

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

December 28, 2011

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

The following Board members were present:

Jorge Torres
Joe Legat
Todd Binning
Mike Melius

The following Board members were absent:

Dale Johnson
Homer Benavides

District Counsel present:

Thomas A. Morris, Jr.

Members of the Port District Staff present:

Duncan C. Henderson, A.A.E., Executive Director
Christine Peters, Executive Assistant
Brion O'Dell, Harbor Manager
Jim Stanczak, Airport Manager
Jamie O'Meara, Chief Accountant
Terri Hatton, Slip Coordinator
Dan Oestreich, Harbor Maintenance Supervisor
Barney Baker, Airport Maintenance Supervisor

Others in attendance:

Grant Farrell, Waukegan Regional Airshow
Larry Walker, Waukegan Yacht Services
Gus Phillips, First Mate

1. Call to Order.

Mr. Henderson presented a written letter of resignation from Mr. Bogdala effective December 23, 2011. He asked the board to appoint an acting chairman for the meeting. On motion of Mr. Melius to appoint Jorge Torres Acting Chairman, seconded by Mr. Binning, all members present voted aye and the motion was carried. As Mr. Johnson was not in attendance an acting secretary was also needed. On motion of Mr. Melius to appoint Mr. Binning acting secretary, seconded by Mr. Torres, all members present voted aye and the motion was carried.

2. Roll Call: Messrs. Melius, Binning, Legat and Torres were present.

3. Pledge of Allegiance

4. Approval of Board Meeting Minutes of November 23, 2011

On motion of Mr. Melius to approve the Minutes of the November 23, 2011 board meeting, seconded by Mr. Binning, all members present voted aye and the Chairman declared the motion carried.

5. Approval of checks.

On motion of Mr. Torres to approve checks, seconded by Mr. Melius, all members present voted aye and the Chairman declared the motion carried.

6. Financial Reports: November, 2011

Revenue and expenses are down for the year for both the harbor and the airport. Both maintain a positive gap between revenue and expenses. Board members inquired about what comprised certain line items and the relationship of line items to the budget process.

On motion of Mr. Melius to approve the financial reports for November 2011, seconded by Mr. Legat, all members present vote aye and the Chairman declared the motion carried.

7. Operations Reports: November 2011

Harbor operations had closed for the season at the end of October with the exception of the launch ramps which had been open through mid November.

Airport operations indicate a drop in fuel delivery which is tied to Landmark Aviation and their business philosophy. Customs are down, but continue to be a great marketing tool.

On motion of Mr. Melius to approve the Operations Reports for 2011, seconded by Mr. Binning, all members present voted aye and the Chairman declared the motion carried.

8. 2012 Budget

Mr. Henderson reported the only change from the Preliminary Budget handed out last month was an increase in revenue to cover the increase in advertising requested by Mr. Torres. It was asked if miscellaneous income included funds from the airshow and was answered no, the miscellaneous income was insurance proceeds, safety grants and FEMA money from snow disasters.

On motion of Mr. Legat to approve the 2012 Budget as amended, seconded by Mr. Melius, all members present voted aye and the Chairman declared the motion carried.

9. 2012 Board Meeting Schedule

After review of the proposed 2012 Board Meeting Schedule it was requested that we agenda the December 26 meeting in October to determine whether a change should be noticed. On motion of Mr. Melius to approve the 2012 Board Meeting Schedule presented, seconded by

Mr. Binning, all members present voted aye and the Chairman declared the motion carried.

10. Strategic Plan

Mr. Henderson presented a draft outline to the board for their consideration. After discussion board members were encouraged to submit comments to Mr. Henderson at their convenience. No action is contemplated at this time.

Harbor– Board/Public Commentary

None

Harbor - Unfinished Business

11. Status Report

Mr. O'Dell reported the launch ramp repairs were completed for a cost of \$17,000. This cost is well below the estimate of \$35,000. The contractor told Mr. O'Dell the launch ramps are "golden" and should not need further repairs for many years. The 2012 boat shows in January were announced.

Mr. Binning inquired about the entrance to the harbor. Mr. Henderson reported we have a five year maintenance dredging permit application in progress with the intent to dig out the South Marina entrance in the Spring.

