

MINUTES OF REGULAR MEETING
WAUKEGAN PORT DISTRICT BOARD

May 16, 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
Randy Podolsky, Real Estate Committee Chairman
Jorge Torres, Assistant Treasurer
Grant Farrell, Board Chairman

The following Board member was absent:

Mike Melius, Member

The following Board officer was present:

Bob Hamilton, Treasurer

District Counsel

Peter Friedman

Members of the Port District Staff present:

Don Cento, Founders/3RES, COO/CFO
Phil Cook, Founders/3RES, Mgr. Marina Accounting
Skip Goss, F/3 Aviation, General Manager, Airport
Cathy Smith, F/3 Aviation, Assistant General Manager, Airport
Mary Louise Schram, F/3 Aviation, Administrative Assistant

Call to Order

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

Roll Call

Pledge of Allegiance -led by Mr. Torres

Chairman Remarks

Chairman Farrell stated that some of the community organizations are still making changes to the calendar of events and/or festivals that will be held at the Harbor and that staff are working with the group(s) to support and finalize their plans. Chairman stated that it was another busy month with management meetings with both General Managers and his quarterly meeting with the Mayor. He noted the effort by Mr. Goss to get the F-111 moved and mounted for display.

Mr. Bach asked Chairman Farrell and Mr. Friedman to advise the Board on any violation or liability that Board members would have if the approved monthly financial reports are inaccurate.

Mr. Friedman responded by stating that there is no liability to Board members, adding that any inaccuracies will be recognized as part of the annual audit.

Chairman Farrell requested that Mr. Bach, Mr. Cook, and he meet to review methodologies and discuss Mr. Bach's specific concerns. All agreed to meet before the next Board meeting.

F/3 Remarks – none

Reports of Standing Committees

Mr. Podolsky, Real Estate Committee Chairman, stated that the demand of North Shore Gas (NSG) was submitted last month. He said that based upon appraisal, WPD is seeking seven million dollars in immediate diminution of current and unknown future value. The EPA believes that the seven to eight year planned clean-up may not remove all the toxins and that there may be residual toxins (damage) that remain. NSG volunteered to extend the tolling agreement deadline for an additional 90-days which moves the deadline to July 30, 2018. Mr. Podolsky stated that he expects meaningful discussion and potential negotiations. Mr. Podolsky briefly reviewed the methodologies and criteria prescribed by the USEPA to mitigate certain types of damages and recognize a contaminated site as buildable.

Public Comments – none

Consent Agenda

Mr. Bach requested removal of all items from the consent agenda:

- April 2018 Regular Board Meeting Minutes

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

To approve the April 2018 Regular Board meeting minutes.

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

- April 2018 Check Approval

There was a brief discussion to confirm check register item detail and review of methodology used to report Harbor revenue and slip refunds (net number).

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

To approve the April 2018 check approval.

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

- Review of Financial Reports April 2018

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

To accept the April 2018 financial reports.

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

- Resolution 2018-R-11 A Resolution Repealing Resolution 2018-R-05 and Approving Lease Agreement for Airport Hangar with White Wing Holdings, LLC.

There was a brief discussion to clarify that the repeal was due to a name change to the LLC and minor changes.

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

To approve Resolution 2018-R-11 A Resolution Repealing Resolution 2018-R-05 and Approving Lease Agreement for Airport Hangar with White Wing Holdings, LLC.

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

Election of Chairman

Chairman Farrell prefaced the elections by reminding the Board that the Chairman is elected for a three-year term and the Secretary and Treasurer for one-year terms per the by-laws of the District.

Motion by Mr. Podolsky:
To nominate Grant Farrell as Chairman of the WPD Board.

Motion by Mr. Legat:
To postpone the election of officers until the new board members are seated in June.

Point of order by Mr. Podolsky:
To recognize the first motion before the Board.

Mr. Torres seconded Mr. Podolsky's motion.

Mr. Farrell stated that he would accept the nomination if approved.

