

**MINUTES OF REGULAR MEETING
WAUKEGAN PORT DISTRICT BOARD
March 21, 2018**

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

The following Board members were present:

Gene Bach, Historian
Tom Evers, Member
Joe Legat, Secretary
Mike Melius, Member
Randy Podolsky, Real Estate Committee Chairman
Jorge Torres, Assistant Treasurer
Grant Farrell, Board Chairman

The following Board officer was absent:

Bob Hamilton, Treasurer

District Counsel:

Peter Friedman

Members of the Port District Staff present:

Don Cento, Founders|3 RES, CFO/COO
Phil Cook, Founders|3 RES, Mgr. Marina Accounting
Skip Goss, F|3 Aviation, General Manager, Airport
Joe Seidemann, F|3 Marine, General Manager, Harbor
Mary McCarthy, F|3 Marine, Staff Accountant
Cathy Smith, F|3 Aviation, Administrative Assistant
Mary Louise Schram, F|3 Aviation and Harbor, Recording Secretary

Call to Order

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

Pledge of Allegiance – led by Mr. Podolsky

Approval of Remote Participation/Voting

Motion by Mr. Podolsky, second by Mr. Melius:

To approve Mr. Evers, who is away for business travel, remote meeting participation via phone.

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

Chairman Remarks

Chairman Farrell stated that the month had been very busy, reporting that he attended meetings with Chief Bridges regarding possible Park District involvement in the Harbor development; members of the Greater Waukegan Development Coalition to review their proposed event schedule which is not yet final and has been referred to staff at the Harbor; Chairman Davis of the DuPage Airport for their bi-annual meeting; a luncheon hosted by Signature Flight Services; and Mr. Morris who transferred WPD legal records to the Airport for storage.

F|3 Remarks – none

Reports of Standing Committees - none

Public Comments

Ms. Larson-Sivia addressed public safety concerns regarding the Bay Marine building noting that the recent windstorm dislodged bricks from columns on the building creating a dangerous situation.

Mr. Seidelmann responded that Bay Marine cordoned off the area and had the architect, engineers, and brick workers at the site immediately following the event to evaluate and remediate the problem. Bay Marine is having the site certified and signed-off by engineers to ensure the remedy resolves this problem and any other related structural concern noted during the inspection.

There was general discussion about this matter.

Mr. Torres stated that he appreciated Ms. Larson-Sivia bringing this to the attention of the WPD board, noting that the City of Waukegan granted an occupancy permit to Bay Marine for the building, further adding that any questions regarding inspections and/or code violations, including follow-up actions required by Bay Marine, should be directed to the City.

Approval of the Consent Agenda

Mr. Melius asked Mr. Friedman to provide an explanation of a consent agenda.

Mr. Friedman stated that per Robert's Rules of Order, a consent agenda groups routine business and reports into one agenda item. The consent agenda can be approved in one vote, rather than doing a separate vote for each item. It is intended to save time related to routine matters. The consent agenda is presented by the Chairman at the beginning of a meeting. Items may be removed from the consent agenda on the request of any one member. Items not removed are voted on as part of the consent agenda vote. Removed items are taken up either immediately after the consent agenda or placed later on the agenda at the discretion of the Chair.

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

To remove the following items from the consent agenda for discussion later in the meeting:

February 2018 Check Approval

Ordinance 18-O-1 Amending Airport User Fee 87-O-02

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

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

To approve the remaining items on the consent agenda.

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

Aye: Mr. Bach, Mr. Evers, Mr. Melius, Mr. Podolsky, Mr. Torres, Chairman Farrell

Abstain: Mr. Legat

February 2018 Check Approval

There was brief discussion regarding Hinshaw expenses, gift shop inventory, general ledger account numbers and accrual based accounting

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

To approve the February 2018 Checks.

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

Ordinance 18-O-1 Amending Airport User Fee 87-O-02

Mr. Goss stated that the Ordinance was updated to correct typos, improve descriptions/language, and to update fees.

Motion by Mr. Podolsky, second by Mr. Torres
To adopt Ordinance 18-O-1 Airport User Fee as amended.

