

MINUTES OF THE REGULAR MEETING
WAUKEGAN PORT DISTRICT BOARD

May 20, 2020
4:00 PM

Virtual Meeting via Zoom – Open to Public
Join Zoom Meeting by phone
Call: 1 (312) 626-6799
Enter Meeting ID & Password when prompted
Meeting ID: 823 5578 5067 Password: 695687

Members of the public who join the meeting will hear the full meeting while on the call.
Callers will be muted until Public Comment section of the Agenda where each will be given an opportunity to speak to the Board

The following Board members were present:

Gene Bach, Member and Historian
Tom Evers, Member and Secretary
Joe Legat, Member
Billy McCaffrey, Member
Greg Petry, Member
Ben Veal, Member
Grant Farrell, Board Chairman

The following Board Officer was present:

Bob Hamilton, Treasurer

District Counsel

Peter Friedman

Members of the Port District Staff present:

Phil Cook, Founders 3, Manager of Finance & Operations, Marina Division
Alain Giudice, Vice President of F3 Marina Division
Skip Goss, F3 Airport, General Manager/Director, Airport
Patrick Lutker, F3 Deputy Director, Airport
Joe Seidelmann, F3 Marina, General Manager, Harbor
Mary McCarthy, F3 Marina, Staff Accountant
Cathy Smith, F3 Airport, Administrative Director
Mary Louise Schram, F3 Airport, Governmental Affairs & WPD Board Liaison

Call to Order

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

Roll Call

Pledge of Allegiance

General Counsel's Comments on OMA and Governor's Executive Orders – Mr. Friedman

Chairman Remarks – Grant Farrell

Chairman Farrell reported that in response to the Governor's Executive Orders that WPD continues to use Zoom for meetings. At this time, it appears that the June Board meeting will be held via Zoom, with the hope that July will allow for an in-person Board meeting. If the July Board meeting is held in-person, the Chairman asked Board Members to hold 3 PM, prior to the Board meeting for Annual Board Training (Ethics and Finance). The Annual Board Training will be deferred to a later date (TBD) if the July Board meeting is held via Zoom. The Chairman thanked staff for their observance of the COVID-19 distancing and other safety measures and extended his thanks to the Board for their compliance. The Chairman mentioned that the Waukegan Yacht Club update will be deferred for Mr. Seidelmann to address during the Harbor General Manager's report.

F3 Remarks

Mr. Cook, Founders 3, Manager of Finance & Operations, Marina Division, stated that in response to the questions presented at last month's Board meeting, two reports were added to the Executive Summary: 1) Customs Operations and 2) Customs Building – New Construction, and the reports were emailed to all Board members. Mr. Cook stated that the capital expenses for the Customs Building – New Construction needed to be reported separately from operations as the expenses are paid from the series 2019 ARS Bond that specifically appropriates monies to the Customs Building.

The Board asked for an explanation of the source of the revenue funds reported on the New Construction report. Mr. Cook stated that as part of the Bond process in 2019, the Airport users agreed to a special assessment to cover both the principal and debt of the Bond (Customs & ARFF) for the next 20 years, per the amended Airport User Fee Ordinance.

Public Comment

Mr. Bartsch, President, Skill Aviation, presented his concerns to the Board.

Treasurer's Report – Mr. Hamilton

Mr. Hamilton stated that the Committee recommended approval of the April 2020 check register.

Mr. Hamilton stated that the COVID-19 orders affecting all businesses in Illinois continue to have a serious financial impact

PPP Update – Funds received by F3 and WPD will participate in the program. Mr. Hamilton referred Board members to Mr. Cook for additional details.

Wintrust Bond Division reviewed the NBH Bond and stated that it was not to the District's advantage to refinance.

Vendor Payments – Slowing down payments has provided some breathing space for cash flow.

CARES Act Grant – Allocated \$157,000 from the Federal Government (FAA) and the cash is anticipated within the new few weeks. Mr. Hamilton referred Board members to Mr. Goss for additional information.

Ad Hoc Committee Reports

F3 Contract Review Committee Chairman, Mr. Hamilton, stated that the committee continues their work and have nothing new to report.

Architectural, Engineering, and Consulting RFQ Committee – Mr. Petry deferred to Mr. Goss to update the Board during the Airport General Manager’s remarks.

Consent Agenda

- April 15, 2020 Regular Board Meeting Minutes
- April 2020 Check Approval
- April 2020 Financials
- 2020-R-18, Resolution Approving Release of Certain Closed Minutes per Policy

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

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

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

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. Legat, Mr. McCaffrey, Mr. Petry, Mr. Veal
No:.....none
Absent:.....none
Abstain:.....none

Agenda

- Election of Board Officer – Secretary and Treasurer

Motion by Mr. Petry, second by Mr. Veal

To nominate and approve Mr. Hamilton for the position of Board Treasurer and Mr. Evers for the position of Board Secretary.

