

**MINUTES OF REGULAR MEETING
WAUKEGAN PORT DISTRICT BOARD**

June 20, 2018

Waukegan Harbor and Marina
Harbor Control Building-Conference Room
55 South Harbor Place, Waukegan, IL

The following Board members were present:

Gene Bach, Historian
Tom Evers, Member
Joe Legat, Member
William McCaffrey, Member
Mike Melius, Member
Jorge Torres, Member
Grant Farrell, Board Chairman

The following Board officer was present:

Bob Hamilton, Treasurer

The following Board officer was absent:

Randy Podolsky, Secretary

District Counsel

Peter Friedman

Members of the Port District Staff present:

Don Cento, Founders/3RES, COO/CFO, Management Division
Alain Giudice, Founders/3 RES, Vice President, Marina Operations
Phil Cook, Founders/3RES, Manager, Marina Accounting
Mary McCarthy, F/3 Airport and Marine, Accountant
Joe Seidelmann, F/3 Marine, General Manager, Harbor
Skip Goss, F/3 Airport, General Manager, Airport
Cathy Smith, F/3 Aviation, Assistant General Manager, Airport
Mary Louise Schram, F/3 Aviation, Recording Secretary

Call to Order

Chairman Farrell called the meeting to order at 4:00 PM.

Pledge of Allegiance

Approval of Remote Participation/Voting - none

Chairman Remarks

Chairman Farrell welcomed William McCaffrey to the Board. Mr. McCaffrey was appointed to the six-year term on the Board by Mayor Cunningham, City of Waukegan. Chairman Farrell noted that both the Marina

and Airport General Managers provided an orientation and overview of their respective projects and responsibilities to Mr. McCaffrey to support his participation on the Board.

Chairman Farrell apologized to the Board for their inability to reach him over the last week or so. He lost his cell phone while on vacation and he expects it to be replaced in the next few days. Chairman Farrell added that he prefers to be contacted by phone or text, but that in the meantime, please use email and realize that his responses will be less immediate due to this alternative method.

Chairman Farrell stated that he attended many meetings on behalf of the Waukegan Port District (WPD) over the last month, including the management meeting with the General Managers of both the Harbor and Airport. Additionally, he met with Mr. Bach, Mr. Cook and Ms. McCarthy to review and discuss the creation of financial reports for both Airport and Harbor directly from the accounting software. Mr. Bach stated his appreciation of the direction that staff has taken and looks forward to receiving the financial reports in a consistent and readable format while also noting the benefits to staff and board members.

Chairman Farrell reminded the Board that board packets are distributed to Board members on the Friday evening before the board meeting to provide members ample time to review and reach out to staff or himself to gain additional clarification of a specific topic or item before the board meeting. The process is designed to ensure that each Board member feels prepared to exercise their vote feeling fully informed.

Chairman Farrell stated that White Wing Holdings signed a lease with the Waukegan National Airport.

Chairman Farrell announced that the August 2018 Board Meeting would be cancelled.

F/3 Remarks

Mr. Cook stated that he has been working with the Airport and Harbor management teams to improve financial reporting by replacing the current financial format with reports that are clear, concise, and generated by the software used by staff at each location. Mr. Cook presented four of the proposed report formats to the Board for review and comment. General discussion, questions, and comments by the Board indicated their appreciation and anticipation of receiving the new reports. Mr. Bach specifically noted his appreciation of the 12-month report noting that it is an industry standard. Mr. Cook added that the management team is looking to improve the other ancillary operations reports, as well.

Chairman Farrell thanked both Ms. McCarthy and Ms. Smith for the many hours of hard work they gave to support this project.

Reports of Standing Committees - none

Public Comments – none

Legal Counsel – Review of Consent Agenda Purpose and Procedures

Mr. Friedman reviewed and described the purposes and process of using consent agenda to vote on multiple matters with one vote. He stated that whether to use a consent agenda is at the discretion of the Board. It is simply intended to provide an efficient way to handle a non-controversial and routine matters.

