

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

June 15, 2011

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

The following Board members were present:

Joe Legat
Todd Binning
Jorge Torres
Mike Melius
Dale Johnson

The following Board member was absent:

Hank Bogdala
Homer Benavides

Members of the Port District Staff present:

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

Others in attendance:

Paul Biehl

On motion of Mr. Melius to appoint Mr. Johnson acting Chairman, seconded by Mr. Torres, all members present voted aye and the Motion carried. After discussion, it was determined that Chris Peters would continue as Temporary Secretary as appointed at the May meeting.

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

4. Approval of Board Meeting Minutes of May 11, 2011

On motion of Mr. Torres to approve the Minutes of the May 11, 2011 board meeting, seconded by Mr. Melius, all members present voted aye, and the Chairman declared the motion carried.

5. Approval of checks.

Mr. Torres reported reviewing checks and after discussion, on motion of Mr. Torres to approve the checks, seconded by Mr. Melius, all members present voted aye and the motion was declared carried.

6. Financial Reports: May 2011

Mr. Henderson reviewed financial reports. After discussion, the board requested that Mr. Henderson work with Waukegan Yacht Services to arrive at a payment plan.

7. Operations Reports: May 2011

Harbor operations are tied to fuel costs and fishing. The airport operations report is essentially fuel sales. Landmark markets differently than our prior FBO. It would appear that Landmark uses a higher mark up and lower volume. They make more on the mark up, but we would make more on volume.

8. Board Meeting Schedule

After discussion, on motion of Mr. Torres to change board meetings to the 4th Wednesday of each month at 2:00 PM, seconded by Mr. Binning, all members present voted aye and the Chairman declared the motion carried. Mr. Legat advised that he was unable to attend the July meeting.

9. Approval of 2010 Annual Financial Report

Mr. Henderson reported the 2010 Annual Financial Audit had been completed. The current economic condition justified attention to the financial position of the District. While depreciation is a necessary component of the report, we have a profitable cash flow. After discussion, Mr. Torres said the board should be hiring the auditors and inquired how our auditor had been chosen. Ms. O'Meara explained the unique operation of our facility, being governmental, yet income oriented and added there had not been a fee increase over the past five years. Ms. O'Meara was directed to work on a request for proposals. Mr. Henderson inquired if the proposal would require acceptance of the lowest price. He was told a request for proposals was different than a bid, you submit a recommendation and the board would make the final determination. Ms. O'Meara inquired if the board had a recommendation, with no response, Mr. Henderson advised he had a list that could be used.

On motion of Mr. Torres to approve the 2010 Annual Financial Report, seconded by Mr. Melius, all members present voted aye and the motion was declared approved.

Harbor– Board/Public Commentary

None

Harbor - Unfinished Business

10. Status Report

Mr. O'Dell reported the launch ramps were complete and operational. A remaining item is removal of the soil sediments excavated for concrete. The EPA has approved the soil removal from site and we are waiting for final cost to take it to a land fill. The entrance shoal chemical analysis complete, its sand, and the project is in the permitting process. At the rate of progress it is unlikely to occur this year. Alternatively, with a maintenance permit, we could dispose of the sand in the lake. We do take regular depth soundings which we make available to all boaters. The depth is sufficient for sail and power boats to maneuver around the shallow area. All regulations are being adhered too. To date there is no response from CAG on the U.S. Army Corps of Engineers request for documentation of in kind services for the 1998 contract.

11. Harbor Construction/Alteration/Maintenance Permit Ordinance

Mr. Henderson reported revisions had been made to the Harbor Construction / Alteration / Maintenance Permit Ordinance following the first reading last month. Permitting allows us to know what is going on within our boundaries. If we permit the activity do we then have liability? This was addressed last month and legal has reviewed the re-draft. The benefit is to address potential side effects from other projects in the area, such as the Waukegan River. We would permit the construction; we do not authorize the use.

On motion of Mr. Legat to approve the Harbor Construction / Alteration / Maintenance Permit Ordinance, seconded by Mr. Binning, all members present voted aye and the Chairman declared the motion carried.

Harbor - New Business

None

Airport – Board/Public Commentary

Mr. Torres congratulated the District on completion of the BBB and the ribbon cutting. He inquired if board meetings would be held in the new building. Mr. Henderson responded the intent was to continue in Landmark's conference room, better designed for business meetings. The room at the BBB is for maintenance to use as a lunch/break room.

Airport - Unfinished Business

12. Status Report

Mr. Stanczak reported receipt of a notice from the State indicating possible shut down of all projects. IDOA is conducting a Wildlife Hazard Study; Pre-Design just occurred for a 2012 project on Taxiway B; Vacation of Eastwood Road is in progress; had a ribbon cutting for the BBB; maintenance is moving from Landmark hangars into the new building. Meetings on the Safety Management System (SMS) are continuing. The FAA is facilitating the SMS due to our Master Plan. We are the pilot project.

Mr. Henderson reported the notice of project shutdown was because the State budget had not been approved by the Senate. Consideration was given to paying the State share to move forward on our own. The State's Channeling Act prohibits that course of action.

The Taxiway B project is complicated by heavy corporate aircraft use. There is only one way in and out of Taxiway D (onto Taxiway B) and Taxiway B intersects the main runway. Pre-design with IDOA is important to explain these potential problems. Normally IDOA is loathe to permit night or rapid work due to economics, but due to the needs of our corporate tenants, we have requested faster work to accommodate them.

The Master Plan / Environmental Assessment is in the forecast chapter stage and Phase I of the Fence Project bids are due Friday.

Airport - New Business

13. Approval of Standard Agreement for Consultant Services to Rehabilitate Taxiway S Between S1 and S2, AIP No. 3-17-0105-B48

Taxiway S is the only 2011 project. Funding questions remain. This Agreement is required to keep the project on its timeline. On motion of Mr. Melius to approve the Standard Agreement for Consultant Services to Rehabilitate Taxiway S between S1 and S2, seconded by Mr. Legat, all members present voted aye and the Chairman declared the motion carried.

Mr. Melius inquired about the runway extension and highway intersection. Mr. Henderson explained that both the Illinois Division of Highways and the Illinois Division of Aeronautics need direction from the FAA to move forward with both projects. With a lack of direction from the FAA, it is problematic to keep highways and aeronautics working together. So far, they are both proceeding based on two possible alternatives. Either alternative will necessitate a tunnel for the road. From our perspective the preferred alternative is a parallel runway. Nothing needs to happen until repairs to the runway are required. At that point, with domestic air travel requiring 5,000 feet and international needing more length, unless the runway is extended we will shrink to 4,700 feet. A component of the extension required by the FAA is the Master Plan/Environmental Assessment (MP/EA). We continue to work through the MP/EA chapters and expect to have it completed in eight or nine months.

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

Chris Petrus
Secretary

APPROVED:

Henry J. Bogdala, Sr.
HENRY J. BOGDALA, SR., Chairman