Discussion on Mr. Podolsky's motion:
Mr. Legat stated that he would like to wait for new Board members to join the Board before electing new officers.

On a roll call vote, the Chairman declared the motion carried.
Aye: Mr. Evers Mr. Podolsky, Mr. Torres, Mr. Farrell
No: Mr. Bach, Mr. Legat

Election of Secretary

Motion by Mr. Legat, second by Mr. Torres:
To nominate Gene Bach as Secretary of the WPD Board.

Mr. Bach indicated that he would accept the nomination if it was approved.

Discussion:
Mr. Evers indicated that he wanted to nominate Mr. Podolsky as Secretary of the WPD Board. Mr. Podolsky stated that he would accept the nomination if approved. Mr. Friedman stated that the motions would be voted on in order, noting that the motion with the second is before the Board for a vote. Mr. Farrell added that the by-laws state that the positions of Secretary and Treasurer can be held by non-voting Board members. Mr. Farrell noted that there would be a benefit to WPD if Mr. Podolsky remained active on the Board while he continues to lead the major initiative with NSG.

Mr. Torres withdrew his second to the motion for Mr. Bach. No other second was presented, and so the motion failed for want of a second.

Motion by Mr. Evers, second by Mr. Torres:
To nominate Randy Podolsky as Secretary of the WPD Board.

Mr. Podolsky indicated he would accept the nomination if approved.

On a roll call vote, the Chairman declared the motion carried:
Aye: Mr. Evers Mr. Podolsky, Mr. Torres, Mr. Farrell
No: Mr. Bach, Mr. Legat

Election of Treasurer

Motion by Mr. Podolsky, second by Mr. Torres:
To nominate Bob Hamilton as Treasurer of the WPD Board.

Mr. Hamilton indicated that he would accept the nomination if approved.

On the following roll call vote, the Chairman declared the motion carried:
Aye: Mr. Evers Mr. Podolsky, Mr. Torres, Mr. Farrell
No: Mr. Legat
Abstain: Mr. Bach

Chairman Farrell congratulated the new officers on their position.

Airport General Manager Remarks

Mr. Goss reported on the challenges associated with the mounting of the F-111 stating that the next attempt, weather permitting, will be on Saturday, May 19. The next phase of the project will require considerable effort to raise the funds needed to complete the hardscape and landscaping. Mr. Goss will ensure that photos of the project are taken and shared. Mr. Goss has requested that CMT provide an update to the Board at their next meeting.

Harbor General Manager Remarks

Mr. Seidelmann was absent and Mr. Cook delivered the Harbor report to the Board.

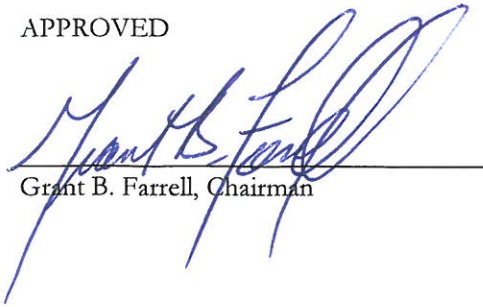
Mr. Cook stated that slip set-up for the season is complete, power washing of piers and docks is almost finished, and that the canoe and kayak parking lot improvements are scheduled to begin next week. The City is scheduled to complete the asphalt and concrete work. Installation of electric service to the fish cleaning station is scheduled. The monument signs are installed. Slip sales are exceeding last year's numbers and 59 new boaters have been added so far this year. Mr. Cook, when asked about surveying the new boaters to identify their reasons for selecting Waukegan Harbor and Marina, responded that surveys are compiled toward the end of the season. Mr. Podolsky showed pictures of the "Wear It - Life Jackets" signs that were stenciled on the docks by the U.S. Coast Guard Auxiliary in recognition of National Safe Boating week.

Adjournment – 4:30 PM

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

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

APPROVED



Grant B. Farrell, Chairman