost to demolish this building is prohibitive at this time. The consensus of the Board was to agree to the year-to-year lease, noting the benefit of having revenue is better than letting the building sit vacant.

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:.....none

Abstain:.....none

- Resolution 2019-R-32, Approve 2019 Gillen Lease Agreement

Mr. Seidelmann described the changes in ownership and terms represented in the Gillen lease agreement. He stated that the three-year lease increases the lease rate and ties future increases to the CPI.

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

To approve Resolution 2019-R-32, Approve 2019 Gillen Lease Agreement

Discussion:

The Board discussed the terms of the lease.

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:.....none

Abstain:.....none

Closed Session - 4:42 PM

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

To move to closed session for the purpose of discussing pending litigation.

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:.....none

Abstain:.....none

Reconvene to Open Session – 9:20 AM

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

Chairman Farrell updated to the Board regarding the status of the Governor's candidate appointed to fill the vacant position last held by Mr. Torres.

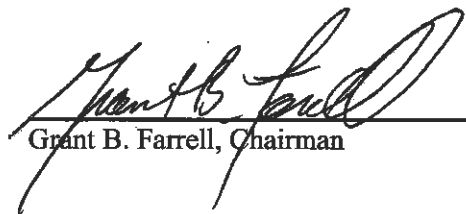
Adjournment – 9:30 AM

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

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

Meeting Adjourned at 9:30 AM

APPROVED



Grant B. Farrell, Chairman