

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

February 16, 2011

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

The following Board members were present:

Hank Bogdala
Joe Legat
Todd Binning
Jorge Torres
Homer Benavides

The following Board members were absent:

Dale Johnson
Mike Melius

District Counsel present:

Thomas A. Morris, Jr.

Members of the Port District Staff present:

Duncan C. Henderson, A.A.E., Executive Director
Brion O'Dell, Harbor Manager
Chris Peters, Executive Assistant
Jim Stanczak, Airport Manager
Jamie O'Meara, Chief Accountant

Others in attendance:

Augie Ralph
Beverly Bogdala
Robert Sabonjian

1. Call to Order at 9:00 AM
2. Roll Call: Torres, Binning, Benavides, Legat and Bogdala, Present
3. Pledge of Allegiance
4. Approval of Regular Board Meeting Minutes of December 15, 2011

On motion of Mr. Torres to approve the December 15, 2011 Regular Meeting Minutes, seconded by Mr. Benavides, all members present voted aye and the Chairman declared the motion carried.

5. Approval of Special Board Meeting Minutes of January 27, 2011

On motion of Mr. Torres to approve the January 27, 2011 Special Meeting Minutes, seconded by Mr. Benavides, all members present voted aye and the Chairman declared the motion carried.

6. Approval of checks.

After discussion, on motion of Mr. Torres to approve checks, seconded by Mr. Benavides, all members present voted aye and the Chairman declared the motion carried.

Mr. Bogdala acknowledged the seating of Todd Binning to the Board of Directors and welcomed him on behalf of the board.

7. Financial Reports: December 2010 and January 2011

Mr. Henderson explained the financial reports by comparing the 2010 budget to 2010 actual figures. He reported the district staff carefully monitor revenues and expenses with an abundance of caution due to the current economic trends and are diligent in pursuit of opportunities to increase revenue. Mr. O'Dell briefed the board on current plans to entice new boaters. Trends in the boating industry continue on a downward spiral and low water levels in Lake Michigan make the business increasingly difficult and competitive. Airport economics seem to be leveling out but we are still cautious.

On motion of Mr. Torres to approve the financial reports for December 2010 and January 2011, seconded by Mr. Legat, all members present voted aye and the Chairman declared the motion carried.

8. Operations Reports: December 2010 and January 2011

Mr. Henderson summarized the written operations reports. After discussion, on motion of Mr. Torres to approve the operations reports for December 2010 and January 2011, seconded by Mr. Benavides, all members present voted aye and the Chairman declared the motion carried.

Harbor – Board/Public Commentary

Mayor Sabonjian spoke about an organization monitoring the Great Lakes which had discovered a Contract for Bruce Power Inc. to move 16 steam generators through the Great Lakes on their way to Sweden to be broken up and dismantled. While this sounds harmless on the surface, in fact the steam generators contain radioactive material.

The Mayor also spoke to the CDF concept addressing concerns from Mr. Bogdala over protecting the quality of water coming into the City of Waukegan water pipe. The Mayor had been in contact with the Army Corps and was confident they could come up with a solution to protect the pipe and City water. He further stated the CDF concept is important for the City and that it needs to go ahead. Placing the material on the OMC site is not a benefit and will detract from the lakefront. Mr. Bogdala pointed out that Mr. Musinski (Water Utility Director) opposed the idea in the beginning and read an excerpt from prior meeting Minutes with his comments. Mr. Bogdala handed out a new concept drawing and asked that it be reviewed. Mr. Henderson agreed to deliver the concept drawing to the USEPA as it is their project. On inquiry of the board, the Mayor said his goal is to eliminate the berm that would be created on the OMC site and find an alternative for the PCB dredge. He would like to have the City

partner with the Lake County Forest Preserve and let them develop the OMC site. Protecting the water lines is always a priority. Mr. Bogdala said that no one is against the island concept, but he expressed concern for any construction over the water lines. It was also noted that Great Lakes Funding has been cut 30% which could halt all cleanup funding. Mr. Binning commented on the island concept noting that Streeterville is a landfill and an engineered project is good for everyone.

Mr. Bogdala reported the City's Master Plan is available from him.

Mr. Bogdala also reported on his cruise ship exploratory group meeting scheduled next March in Kenosha. He requested a budget for expenses while reporting that so far he had not requested reimbursement for any expenses. He wanted to send Mr. Henderson to the City of Chicago and Mr. Benavides and someone else to Key Lime Cove to explore possibilities. The Mayor suggested the Lake County Chamber as a partner and to coordinate with Dave Motley for the group meeting. Inquiry was made about where Mr. Bogdala's expense money could come from. Mr. O'Dell commented that our promotional budget was cut in an effort to maintain balance with revenue and the boater year end party had suffered a reduction. Ms. O'Meara suggested a possible source from memberships and dues. Mr. Torres felt it would be a good step to have a budget to allow Mr. Bogdala to receive reimbursement for expenses.