In response to a question, Mr. Friedman explained that the Board cannot take action on any matter that is not on the printed agenda, and that the printed agenda is posted at least 48 hours in advance of the meeting. He further explained that the agenda is established by the Chairman with input from the staff, but any three members can require an addition to the agenda.

Mr. Hamilton requested that Mr. Cook and staff be available for questions and discussion at 3:30 PM prior to board meetings for the Board members to get answers to their questions, noting that this will be especially important as WPD updates the financial reports format. Mr. Cook agreed.

Consent Agenda

- May 2018 Regular Board Meeting Minutes
- May 2018 Check Approval
- Review of May 2018 Financial Reports
- Resolution 2018-R-12 Approving the execution of an agency agreement with IDOT for the reconstruction of North McAree Road, Project #UGN-4631
- Resolution 2018-R-13 Approving a consultant services agreement with Hanson Professional Services, Inc., Project #UGN-4590

Motion by Mr. Evers, second by Mr. Bach:
To establish the consent agenda

On the following voice vote, the Chairman declared the motion carried:
Aye: Mr. Bach, Mr. Evers, Mr. Melius, Mr. McCaffrey, Mr. Torres, Mr. Farrell
Nay: Mr. Legat

Motion by Mr. Evers, second by Mr. Torres:
To adopt the consent agenda items

On the following roll call vote, the Chairman declared the motion carried:
Aye: Mr. Bach, Mr. Evers, Mr. Melius, Mr. McCaffrey, Mr. Torres, Mr. Farrell
Abstain: Mr. Legat

Harbor General Manager Remarks

Mr. Seidelmann reported that the projects to ready the Harbor for the season are underway. The fish cleaning station is installed and the canopy will be installed later this summer; dock pressure washing continues; monument signs were installed; though delayed due to weather the canoe/kayak parking improvements will begin next week; and the north pier gate installation will occur in early July. The Boater Meet and Greet event had many attendees who complimented the staff on the improvements to the Harbor facilities. Over 100 boats participated in the Chicago to Waukegan race and this resulted in thirty-three guest slip rentals.

Mr. Seidelmann reported on the new boaters and stated that he expects slip rental to exceed last year's numbers.

Mr. Seidelmann reported on his recent participation at a conference in Michigan where he represented the Waukegan Waterfront Working Group. Waukegan was used as an example of the economic impact possible when community, civic, and municipal organizations and agencies work together.

Mr. Seidelmann confirmed that the Army Corps of Engineers (ACE) will begin their construction project on the government pier in late September 2018. ACE will be looking for rental space from the Harbor. In addition, one of the reasons that ACE can spend money on the pier is that they have not needed to utilize the dredging funds due to the higher water levels of the lake (two feet from all time high record).

Mr. Seidelmann reviewed the plan to sustain the dock while phasing-in the plan to replace them with floating docks. He anticipates that he will have cost estimates to share at next month's board meeting.

Mr. Seidelmann reported that an RFP was generated for the Harbor Control Building (HCB). For board members interested in obtaining a copy, a paper copy is available today and an electronic copy can be sent by email per request.

Mr. Hamilton asked if the City of Waukegan had any development projects to begin in the short-term at the Harbor. Mr. Seidelmann responded that there was nothing specific to share at this time.

Mr. McCaffrey thanked the staff and Board for the improvements made at the Harbor this year. He has heard from many slip holders that the Harbor is the best it has been in the last 10 – 15 years.

Airport General Manager Remarks

Mr. Goss reported that the F-111 is mounted and is very impressive as guests enter the Airport. Efforts are now directed toward fundraising to complete the lighting, flag pole installation, and landscaping.

Mr. Goss reported that both plane and jet fuel sales are down.

Mr. Goss reported that Aldridge Electric is leaving Waukegan National Airport and will move their flight operations to Kenosha.