Motion by Mr. McCaffrey, second by Mr. Legat:
To take a separate vote for each position

Discussion: Board members shared their opinion about whether these positions should be held by a currently appointed Board member or if appointing a member-at-large adds depth of experience and additional volunteer hours.

The following roll call vote to on the motion to take a separate vote for each Board appointed position, the Chairman declared the motion failed:

Aye:.....Mr. Bach, Mr. Legat, Mr. McCaffrey
No:.....Mr. Evers, Mr. Petry, Mr. Veal, Chairman Farrell
Absent:.....none
Abstain:.....none

On the following roll call vote to nominate and approve Mr. Hamilton for the position of Board Treasurer and Mr. Evers for the position of Board Secretary, the Chairman declared the motion carried:

Aye:.....Mr. Evers, Mr. Petry, Mr. Veal, Chairman Farrell
No:.....Mr. Bach, Mr. Legat, Mr. McCaffrey
Absent:.....none
Abstain:.....none

- Waukegan Port District Procurement Policy – Discussion
Request by Mr. McCaffrey to postpone the discussion to the next Board meeting
Without objection, the matter was postponed to a future meeting

Harbor General Manager Remarks (operations/status)

Mr. Seidelmann reported that a letter of default was sent to the Commodore and the Attorney for the Waukegan Yacht Club (WYC). During the COVID-19 Governor's Executive Orders, WPD has no legal ability to evict, but WYC has been placed on notice and asked to contact WPD to make some arrangement. Mr. Seidelmann stated that a separate letter will be sent for the right to inspect as WYC is required to maintain the standard of the property per the lease agreement. Mr. Seidelmann cited a leaking roof and exterior water damage that has gone uncorrected. The Board discussed the importance of a Yacht Club to the social fabric of the Harbor; the past history with WYC, noting the value of the organization but their lack of progress to develop their membership and maintain the facility; the lack of clear communication and responsiveness is a serious problem.

Mr. Seidelmann reported that the Harbor has seen a significant upswing in slip rentals directly attributable to the continued closures of Chicago Marinas, Northpoint State Park Marina, and the high-water levels that have prevented the use of the Chain of Lakes. If the newly acquired boaters choose to remain for the season, then WPD will be ahead of the projected revenue plan for the Harbor. Mr. Seidelmann also described the damage around the piers and frames because of the high-water levels, noting that he will work with Big Lake Marine to coordinate the repairs that are needed. Mr. Seidelmann noted that all marinas are launching boats, weather permitting. The launch ramp traffic is up as word is getting out about the good salmon fishing (24 – 26 lbs).

As of May 30, the Governor is allowing up to 20 people on a boat. Charter fishermen will kick-off their business starting June 1, 2020. Signage and procedures are updated and still in place. Restroom are available for slip holders but not available to the public. Again, COVID-19 precautions are being observed. The fishing tournament has been postponed and hope to return for the 2021 season and the community is being notified.

The IDNR is out for comment by June 12, lifting beneficial use at the north harbor. IDNR is working to get Waukegan delisted as a superfund site. If delisted, Waukegan harbor will be the first delisted superfund site on the Great Lakes. If there is no more beneficial use impairment, then the harbor is one step closer to delisting. The delisting places WPD in a good position and makes the harbor eligible for future EPA and IDNR grants.

Mr. Seidelmann stated that the potential lessee interest in the Water Street property elected to rent space elsewhere. Mr. Seidelmann continues to discuss a possible marine school with a qualified party.

There were questions and general discussion from Board members regarding Mr. Seidelmann's report.

- 2020-R-20, Resolution Approving COVID-19 Relief for Commercial Fishermen at Waukegan Harbor

Motion by Mr. Bach, second by Mr. McCaffrey
To approve 2020-R-20, Resolution Approving COVID-19 Relief for Commercial Fishermen at
Waukegan Harbor

Discussion: Mr. Seidelmann answered Board members questions about the financial impact of this
decision.

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

Aye:.....Mr. Bach, Mr. Evers, Mr. Legat, Mr. McCaffrey, Mr. Petry, Mr. Veal

No:.....none

Absent:.....none

Abstain:.....none

Airport General Manager Remarks (operations/status)

Mr. Goss reported that the Airport activity is down 75% from last year but that things are starting to pick-up. There were no Customs clearances in April (FAA redirect to ORD due to COVID-19). Mr. Goss stated that he is in-discussions with users to offset losses. Mr. Goss stated that the CARES Act will provide \$157,000 from the FAA. Mr. Goss noted that staff at the Airport was reorganized to improve efficiency and flexibility.

Mr. Goss reported that the specifications for the Customs Building have been revised based on the feedback from the interviews with the contractors who submitted bids in March. Mr. Goss stated that the Airport submitted a Grant to the Rebuild IL Fast Track program (DCEO) in the hope of acquiring the necessary funds to accept the next round of bids. Mr. Bach and Mr. Legat were asked to review the bids before it goes out for rebid.

