

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

July 27, 2011

**Waukegan Regional Airport
Landmark Aviation FBO, Inc. – 2nd Level Conference Room
3550 N. McAree Road – Waukegan, Illinois**

The following Board members were present:

Hank Bogdala
Jorge Torres
Mike Melius
Todd Binning

The following Board members were absent:

Dale Johnson
Homer Benavides
Joe Legat

District Counsel present:

Thomas A. Morris, Jr.

Members of the Port District Staff present:

Duncan C. Henderson, A.A.E., Executive Director
Jim Stanczak, Airport Manager
Chris Peters, Administrative Assistant
Brion O'Dell, Marina Manager
Jamie O'Meara, Chief Accountant
Barney Baker, Airport Maintenance Supervisor

Others in attendance:

Beverly Bogdala, Citizen
Josh Lewis, Landmark Aviation Services, LLC
Brad Bruce, Landmark Aviation, GM Air Carrier
Larry Walker, Waukegan Yacht Services, Inc.

Mr. Bogdala called the meeting to order at 9:00 A.M.

1. Call to Order
2. Roll Call

Board Members stated their presence as follows: Mike Melius, Jorge Torres, Todd Binning, Hank Bogdala.

3. Approval of the Board Meeting Minutes of June 15, 2011

On motion of Mr. Melius to approve regular meeting Minutes of June 15, 2011, seconded by Mr. Torres, all members present voted aye and the chairman declared the motion carried.

4. Approval of Checks

Mr. Torres reported he had reviewed checks and asked if there were any questions. After a few details were discussed, on motion of Mr. Torres to approve checks, seconded by Mr. Melius, all members present voted aye, and the Chairman declared the motion passed.

Mr. Walker arrived at the meeting during the above discussion.

5. Financial Reports: June 2011

Airport revenue is at 49% of budget, right where it should be. The \$6,283 logged as miscellaneous income/late fees is insurance proceeds. Expenses are at 52% year to date, up slightly noting that big purchases can make numbers jump. Aging report is at zero. Harbor revenue is at 69% of budget due to slip income. Discussion ensued about occupancy rates. Mr. Melius asked if the slow start was weather related and was answered yes. Mr. Walker was invited to share his opinion of the market and said it had been a bad start to the year with the cold rainy weather and no fish season - no perch. Harbor expenses are at 40% of projected budget. Mr. Melius expressed congratulations to staff. The aging report is Mr. Walker and he was asked to address the overdue payments. Mr. Walker explained the disaster in Spring and that he hoped to be able to make double payments. He had had a bad start, but had a really good June and July and is now getting deposits for Spring. Mr. Walker also hoped to come to the board with a new project soon, remarking he was trying to work on heated inside storage.

6. Operations Report

Airport operations are positive at 4.3. Based aircraft are the same and fuel is off slightly, likely due to higher cost. Mr. Lewis said that operations are down a bit and there had been some bad weather. He reported C-130 activity during August, with active duty marines coming in and out. Also, there had been helicopter activity from ComEd, News agencies and the Coast Guard. Harbor operations show fuel sales also off about 22%.

7. Ordinance setting Prevailing Rate of Wages 2011-O-02

On motion of Mr. Melius to approve Ordinance 2011-O-02 setting the Prevailing Rate of Wages, seconded by Mr. Binning, all members present voted aye and the Chairman declared the motion carried.

8. Resolution for Participation in State of Illinois Federal Surplus Property Program

After discussion, on motion of Mr. Torres to approve the Resolution for Participation in State of Illinois Federal Surplus Property Program, seconded by Mr. Binning, all members present voted aye and the Chairman declared the motion carried.

Airport – Board/Public Commentary

Josh Lewis introduced Brad Bruce, the General Manager for Air Charter Service from Landmark. Mr. Bruce told the board they had 50 FBOs across the country and Waukegan would be their central location. They have a service commitment to increase growth. Mr. Lewis inquired if the parcel next to Baxter Aviation was available for Lease and was answered yes. Mr. Henderson added there had been a prior Lease to Waukegan Airways for 36 months which had timed out making the property available.

