

MINUTES OF THE REGULAR MEETING  
WAUKEGAN PORT DISTRICT BOARD

November 17, 2021  
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: 859 9236 3962 Password: 819402

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

The following Board members were present:

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

The following Board member was absent:  
Tom Evers, Chairman Pro Tem and Secretary

The following Officer was present  
Bob Hamilton, Treasurer

District Counsel  
Peter Friedman

Members of the Port District Staff present:  
John Matheson, Founders 3, President  
Rick Taig, Founders 3 Airport, Director of Operations  
Alain Giudice, Founders 3, Senior VP Marina Division  
Erika Krivitz, Founders 3, Manager of Accounting & Finance, Marina Division  
Skip Goss, F3 Airport, General Manager/Director, Airport  
Patrick Lutker, F3 Airport, Deputy Director  
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 4:02 PM.

Roll Call

Pledge of Allegiance

## General Counsel's Comments on OMA and the Governor's Executive Orders

### Chairman Remarks – Chairman Pro Tem Evers

Chairman Farrell welcomed Board Members, guests, and public members to the meeting.

Chairman Farrell reviewed the updated Board Meeting guidelines that will begin next month, stating the advantage of having the paper copies ready for Members the Friday before the Wednesday Board meeting. In addition, the insurance renewal process is proceeding. The Chairman reported that he attended two Management Meetings with the General Managers and Mr. Veal, participated in meetings with F3 Management at both the Airport and Harbor related to the review of 2021 goals and establishing goals for 2022, and attended the dedication of the Lake County Veterans Memorial Plaza on November 11. The Chairman mentioned that it is time to begin a review of the levy/abatement of the bond debt. Chairman Farrell stated that he would like to return to in-person Board meetings but that there are a few challenges, including how to manage remote participation/call-in, sufficient space to provide adequate social distancing, ADA accessibility, and the need to be consistent and not 'flip' between Zoom and in-person meetings.

The Chairman requested Ms. Schram read the Board of Directors' letter thanking Mr. Seidelmann for his service.

Chairman Farrell stated that the Board would be donating a brick to the Lake County Veterans Memorial to honor Mr. Seidelmann's tenure at the Waukegan Port District.

### F3 Remarks –

Mr. Matheson described F3's training and education initiative and curriculum. He stated that F3 focused on company core values last year, and in 2022, the focus will be a robust program of divisional training.

Mr. Matheson thanked the staff for their work to execute a well-attended and successful dedication of the Lake County Veterans Memorial Plaza.

Mr. Matheson concluded his remarks by acknowledging Joe Seidelmann by stating how proud he was to see Mr. Seidelmann's growth and accomplishments over the last six years as General Manager of the Harbor. Mr. Giudice also acknowledged Mr. Seidelmann's 16 years at the Waukegan Marina with the last six years as part of the F3 organization. Mr. Giudice stated that he is happy that F3 can allow Mr. Seidelmann to continue growing and showing his talent as he moves to a marina in Florida managed by Founders 3.

Mr. Giudice added that it is difficult to find new talent in this market and ensure the right fit and the right leader. However, Founders 3 believes they have that person in Max Pekcan who is hired, effective November 22, 2021, as the General Manager of the Waukegan Harbor and Marina. Mr. Giudice stated that both Mr. Pekcan and Mr. Seidelmann are coordinating a transition plan to support each other, and F3 can continue to support WPD.

Public Comment - none

### Treasurer's Report

Mr. Hamilton reported that the Committee recommends Board approval of the October 2021 electronic transfers and check register.

Mr. Hamilton reviewed the process followed by the Finance Committee during their review of the first drafts of the proposed 2022 budgets: Finance Committee comments, submitted to the Chairman. The latter reviewed them with the General Managers. Board Members addressed their questions to the General Managers, who responded.

Mr. Hamilton reported that after the 2022 budgets, he requested that each General Manager prepare a plan for the capital program and cash flow to address broad knowledge, general planning, and readiness for funding opportunities. Mr. Petry added that the goal is to have a capital plan and generate a letter to our legislators to keep them informed of the Port District's needs. Board members responded to this initiative by outlining a few of the large-ticket critical infrastructure projects they would like to see as part of the list.

Ad Hoc Committees – none

Consent Agenda

- October 20, 2021, Regular Board Meeting Minutes
- October 20, 2021, Closed Board Meeting Minutes
- October 2021, Electronic Transfer and Check Approval
- October 2021, Financials
- 2021-R-36, Approving and Adopting the 2022 Schedule of Regular Meetings

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

To establish the Consent Agenda

Discussion – none

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

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

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

To approve the items on the Consent Agenda

Discussion - none

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

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

Agenda

- 2021-R-33 – Approving the Waukegan National Airport 2022 Budget and Capital Expense Plan

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

To approve resolution 2021-R-33, the Waukegan National Airport 2022 Budget and Capital Expense Plan

Discussion - none

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

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

- 2021-R-34 – Approving the Waukegan U.S. Customs Services 2022 Budget

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

To approve resolution 2021-R-34, the Waukegan U.S. Customs Services 2022 Budget

Discussion - none

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

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

- 2021-R-35 – Approving the Waukegan Harbor and Marina 2022 Budget and Capital Expense Plan

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

To approve resolution 2021-R-35, the Waukegan Harbor and Marina 2022 Budget and Capital Expense Plan

Discussion – The Board Members asked specific questions regarding expenses related to advertising. Mr. Seidelmann responded and pointed out where some of the more recent strategies are more cost-effective while at the same time limiting WPD’s exposure and liability.