Mr. Goss shared that there is \$3,000,000 of improvement projects that are currently underway at the Airport: resurfacing of McAree Road, addition of a sidewalk along McAree Road, and Runway 5/23 rehabilitation.

Mr. Goss informed the Board that the Architectural, Engineering, and Consulting RFQ Committee received five inquiries and three proposals. The Committee followed the FAA guidelines for selection and Crawford, Murphy, and Tilly (CMT) is recommended to the Board through Resolution 2020-R-19. Mr. Hamilton added details that the Committee thought were important to the selection: references were on track, CMT is good at picking sub-consultants (e.g., HNTB out of Chicago), have a good IDOT infrastructure engineering relationship, CMT is focused on infrastructure engineering, and CMT subcontractors received a glowing recommendation from Mayor Cunningham.

Mr. Goss informed the Board that Waukegan Airpark, LLC, dissolved as of December 31, 2019. The result is that the Airport is writing individual leases for tenants who wish to remain. This is why the Board has seen an increase in the number of leases submitted for approval, with more to come. Resolution 2020-R-16 is such a lease and requires Board approval.

Mr. Goss completed his report by referring the Board to the ABS contract to present FBO solutions to the Board. This matter is Resolution 2020-R-17 and requires Board approval. The goal of this work is to outline the various options that may be available to the Airport regarding the matter of Signature Flight Services lease.

- 2020-R-19, Resolution Approving CMT for Architectural, Engineering and Planning Consultant Services

Motion by Mr. Bach, second by Mr. Petry

To approve 2020-R-19, Resolution Approving CMT for Architectural, Engineering and Planning
Consultant Services

Discussion: Board members discussed this matter. Mr. Goss clarified that all work identified on the project list is coordinated with the Replacement Runway 5/23 project.

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

Aye:.....Mr. Bach, Mr. Evers, Mr. Legat, Mr. McCaffrey, Mr. Petry, Mr. Veal

No:.....none

Absent:.....none

Abstain:.....none

- 2020-R-16, Resolution Approving Lease with Darrin DeBellis (former Airpark lessee)

Motion by Mr. Evers, second by Mr. Bach

To approve 2020-R-16, Resolution Approving Lease with Darrin DeBellis

Discussion: none

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

Aye:.....Mr. Bach, Mr. Evers, Mr. Legat, Mr. McCaffrey, Mr. Petry, Mr. Veal

No:.....none

Absent:.....none

Abstain:.....none

- 2020-R-17, Resolution Approving ABS Consulting Services for FBO Alternatives Assessment

The Board requested that the vote on this matter be held after Closed Session. There were no objections.

Board Comments

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

All Waukegan Port District Board Members shall receive a complete set of current financial records at least one week before the monthly Port District Board meeting.

Records shall include:

- 1) Harbor, Airport and Customs profit and loss statements
- 2) Monthly, year to date, comparison statements for Harbor, Airport and Customs.
- 3) Income and Expense statements for Harbor, Airport and Customs.
- 4) Monthly cash statement & debit obligations, commitments and reserves for the Harbor, Airport and Customs.
- 5) Accounts Receivable aging reports for Harbor and Airport.

This matter was postponed to the next Board meeting without objection.

Closed Session – 5:45 PM

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

To move to closed session for the purpose of WPD property and potential for Board 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 – 6:12 PM

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

- 2020-R-17, Resolution Approving ABS Consulting Services for FBO Alternatives Assessment in an amount not to exceed \$12,000.

Motion by Mr. Evers, second by Mr. Petry

To approve 2020-R-17, Resolution Approving ABS Consulting Services for FBO Alternatives Assessment in an amount not to exceed \$12,000.

Discussion: Mr. Goss restated that the goal of this work is to outline the various options that may be available to the Airport regarding the matter of Signature Flight Services lease.

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

Aye:.....Mr. Bach, Mr. Evers, Mr. Legat, Mr. McCaffrey, Mr. Petry, Mr. Veal

No:.....none

Absent:.....none

Abstain:.....none

Chairman Farrell stated that he will work with Mr. Bach and Mr. McCaffrey regarding the request for financials and that he will keep Board members informed of various matters throughout the next month.

Mr. McCaffrey extended his thanks to Mr. Seidelmann and Mr. Goss for their continued efforts and good work on behalf of the Port District; it is appreciated.

Adjournment – 6:15 PM

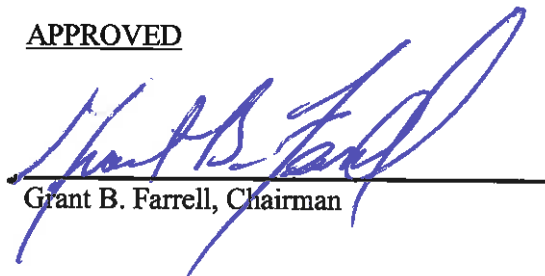
Motion by Mr. Evers, second by Mr. Petry:

To adjourn

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

Meeting Adjourned at 6:15 PM

APPROVED



Grant B. Farrell, Chairman