Mr. Goss stated that Signature Flight Services is undergoing an audit conducted by Waukegan National Airport.

Discussion regarding the reason for Aldridge Electric's departure and the effect on high cost of fuel and services provided (or not) by the FBO (Signature) contributed to not only Aldridge but other tenants who have left the Airport.

Replacement Runway Status Update – CMT (Crawford, Murphy & Tilly)

Mr. Goss introduced Craig Loudon, Project Manager for CMT, and asked him to address the Board and present the airport project updates.

Mr. Loudon introduced himself and reviewed CMT's history, staffing and experience.

Mr. Loudon's slide presentation is on-file and is summarized as follows:

- A. Replacement Runway Project – In development since 2008 and submitted to the FAA in 2017. CMT expects significant FAA comment and review resulting in revisions. A lot of new work will need to occur and the FAA is thinking that this is a 'do-over.' CMT will focus on the Airport layout plan first and simultaneously work on the environmental assessment. CMT is developing the scope of the contract budget to be in excess of \$625K which can be phased in to multiple years over multiple contracts. The project may have the potential to be reimbursed by the FAA and IDOT at 95%.
- B. Existing Runway Preservation – Required until replacement runway approved and completed
- C. Economic Impact Analysis – Required for FAA grant
- D. Environmental Impact Analysis – Out-of-date and requires update

There was discussion among Board members, staff, and the consultant about the status of the former grant and the need for a 'do-over'. Chairman Farrell explained that the largest barrier to moving forward with the 2008 grant was the stalemate that occurred between governmental and municipal agencies and lack of leadership at that time to develop the relationships and agreements between all stakeholders. Conversation and dialogue continued, but no actionable items were submitted to the FAA. The stalemate was resolved in late 2017 and there are now agreements in place that allow WPD to approach the FAA.

Mr. Goss stated that there is \$220K in the 2018 capital budget based on Hanson's estimate last year. CMT is reevaluating the project to develop realistic numbers and timelines which will be coordinated together. Mr. Goss stated that the cost and phasing of the project will be shared at the July Board meeting.

Mr. Goss was asked why Hanson was given the engineering work for the Fraley Property acquisition and not CMT, the Airport's new engineering firm. Mr. Goss responded that Hanson started the project and that CMT would prefer that Hanson finish the work.

Board Comments

Chairman Farrell announced that Mr. McCaffrey had been recording today's meeting.

Mr. McCaffrey distributed a packet of documentation collected prior to and since being a member of the Board to each Board member. He stated that the contents of the packet supported the reasons he believes that Mr. Podolsky should not be a Board member.

Chairman Farrell acknowledged the packet and the City Council meeting at which Mr. McCaffrey's appointment took place, noting that it is available to the public and Board members to view.

Chairman Farrell reminded Board members that questions, concerns, or problems should be directed to him as he is responsible for setting the agenda for the meetings as well as the organization. He requested that Board members be respectful and courteous to staff at all times. Board members who are discontent with him, his decisions, or fellow colleagues on the Board are requested to bring this to his attention and not to direct their discontent to staff.

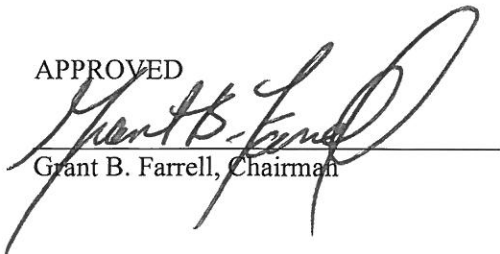
Adjournment – 5:25 PM

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

All members present voted aye and the Chairman declared the motion carried.

The next meeting will be at the Airport Administration Office, 2601 Plane Rest Dr., Waukegan, IL 60087, Wednesday, July 18, 2018, at 4 PM.

APPROVED



Grant B. Farrell, Chairman