On motion of Mr. Torres to allow Mr. Bogdala to receive reimbursement for expenses up to \$5,000 seconded by Mr. Legat, all members present voted aye and the motion was carried.

Mr. Bogdala next read the letter from Paul Biehl addressing Russ Tomlin's request to use the Duphar lot. He was concerned that it was inflammatory. The Mayor suggested that if Duphar were to be utilized there would be events the boaters could attend and that events popping up all over caused problems. Mr. Torres added the District's goal is to generate money. Mr. Morris reported that Russ Tomlin had called him requesting a meeting with he and the City's attorney. It was determined it would be appropriate for Mr. Henderson and Mr. Tomlin to meet on the subject prior to incurring legal costs.

Mr. Bogdala reported he had attended the Waukegan Lions Club Steak and Eggs function. Beverly Bogdala sold flowers to raise money. Annual memberships are selling for \$800 if anyone in attendance had an interest.

Mr. Bogdala expressed his interest and support for the Art Space Projects. Theodora Anderson and Jane Waller had conducted a presentation at Port District Offices in partnership with Main Street and Art Space. Ms. O'Meara is also a supporter of Art Space and explained the importance of the project to Waukegan. The project to rehab the Karcher Hotel is an example of their type of projects. It is a not for profit entity designed to help starving artists. They build to suit the artist. There is a Meet and Greet set for February 22, 2011 at Green Town to raise funds. Main Street is hosting an event on March 8.

Mr. Bogdala quoted the Waukegan Port District Act section relating to the organization and adoption of by-laws by the District. The Port District has adopted various Ordinances and Resolutions, and is subject to the Open Meetings Act. Discussion reflected that prior boards had considered by-laws but had not acted since the legislation is comprehensive. Mr. Morris offered to review By-Laws in the event the board chose to adopt them. Mr. Bogdala wanted to appoint a Committee to draft by-laws. He directed Mr. Torres, Mr. Benavides and Mr. Legat to create them. He suggested Mr. Torres act as Chairman of the Committee. Mr. Bogdala stated that the Legislation is a lot of reading and would like something easier. He suggested using the Chicago Port District By-Laws as a form.

Harbor - Unfinished Business

9. Status Reports

Mr. O'Dell reported minor ice damage in the marina. A piling has jacked and will need to be put back in place once the ice melts.

Mr. Morris had created an Addendum to the Gillen Contract for launch ramp repairs which has been incorporated. Thomas J. Thomas is working on permits for the launch ramp repairs from USEPA, IEPA, IDNR and Lake County Stormwater Management. We are supplying requisite documentation. The ramps are crucial to our customers and every effort is being expended to commence the work.

Slip occupancy is paramount in our concerns. We recently attended the boat show and generated nine new boaters. We are about 10 slips under where we were last year.

10. Harbor - New Business

None

Airport– Board/Public Commentary

Mr. Bogdala congratulated Mr. Stanczak for his election as President of the Illinois Public Airports Association.

11. Airport - Unfinished Business

Mr. Stanczak reported the snow team has done an outstanding job. The asbestos inspection for the Ray home is scheduled for Friday, which is required prior to demolition. Our Grant submittal is questionable. The vacation of Eastwood Road is in progress. Customs billing procedures are being modified. WCAF reported that Case and New Holland are moving into DB's big hangar. Brunswick is possibly reopening their flight department. A Beach Road sign is in the works with the Warbirds and Beach Park. The entrance sign was damaged by an automobile accident. The driver walked away. He is working with Sen. Kirk for a Resolutuion on the value of General Aviation. Mr. Torres inquired about Landmark. Mr. Stanczak reported that Josh Lewis previously with DB had made the move to Landmark and it was going well for now. A lot of people with DB lost their jobs.

Mr. Henderson contributed the change over from DB Aviation to Landmark is from a small family business to a large corporate chain with a 30% reduction in work force. It will be awhile before we know the full effects of the transition. Landmark is using its national presence to bring in some planes.

Mr. Henderson reported we have been reimbursed \$391,000 from the FAA and State of Illinois on land acquisition for the last two properties acquired.

Mr. Henderson also expressed his appreciation by Commendation Letters to four airport employees, Barney Baker, Paul Pastell, Jeff Olson and Keith Pastell for their achievements during the blizzard snow removal action. Their dedication to work in the conditions that were present and having the airport operational in the time they did, is a tribute to them and the Waukegan Port District.

12. Action on Resolution in Support of In-Lake Confined Disposal Facility (CDF)

The benefit of the CDF is for the economic convenient disposal for industrially clean material to put us into a more competitive position in the market. On motion of Mr. Torres to approve the Resolution in Support of In-Lake Confined Disposal Facility (CDF) seconded by Mr. Benavides, all members present voted aye and the motion carried.

13. Airport - New Business

None

There being no further business, on motion of Mr. Torres to adjourn the meeting, seconded by Mr. Benavides, all members present voted aye, and the Chairman declared the meeting adjourned.

For 

APPROVED:



Henry J. Bogdala, Jr., Chairman