Commercial harbor is closed due to sand deposits at the mouth. Representative Dold's office initiated a conference and we hosted an initial group. A bathometric study had been done indicating the depth at about 8 feet in some places. Shippers will not come to Waukegan Harbor in this condition. Dredging of the harbor mouth has been going on annually for decades. We would like a better solution to annual dredging. Mr. Henderson had offered to contact some professionals he felt would be beneficial to the discussions and received positive responses from Gillen, JJR Marine Design, and Tom Thomas to attend the next group meeting on January 19. When asked separately Gillen and JJR came up with almost identical solutions which would be a dynamic sand management system. Local industry will also be in attendance at the next meeting.

Harbor - New Business

None

Airport – Board/Public Commentary

Grant Farrell from Waukegan Regional Airshow was present and inquired if there were any questions following the last show. He announced the Canadian Snowbirds had signed on for the 2012 Show. Logistics are expected to be a challenge with the expectation of 20-30,000 people for the event. He expressed the need to get the Permit finalized. When asked the cost of a team like the Snowbirds' Mr. Farrell responded the last air show cost was \$110,000 and it is expected to be around \$140,000 for 2012. Mr. Farrell explained the Waukegan Show had a good

reputation for treating their acts well. Mr. Henderson clarified that act's divide into three categories.

- Donations of time and acts
- Fees for the act
- Military teams are "free", but require food, housing and transportation.

On inquiry about the 2011 accident, it was deemed a mistake and had been classified as an "incident, not an accident". In light of the location of the accident and park activities at the time, Mr. Henderson had already spoken with the Park Director to coordinate future events. Mr. Farrell was asked to bring the shows' balance sheet to the next meeting.

Airport - Unfinished Business

12. Status Report

Mr. Stanczak reported on coordinating the DECO grant agreement, and work in progress on the runway safety action team and fencing projects. Eastwood Road vacation had been amended to include the entry which was still owned by the City of Waukegan. The Plat of Vacation had been re-recorded to reflect the correction. The Ray property had been demolished and grading was in progress.

Mr. Henderson reported on the four major airport projects underway:

- The Master Plan. This project will be 12 chapters, we are on Chapter 4.
- Fence Project is a multi-phase project with Phase I starting at McAree Road.
- Phase II is fencing from Lewis and Wadsworth.
- Taxiway S is postponed until Spring.

Airport - New Business

13. Standard Agreement for Construction Services at Illinois Airports to Rehabilitate Taxiway B and Associated Exit Taxiways, Phase I, AIP No. 3-17-0105-B52

Illinois is a block grant State requiring the Port District to select a Consultant to coordinate construction projects with the Illinois Division of Aeronautics. Hanson Professional Services is our Consultant and an Agreement is required by the State for every project in order to be eligible for funding. On motion of Mr. Melius to approve the Standard Agreement for Taxiway B, seconded by Mr. Legat, all members present voted aye and the Chairman declared the motion carried.

On motion of Mr. Legat to go into Closed Session, seconded by Mr. Binning, on roll call, Messrs. Melius, Binning, Legat and Torres voted aye and the Chairman declared the motion carried.

Closed Session:

- 14. Approval of Closed Session Minutes of November 23, 2011
- 15. Business and Legal Matters pursuant to 5 ILCS 120/2 (c) (5) (6) and (11) of the Open Meetings Act.

Open Session


- 16. Action on Business and Legal Matters pursuant to 5 ILCS 120/2 (c) (5) (6) and (11) of the Open Meetings Act.

None

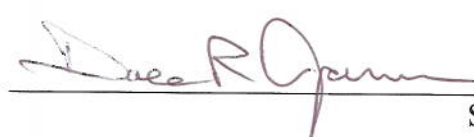
Discussion occurred on Mayor Sabonjian contacting Mr. Morris about the Port District's position on business matters. The Mayor indicated he had scheduled a meeting with Mr. Bogdala, but Mr. Bogdala had since resigned. Mr. Torres volunteered to contact Mr. Bogdala for any information he might have and to check on his well being. Imminent business would include entrance channel shoaling and dredging as well as the selection of a new Chairman next month.

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

APPROVED:



Chairman



Secretary