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

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

#### Harbor General Manager Remarks (operations/status)

Mr. Seidelmann thanked the Board for their support and the opportunity to be a part of the Waukegan Harbor and Marina, stating that he will miss WPD, the people he works with, and the community.

Mr. Seidelmann reported that 25 boats remain in the Harbor. He stated that WPD might need to review the extended season and work with the boat storage and service providers (e.g., Bay Marine and Larsen Marine) to coordinate. They are telling him that the late-season poses problems for their respective companies. There was a general discussion between Board members regarding this practice.

Mr. Seidelmann referred the Board to the October 25, 2021, after-action report (AAR) included in the Board packet. The AAR describes the damage and status of repairs to the Harbor during the recent storm.

Mr. Seidelmann stated that North Shore Gas (NSG) begins the pipeline trenching in November and December and that the site will reopen by next spring with attractive, permanent fencing.

Mr. Seidelmann reported that the Rebuilds IL IDOT grant remains pending, and he is awaiting an announcement.

Mr. Seidelmann stated that he would provide the Standard Operating Procedures (SOPs) to Mr. McCaffrey by the end of the month to review before distributing them to the entire Board.

Airport General Manager Remarks (operations/status)

Mr. Goss reported that \$25B in federal infrastructure monies had been allocated for Airports. As a result, Airports expect their annual AIP to double (increase substantially), and WPD needs to budget for that.

Mr. Goss asked the Board members to become familiar with the recent fact sheet and refer to the project as a replacement runway project and NOT a Runway Expansion program. Mr. Goss then outlined the next steps following the letters mailed to landowners last month, the imminent completion of the PDEA, and the public hearing tentatively in Spring 2022.

- Proposed Project Labor Agreement Letter of Intent (LOI)

Mr. Goss described the letter of intent (LOI) in the Board packet and answered questions. Without objection, the Board directed Mr. Goss to execute the letter and provide a copy to the Lake County Building and Trades Association.

- 2021-R-37 Approving CMT Consultant Services Agreement for Airfield Lighting Project

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

To approve resolution 2021-R-37, CMT Consultant Services Agreement for Airfield Lighting Project

Discussion - none.

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

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

Closed Session – 5:05 PM

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

To move to closed session for the purpose of probable or imminent litigation under Section 2(c)(11) of the OMA.

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

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

Reconvene to Open Session – 5:14 PM

Present: Chairman Farrell, Mr. Bach, Mr. Legat, Mr. McCaffrey, Mr. Petry, Mr. Veal, Mr. Hamilton (Officer)

Board Comments

Mr. Bach requested a copy of the LOI.

Mr. McCaffrey reported on a Zoom meeting that he, Mr. Seidelmann, and Chairman Farrell attended with the leadership of the Waukegan Yacht Club (WYC). It is almost one year since WYC lost its lease and transitioned into a license agreement to use the building. WYC is requesting that WPD enter a minimum one-year lease agreement with them. WYC cites challenges with finding a restaurateur while on a month-to-month agreement and that adding membership is affected. In addition, WYC is complaining about the condition of the building. The roof is leaking, but it has been leaking for years, even under the ‘old’ WYC lease. WYC had assured WPD that they would maintain the building; however, they have not and are not.

Mr. McCaffrey cited examples of negligence. The ceiling tiles had collapsed, and WPD staff had to clean up the mess for the building to be usable for another renter to use the building (movie team). So, WYC is asking for a one-year lease, but they don’t want to maintain the building. WPD has not seen any financials, is unaware of their plan, and has received only \$600 in income, far less revenue than was discussed during other meetings. WYC has held fundraising events, increased its membership, and reported that it had paid all the other debt is owed. But, WYC has not paid their outstanding debt of over \$10K to WPD, and basically, they have been using the building rent-free. If WYC were to pay \$200/month to pay off their outstanding debt, it would take more than four years. It isn’t easy to see how WYC can afford to pay for the repairs on the roof. Mr. McCaffrey’s opinion is that WYC cannot afford to be in the building. But, WPD does not want to throw them out but to help WYC find an affordable alternative that would allow them time and space to rebuild the organization. WPD should reclaim the building and absorb the repairs so that when opportunities arise as they have with the recent film crews, that WPD can benefit from the rental revenue. Chairman Farrell concurred with Mr. McCaffrey’s comments, stating that WPD needs to evaluate options related to the building and its use. WPD needs to understand the reciprocity required by yacht clubs. Mr. Giudice stated that WPD needs to evaluate 1) the costs to repair/improve the building, 2) liability concerns (is the building structurally sound?), and 3) needs assessment of current conditions and marketability. Mr. McCaffrey and Chairman Farrell will keep the Board apprised of further developments.

Adjournment – 5:33 PM

Motion by Mr. Petry, second by Mr. McCaffrey:  
To adjourn

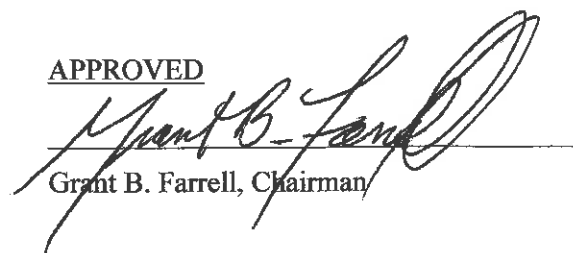
Discussion - none

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

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

Meeting Adjourned at 5:33 PM

APPROVED



Grant B. Farrell, Chairman