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

Airport General Manager Remarks (Operations Status)

Mr. Goss reported that the Phase IV fence project is poised to begin. There are a large number of trees, as well as debris and brush, that will be removed as part of the project and neighbors were notified. Mr. Goss reported that he met with the neighbors who are concerned about the tree removal. Mr. Goss, the contractor, neighbors, and the FAA are working to address the concerns to and agree on an adapted tree removal plan to preserve more of the old-growth larger trees.

Mr. Goss stated that the 501(c)(3) tax-exempt application for the Lake County Veterans Memorial is completed. It will take four to six weeks for the IRS to review the application. The engineering and installation to mount the F-111 has been a challenge but he anticipates the work will begin this spring in about four to six weeks.

Mr. Goss reported that Signature Flight Services anticipates signing a new lease with Reyes Holdings and the Airport is awaiting paperwork from Signature.

Mr. Goss reported that the Committee (Torres, Hamilton, Goss) completed their review of the responses to the RFQ for the engineering consultant for the runway project. Statements of qualifications were evaluated and the Committee selected CMT as the resident engineer and will seek approval of CMT from the Board. Mr. Torres added that seven companies indicated interest and two applications were submitted in response to the RFQ.

Resolution 2018-R-05 Approving Lease Agreement for Airport Hangar with Waukegan Hangar, LLC

Motion by Mr. Melius, second by Mr. Podolsky:
To adopt Resolution 2018-R-05 to approve the lease agreement for an airport hangar with Waukegan Hangar, LLC, subject to a performance bond and ensuring that the term 'land' refers to land and improvements after construction.

Mr. Podolsky commended the Chairman and Mr. Goss as this is the first privately developed hangar in quite some time, privately funded just as Bay Marine was at the Harbor, noting that this is good progress by the Port District.

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

Aye: Mr. Bach, Mr. Legat, Mr. Melius, Mr. Podolsky, Mr. Torres, Chairman Farrell
Abstain: Mr. Evers

Approval to Engage in a Retainer Agreement with an Engineering and Planning Consultant Recommended by the Committee

Motion by Mr. Torres, second by Mr. Legat:
To accept the recommendation of the Committee and to approve the selection of CMT as the engineering and planning consultant for the runway project subject to development of an acceptable fee structure.

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

Mr. Goss stated, in response to Mr. Melius' question, that CMT has considerable experience with airport planning and engineering and that they will be taking over for Hanson.

Chairman Farrell added that CMT has previously bid on Waukegan National Airport projects and that they are known to the airport community.

Resolution 2018-R-04 Adopting the Airport Minimum Standards for Commercial Aeronautical Activities

Motion by Mr. Podolsky, second by Mr. Melius

To adopt Resolution 2018-R-04, The Airport Minimum Standards for Commercial Aeronautical Activities.

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

Harbor General Manager Remarks (Operations Status)

Mr. Seidelmann presented his report through PowerPoint slides. He highlighted the improvements made to the Harbor lounge and gift shop, noting that the TV is configured to display WPD and City events to patrons.

A water valve at the Harbor will be replaced Friday, 3/23, and there will be no water at the Administration building until noon at the earliest.

The Marine Corp Reserves will be conducting a Port Evaluation training exercise at the Harbor.

Recent damage by a vehicle to the fence on slip 1 will be repaired by the owner's vehicle insurance policy.

Big Lake Marine assisted in the evaluation of the wash out near LaFarge. There are eight to ten panels with four-inch holes that require repair and the remainder of the bulkhead appears to be holding. The plan is to patch and backfill. Mr. Seidelmann stated that he plans to seek assistance from the Economic Development Corporation for possible project funding to upgrade or replace the bulkhead panels. LaFarge is not using this slip at this time. Mr. Seidelmann stated that the costs are unknown and that he is obtaining quotes. Some of the work may be able to be completed as an in-kind donation from Big Lake, and costs may represent an unplanned expense; there may be a possible grant that can be identified and obtained.