Airport – Unfinished Business

9. Status Reports

Mr. Stanczak reported the asbestos study was in progress on the Blanco, James, Turunen and Sassone properties. A survey crew is working on runway end obstructions. The first recent storm had done a bit of roof damage to Mr. Woods' hangar, but the second storm had inflicted more damage: two airplanes, one clamshell, the segmented circle, Landmark had roof damage of about \$500,000 and we lost our ceiling in the airport office (not the new building). The pre-construction meeting for Taxiway S is on Monday even though no funding had been authorized. The Layout Plan is in progress. The Eastwood road vacation is almost done.

Mr. Melius inquired about the status of land acquisition. Mr. Henderson reported the Ahern property is in progress. Our negotiator through Hanson Professional Services is working through Mr. Ahern's attorney, as we have been instructed that all contact with the seller should be through his attorney.

Mr. Torres inquired about due diligence tests for asbestos, lead paint, etc., and was answered they are required prior to demolition. Mr. Melius asked if the land acquisition account had been reimbursed and was answered all had been except the most recent acquisition. Inquiry was made as to the account full funding.

10. Award of Bid for Residential Parcel Demolition

Mr. Henderson reported three contractors had bid on the Ray parcel demolition project. The lowest bid was \$18,070.00 and on motion of Mr. Melius to approve that bid, seconded by Mr. Binning, all members present voted aye and the Chairman declared the motion carried.

Airport – New Business

None

Mr. Lewis and Mr. Bruce departed the meeting.

Harbor-Board /Public Commentary

Mr. Walker commented the launch ramps were in great shape.

Mr. Bogdala after reviewing the Minutes from last month mentioned Mr. Torres' comments on auditors. He suggested contacting the Waukegan Park District for a referral. He also asked to see that all sources of revenue be provided to the Treasurer. Mr. Henderson responded that all sources of revenue are furnished to the board in the financial reports each month. Mr. Torres agreed that we get a summary each month and that he can speak with Ms. O'Meara anytime. Mr. Melius added that any board member can get any information needed anytime.

Mr. Bogdala continued saying that each generation has good people and that the CAG held open meetings the third Thursday of each month. He wanted this body to give a letter of commendation. Mr. Bogdala handed paperwork to Mr. Binning. Mr. Bogdala told us the CAG was organized by the IEPA and is a voluntary body that seeks to help with areas of concern. After some discussion, on motion of Mr. Torres to adopt a resolution recognizing the benefit of CAG to the community, seconded by Mr. Melius, all members present voted aye and the Chairman declared the motion carried.

Harbor Unfinished Business

11. Status Reports

Mr. O'Dell reported the storm had done a lot of damage to the trees at the Marina, but we fared better than North Point or Kenosha who had both suffered dock damage. Our floating piers performed beyond the manufacturer's specifications and we are thrilled.

Mr. Henderson reported the Melton matter was scheduled for trial. The U.S. Army Corps of Engineers is holding a meeting on August 16 to brief on harbors and lack of federal funding for structures. This information would apply to Federal Pier and Johnson Pier. To date there is no response from CAG on supporting documentation requested from the U.S. Army Corps. Mr. Henderson also reported a meeting with the City of Waukegan discussing our Permit Ordinance. We are open to discussion, and would look at quid pro quo. The City asked Mr. Morris to contact Mr. Finn. Their discussions are continuing.

Mr. Morris asked for a motion to have Ms. Peters continue as Temporary Secretary. On motion of Mr. Torres to appoint Chris Peters Temporary Secretary, seconded by Mr. Binning, all members present voted aye and the Chairman declared the Motion carried.

Harbor New Business

Closed Session

12. Business Matters pursuant to 5 ILCS 120/2 (c) (5) of the Meetings Act.

On motion of Mr. Melius to go into closed session pursuant to 5 ILCS 120/2 (c) (5) of the Open Meetings Act, seconded by Mr. Torres, all members present voted aye and the Chairman declared the motion carried.

Open Session

13. Action on Business Matters as the board deems necessary.

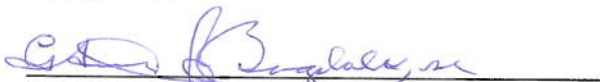
On motion of Mr. Melius to provide answers to questions presented during closed session and put the matter on the August agenda, seconded by Mr. Binning, all members present voted aye and the Chairman declared the motion carried.

Mr. Bogdala asked that staff give consideration to an alternate meeting location in the event a handicapped person wanted to attend. He inquired about holding board meetings at the BBB. Mr. Henderson responded that meetings could be held there.

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


Secretary

APPROVED:


HENRY J. BOGDALA, SR., Chairman