

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

April 16, 2014 Meeting

**55 South Harbor Place, Waukegan, Illinois
Harbor Control Building**

Board Members Present:

Jorge Torres, Randy Podolsky, Joe Legat, Mike Melius, Grant Farrell

Board Members Absent:

Dale Johnson, Gene Bach

District Legal Counsel Present:

Tom Morris

Staff Present:

Chris Peters, Terri Hatton, Brion O'Dell, Jim Stanczak, Joe Seidelmann, Jamie O'Meara

Other Attendees:

LéQuoinne Rice, Mike and Irene Edgar, Ron Hudson, Steve Hannum

1. Call to Order
2. Pledge of Allegiance
3. Roll Call

Messrs. Farrell, Podolsky, Torres, Legat and Melius answered present. Messrs. Johnson and Bach were not present.

4. Chairman Remarks

Mr. Torres introduced an idea to hold an event to draw interest to the harbor. National Boating Week is the first week of June and includes three days of free fishing from June 6-9. He would work with harbor staff to coordinate some type of activity and bring more definitive suggestions to the next meeting. He complimented the airport on their E-Newsletter and requested Mr. Stanczak include all board members on the mailing list.

5. Approval of Board Meeting Minutes of March 19, 2014.

On motion of Mr. Podolsky to approve March 19, 2014 Minutes, seconded by Mr. Farrell, Mr. Stanczak requested a correction to his comments in that the airport had applied for a snow award. On a voice vote, the Minutes were approved as corrected and the Chairman declared the motion carried.

6. Approval of Checks

Mr. Melius inquired about the cost of temporary staff versus regular staff. Ms. O'Meara's calculations determined we saved \$20,000 in the first quarter of the year. Mr. Melius wanted to know if we had the same quality of service with the harbor temporary workers versus regular full time. Mr. Seidelmann and Mr. O'Dell responded that we are still training and evaluating personnel. Full time workers are the end goal. The savings benefits with the temporary workers and the ability to immediately remove a problem worker are overriding factors. A finder's fee would be paid if we hire a temporary worker within a specified number of hours. Randall Industries was next questioned, which was maintenance and repairs on work carts at the marina.

On motion of Mr. Podolsky to approve checks, seconded by Mr. Farrell, on a roll call vote, all members present voted aye and the Chairman declared the motion carried.

7. Financial Reports: March 2014

Ms. O'Meara explained the financial reports presented. On the harbor side, revenues are low, which was not surprising with the cold weather and ice causing a late start to the season. We continue to receive additional slip holders on a daily basis. A column has been added to Harbor Funds on Hand showing a comparison to last year. Anticipated revenues were reviewed with staff. Harbor expenses are also down. Capital items this month show server and computer upgrades. The project is nearing completion after a couple of weeks. Mrs. Peters' confirmed improved performance along with the challenge of new software. The staff is embracing the challenge. Mr. Farrell inquired if the harbor was looking into alternative advertising resources such as North Shore magazines and internet marketing options. Mr. Farrell was asked to provide the names of the resources he was interested in. Mr. Torres asked Mr. O'Dell to make a list of when and where we advertise along with new plans.

Airport revenues are down in lease and security which periodically shows up due to the timing of a payment. Cash on hand is up. Capital items are server and computer upgrades and engineering fees for the airport's Storm Water Pollution Prevention Plan (SWPPP).

Ms. O'Meara commented on funds on hand in the land acquisition account noting that a closing was anticipated in the next week or so. Mr. Farrell asked how long reimbursement takes from the State. Mr. Hudson explained land acquisition funds are not programmed. We wait until the State locates money from another project that did not proceed and those funds are utilized for land acquisition reimbursements. Six months for reimbursement could be anticipated. Mrs. Peters added that once we close, the relocation process starts which can take four to six months. Reimbursement will not be requested until the seller is relocated and the structures are demolished.

Ms. O'Meara went through the new Cash Statement next. Target reserves are behind.

Mr. Stanczak was asked to contact Mr. Clark about his lease payment showing on the aging report.

On motion of Mr. Melius to approve the March financial reports, seconded by Mr. Farrell, on a roll call vote, all members present voted aye and the Chairman declared the motion carried.

8. Logo

Mr. Farrell introduced updating the port's logo. He would like to see an airplane included. The current logo focuses on the harbor. Board members agreed an updated more universal logo would enhance interest. Mr. Torres said he would look into options with staff and perhaps Art Space.

9. Executive Director

Mr. Farrell reported he had met with Mr. Legat and they arrived at a process for reviewing applicants. They will be going over the applications and narrowing them down to a number they would like to interview. They should be doing that in the next few weeks. Mrs. Peters' advised that several applicants had followed up with letters, emails and phone calls. That information would be furnished to Mr. Farrell after the meeting.

Harbor – Board Commentary

Considerable discussion ensued over the extreme ice conditions experienced on Lake Michigan over the winter causing wide spread late openings.

Ms. O'Meara on behalf of Main Street, invited board members to attend Main Street's Lunch with the Mayor on May 12. She was thanked for the offer. Board members expressed a desire for calendar invites for such events and Mrs. Peters was asked to do so.

10. Susie Schreiber Presentation

Mr. Torres advised that Ms. Schreiber was ill and unable to attend this meeting.

Harbor – Unfinished Business

11. Operations and Status Reports

Mr. O'Dell reported on damage in the marina due to the winter ice. Repairs are in process. A margin pier was canted about 15 degrees but has been straightened to a safe level until the pier contractor gets here. We have some welding that needs to be done and some electrical. Water has not been turned on yet due to temperatures being too low.

We have received soundings and are in the process of obtaining dredging estimates.