Mr. Seidelmann reported that he met with Jim Hellquist of the Waukegan Yacht Club (WYC) last week in the hope of improving the relationship between WYC and the Waukegan Port District (WPD). Mr. Seidelmann recommends that the WPD Board allow WYC to maintain their lease at their current rate as WYC has stated that they want to put the monies 'saved' toward investments in building improvements. Mr. Seidelmann referred the Board to the analysis of the WYC square footage costs contained in the Board packet. Mr. Seidelmann acknowledged that though the WYC rent per square foot is comparatively low, he believes that their ability to attract new slip owners to the Harbor would offset the unrealized rent revenue noting that three additional slip rentals would make up the difference in revenue. Mr. Torres stated that he could see the business value of the recommendation. Mr. Podolsky cautioned the Board to be aware that the document is slightly misleading as the document does not distinguish between rent rates for improved property vs. rent costs for vacant or unimproved property. Mr. Podolsky stated that he believes that partnering with the WYC is a great idea. Mr. Melius stated that he wanted some assurances in place that would guarantee that the WYC would keep their commitment for the improvements. Mr. Seidelmann stated that he was confident that he could get the WYC to commit to the improvements in writing. Mr. Melius and Mr. Podolsky requested that Mr. Seidelmann obtain the details of the improvements and the timeline during his negotiations with the WYC.

Approval for Canoe/Kayak Launch Parking Replacement Not to Exceed \$65,000

Mr. Seidelmann presented the project, to replace the concrete and improve the landscaping from the parking lot to the new ADA kayak launch stating that is the number one priority to improve the Harbor. Mr. Seidelmann stated that WPD's ability to partner with the City and Park District to bundle the bid with other asphalt and concrete work occurring nearby resulted in improved (reduced) pricing for WPD

Mr. Seidelmann stated that discussions with the Waukegan Park District continue and they are reviewing their budget to determine whether or not they can participate in the promenade at the Harbor. The plan doesn't include a new promenade at this time but added that it could be phased in in the future. In response to Mr. Torres' funding question, Mr. Seidelmann stated that the WPD funding for this project is in the capital improvement budget.

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

To approve the canoe/kayak launch parking surface replacement in an amount not to exceed \$65,000.

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

Approval for Harbor Events: Motorizing the Rock; Sabor Latino

Motorizing the Rock is a motorcycle rally event (July 7) that will include food vendors, tents, and a small music stage. Sabor Latino (Aug 18-19) is a proposed two-day even to celebrate Hispanic culture and includes crafts, food, and cultural vendors.

Mr. Bach requested that Tese Productions complete all forms with the specific details as required by the form, adding that the phrase "to-be-determined" as a response on the form is unacceptable.

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

To approve the Motorizing the Rock and Sabor Latino events at the Waukegan Harbor, subject to submitting complete and accurate applications.

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

Approval of WYC Name Change

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

To approve the request from the Waukegan Yacht Club to include the Joseph Conrad Yacht Club in their name and signage.

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

Discussion to Revise Meeting Minutes

Chairman Farrell asked Mr. Friedman to review the concerns brought forth by Mr. Legat, specifically the minutes of the January 27, 2018 Special Meeting of the WPD, and the process by which Board members can modify the content of the minutes.

Mr. Friedman stated that Mr. Legat contacted him with concerns about the January minutes that were approved at the February Board meeting. Mr. Friedman informed Mr. Legat that the way to address his concerns was to make a motion for an amendment to the minutes in question, adding that the content of the minutes are up to the Board. Mr. Friedman noted that Mr. Legat's correspondence was included in today's Board packet and on the agenda so that it can be discussed and resolved however the Board determines.

Mr. Friedman further explained that the only things that are legally required in the minutes are: date, attendance, general description of discussions, action (motion) taken, if any, including the identity of the maker and seconder of the motion, and the actual vote and outcome on the vote.

The Board discussed this matter in some detail.

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

To place on the April agenda an item to discuss the January 27 meeting minutes and whatever documentation was submitted by Mr. Legat and whether or not to amend the minutes or place his letters into the official record.

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

Adjournment – 5:20 PM

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

To adjourn the meeting.

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

Meeting adjourned at 5:20 PM

The next meeting is scheduled on Wednesday, April 18 at 4:00 pm at the Waukegan Harbor Administration Building Conference Room.

APPROVED



Grant B. Farrell, Chairman