

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

February 29, 2012

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

The following Board members were present:

Dale Johnson
Jorge Torres
Joe Legat
Homer Benavides
Todd Binning
Mike Melius

The following Board member was absent:

None

District Counsel present:

Thomas A. Morris, Jr.

Members of the Port District Staff present:

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

Others in attendance:

Steve McLaughlin, Hanson Professional Services
Brent Jones, West's Insurance Agency
Jeff Clark, Waukegan Regional Airshow
Larry Walker, Waukegan Yacht Services

1. Call to Order by Chairman Torres at 2:00 PM
2. Roll Call:
3. Pledge of Allegiance
4. Approval of Board Meeting Minutes of January 25, 2012

Mr. Morris arrived at the meeting.

On motion of Mr. Melius to approve the Minutes of the January 25, 2012 board meeting, seconded by Mr. Benavides, all members present voted aye and the Chairman declared the motion carried.

5. Approval of checks.

After reviewing checks, and confirmation that the advertising expenses were within budget, during which time Messrs. Johnson and Binning arrived at the meeting, on motion of Mr. Melius to approve checks, seconded by Mr. Legat, all members present voted aye and the Chairman declared the motion carried.

6. Financial Reports: January 2012

Harbor revenues show a decrease in slip income from January 2011 to January 2012. Mr. O'Dell reported on slip occupancy. After hearing the breakdown, it was concluded the economy and fears over gas prices seem to be the underlying cause for low occupancy. Harbor expenses are low. The aging report reflects Gillen Company behind in their payment. The company is reorganizing after financial difficulties and has expressed their intent to pay up.

Airport revenue shows a payment in January skewing the numbers and expenses are flat. The Aging Report is out dated as Landmark has paid.

Discussion about boats in storage and insight from Larry Walker about his boater customers and their intentions followed.

On motion of Mr. Binning to accept the financial reports, seconded by Mr. Melius, all members present voted aye and the Chairman declared the motion carried.

7. Operations Reports: January 2012

There are not harbor operations to report, the airport report is flat. Fuel flowage for Landmark is up.

8. Selection of Auditor

Mr. Henderson reported that Ms. O'Meara had sent out a request for proposals to seven potential auditors anticipating a recommendation for board selection at the March meeting. Board members discussed her proposal and selection process. It was deemed appropriate to make sure all potential bidders received the same information.

Harbor- Board/Public Commentary

A plaque had been procured to commemorate Mr. Bogdala's service. Mr. Torres suggested a presentation at the Waukegan City Council Meeting. The board members agreed Mr. Bogdala would enjoy such a presentation and Mr. Torres would contact the Mayor to coordinate.

Harbor - Unfinished Business

9. Status Report

Mr. O'Dell reported working with environmental consultant, Tom Thomas to obtain the necessary permit to remove the sand bar at the entrance to the South Marina as well as the maintenance permit for South Marina. Mr. Thomas is diligently pursuing the ACOE, IDNR, IEPA who have been dead silent now for months. We may be moving the project forward now. IDNR tells us there is no problem. Soundings indicate there are no changes to the sand bar. The disposal location has not yet been determined. Even though sand is in big demand, we can't seem to obtain approval to move it anywhere. Other Illinois entities are allowed to dump their sand in the lake, which is the most cost effective method of disposal and contributes to beach nourishment.

Mr. Henderson reported the North Harbor main channel is still closed. We have about \$2 million available through the Army Corps. We are trying to coordinate with USEPA and ACOE on their two separate projects. The North Harbor Entrance Channel will be dredged in the Spring to open the main channel and we are pursuing other long term solutions for sand management.

10. Master Plan

The City of Waukegan has concerns that we do not mirror image the City's Plan. The City's plan calls for Waukegan Port District owned property to be green space. Our plan is to maximize revenue potential and hope to entice private developers to facilitate. Mr. Henderson created a conceptual plan which he presented to the board. The plan is to implement revenue streams to get to floating docks. Mr. Benavides inquired if the City had asked for our input on their plan? Messrs. Johnson, Henderson and Morris adamantly stated yes, both verbally and in writing. The City paid no attention. The need to express to the City the necessary components to the Port District's operation was acknowledged.

Harbor - New Business

None

Airport – Board/Public Commentary

Jeff Clark from the Waukegan Regional Air Show distributed an expense list for the 2011 air show. He explained the Airshow is excited to have signed the Canadian Snow Birds to perform at the 2012 show. Logistics for such a large military act will be challenging. Compensation, costs, crowd control and transportation are all carefully considered and was discussed generally. He requested that the 2011 financials be kept confidential.

Airport - Unfinished Business

11. Master Plan Update

The Airport Master Plan/Environmental Assessment (MP/EA) is underway and necessary in order to solve the runway length issue. We need a 1,000 foot runway safety area. The MP/EA has been a work in progress for over a year. Steve McLaughlin from Hanson Professional Services was introduced to give a synopsis of the project. The Master Plan is proceeding in three phases, and the Environmental Assessment is two phases. The first phase of the Master Plan is about 95% complete and all completed phases are available on the Waukegan Port District web site. Alternatives are about one-half done.

The State of Illinois Highway Department (IDOT) is working on their widening of Green Bay Road project while our extension plans are being evaluated. We are hopeful that IDOT and the FAA will be able to work in concert to complete both projects. While the FAA has explored the aviation angle, Highways is evaluating the project from their perspective. District 1 (Highways) is in Schaumburg. The Illinois Division of Aeronautics is in Springfield. District 1 is exploring all possibilities to include acquiring property from the Lake County Forest Preserve District. We are helping them explore those options. The status of our project is as follows:

Phase 1: Master Plan

Wildlife Hazard Assessment is done.

User Survey to the tenants is completed.

Aerial Mapping is done.

Phase 2:

EA – we need the preferred alternative in order to complete– 5% complete

Phase 3:

Airport Layout Plan (ALP) – roadway issue – work is in this component and a worthwhile effort.

Time projection: Anticipate March meeting to move on to the EA.

Mr. Henderson had asked Mr. McLaughlin to make this presentation to emphasize the scope of this project which will be underway for another year easily.

12. Status Report

Jim Stanczak briefed on the FAA reauthorization resulting in an increase of costs to us. Congress was considering reducing expenditures for the contract tower program. We have reorganized payment procedures on Customs and will now offer credit card payment at the time of clearance.

Mr. Johnson stepped out of the room.

Inspectors were on site for risk management. Helicopter activities recently have been by Winthrop Harbor doing some training for G8.

Mr. Henderson reported the 2012 projects at the airport will be the Rehabilitation of Taxiway S a carryover from 2011, Rehabilitation of Taxiway B and Phase 1 of the Perimeter Fence scheduled to start on April 1, 2012.

Airport - New Business

13. Standard Agreement for Consultant Services to demolish Ray residence.

On motion of Mr. Melius to approve the Standard Agreement for Consultant Services to demolish the Ray residence, seconded by Mr. Binning, 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. Melius, on a roll call vote, Messrs. Melius, Binning, Legat, Benavides and Torres voted aye, no members voted nay and the motion was carried.

Closed Session:


14. Approval of Closed Session Minutes of January 25, 2012

15. Land Acquisition, 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.

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



Acting Secretary

APPROVED:



JORGE M. TORRES, Chairman