Mr. Podolsky inquired about the landscaping budget. He asked for the budget number and from which account those funds are allocated. He would like to see the plans before money was spent and encouraged a plan that flows throughout the entire lake front area, including the new café. Landscaping funds come from buildings and grounds.

12. Approval of Lake View Bar and Café Concession

Mr. Torres reported the project was greeted with great enthusiasm from the people at the harbor. He reported there were several interested proposers that attended the pre-bid meeting and that he had received three proposals. All three had met with the City Building Department and are in compliance with their requirements. Mr. Torres had forwarded one proposal to the board members prior to the meeting which he felt met the criteria. Mr. Torres asked for the board to approve the proposal from 130 N. Genesee St., LLC for The Terrace at Siver Place. Mr. Torres introduced Mike and Irene Edgar, the designers of the facility, and LéQuinne Rice the operator of the café and bar as the winners of the RFP. They had submitted \$30,000 for the 2014 rent and the permit fee of \$1,000 in the form of cashier's checks. A Lease has been presented, but will need some modifications prior to execution. Mr. Podolsky, Mrs. Peters and Mr. Morris would finalize the lease. Mr. Podolsky commended Mr. Torres and whoever got this out to RFP. It was confirmed that the Edgars were the designers with no ownership interest. Mr. Rice will be a partner in the business. The site location was discussed, along with aesthetics, and hours of operation. Security, storm water, and other operations matters were discussed. There were inquiries about a time frame for future more permanent improvements, and a security deposit. The liquor license was discussed and observance of quiet time for the marina and light spillage Ordinances that affect the site were noted.

On motion of Mr. Podolsky to approve the proposal conditioned on negotiation of acceptable lease terms to include \$30,000 annual minimum rent, 8% of gross over \$400,000, for a five year term with an additional five year option, seconded by Mr. Farrell, on a roll call vote, all members present voted aye and the Chairman declared the motion carried.

13. Dredging

Dredging was covered earlier under status reports.

Harbor – New Business

Airport – Board Commentary

Airport – Unfinished Business

14. Operations and Status Reports

Mr. Stanczak reported the plows have been removed and the airport maintenance staff is setting up the mowers. He thanked Congressman Schneider for his help with the Tower program. They had four gates fail at the airport and have had them repaired. Mr. Stanczak reported the loss of a long time security guard at the airport and that he had hired a new security guard. A meeting was had with the County reference Wadsworth Road and Lewis Avenue road improvements. Mr. Hudson attended and had fully disclosed the compliance issues that would be required. The County seemed to have a good understanding of the procedures. Customs fees had been set at \$225 for overtime some time back. That program has proved successful. Kenosha is putting up a new hangar large enough to hold eight corporate aircraft. They are looking into a runway extension as well. They are doing it differently, bypassing government money and looking to corporations, local, county and state funding. He did not know if it would be successful, but they are putting up

the new hangar. He acknowledged Mr. Torres' mention of the airport Newsletter and would work on adding board members to the mailing list. He had a request from Mini Cooper to put on an exhibition on the runway. He didn't suggest it unless board members wanted to pursue it. It was not encouraged as it was a non-aeronautical activity which would require State approval. Last, Mr. Stanczak had responded to an inquiry from a lady who thought air traffic had increased fumes and noise levels and had broken her windows. She had not supplied her location, but he had assured her that we do comply with noise control standards, and do not have aircraft that break the sound barrier. Broken windows from jet noise are not likely, but he assured her we are very concerned over the well-being of our neighbors.

15. Tenant Luncheon/Meeting

Mr. Farrell spoke with Boeing yesterday. The date has been changed to May 20, and rather than a luncheon, will be light hors d'oeuvres and coffee at 10:30. We will give an overview of where the project is at and where it is going followed with an opportunity for questions and answers. We want to get everybody on board. A lot of the work has already been done, it is just a matter of restarting it. The tenants are thankful that we are having a meeting to let them know what is going on. We should probably do this annually. May 20 10:30 – 11:30 probably only about 45 minutes. Board members were invited and requested a calendar invite. Chris, Grant and Jim will coordinate.

Airport – New Business

Mr. Hudson advised Phase 2 of the Fence project is in the Contract phase. There are seven different individuals that must sign the contract which takes time. Once the Contractor gets his contract, he can send out his sub-contracts. The bid was awarded to a St. Louis Contractor who will start on the Wadsworth Road section once the contracts are completed.

Phase 3 will be on the IDOT June letting. Phase 3 is in the terminal area and a gap that was left in Phase 1 on the east side.

The Governor released the program results for 2015. Our requested SE ramp project was approved. This is a \$1.5 million project and is much needed, we do have some bad crumbling pavements. Mr. Stanczak added that Landmark was picking up our share of that project. Mrs. Peters' clarified that Landmark would contribute 2.5% and our share would be 5%.

Mr. Farrell pointed out bad pavement in the SW ramp area.

Mr. Stanczak added that in our operations, the first two months killed us with bad weather. Local hasn't changed much, fuel is about the same and Customs are doing great.

In other business, Mr. Podolsky asked for an updated lease summary. Mr. Farrell asked about the last five years and for a comparison of the last five years in slip occupancy with percentages for each year. Mr. Farrell asked for a five year analysis of harbor revenues. Ms. O'Meara responded those numbers are in the budget if you are looking for pure dollars. Mr. Farrell asked her to put five years on a summary sheet so he could see it with a summary of occupancy vs. vacancies.

On motion of Mr. Podolsky to go into closed session to discuss personnel matters, seconded by Mr. Farrell, on a roll call vote, all members present voted aye and the Chairman declared the motion carried.

On return to open session, there being no further business, on motion of Mr. Farrell to adjourn, seconded by Mr. Melius, all members present voted aye and the Chairman declared the motion carried.

s/ Grant B. Farrell, Secretary

APPROVED:

s/ Jorge Torres, Chairman