

MINUTES  
WAUKEGAN PORT DISTRICT  
Board Meeting of Wednesday, April 25, 2012  
2:00 P.M.

55 South Harbor Place, Waukegan, Illinois  
Harbor Control Building

**The following Board members were present:**

Jorge Torres  
Dale Johnson  
Todd Binning  
Mike Melius

**The following Board member was absent:**

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  
Chris Peters, Executive Assistant  
Jamie O'Meara, Chief Accountant  
Brion O'Dell, Harbor Manager  
Jim Stanczak, Airport Manager  
Joe Seidelmann, Harbor Maintenance Supervisor

**Others in attendance:**

Michelle Bowers

1. Call to Order by Chairman Torres.

The following board members were present: Messrs. Torres, Johnson, Binning, and Melius.

2. Pledge of Allegiance
3. Approval of Board Meeting Minutes of March 28, 2012

On motion of Mr. Melius to approve the March 28, 2012 Meeting Minutes, seconded by Mr. Johnson, all members present voted aye, and the Chairman declared the motion carried.

4. Approval of checks.

Customs payment rates are determined according to weight and are an essential service for international corporate travelers. American Outfitters checks were for airport uniforms,

Gilbarco is the maintenance agreement for our fuel pumps and Denny's inspects and maintains about 94 harbor fire extinguishers.

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

5. Financial Reports: March 2012

Harbor revenues show an increase in slip income from March of 2011 to March 2012. Despite this year to year comparison, slip revenues are down for the year. A trend seems to be older boaters getting out of the market without replacements. Launch fees are up reflective of the earlier opening date. Harbor expenses reflect a three payroll period in March and an increase in purchase of maintenance supplies versus a surplus in 2011. The liability insurance number was described as an annual payment. Worker's compensation will be paid in December. The Aging Report is now current. We are encouraged by the news that LaFarge has relocated its headquarters to this area. Mr. Henderson reported LaFarge has only two plants that bag cement. One in Detroit and the other is located here.

Airport revenue entries vary due to timing of lease and security payments. \$12,000 in miscellaneous income/late fees, is the payment finally received from the Illinois Department of Transportation for twenty feet of frontage on Green Bay Road approved in 2010. Airport expenses reviewed included operations office repairs and payroll. The Aging Report shows the Baxter Fuel Permit currently due.

On motion of Mr. Johnson to approve the March Financial Reports, seconded by Mr. Binning, all members present voted aye and the Chairman declared the motion carried.

6. Operations Reports: March 2012

Harbor operations are exclusive to the launch ramps in March with a good showing due to the early opening. Airport operations show a total increase. Based aircraft are slightly down. Fuel delivery shows a ten percent decline due to Landmark. The decline will run for a year from the change to Landmark from DB. Customs operations are up year to date and are an important marketing tool.

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

Harbor- Board/Public Commentary

Mr. Torres reported he had attended a recent City Council meeting where the City did a nice proclamation for Mr. Bogdala and he presented the Port District plaque to him.

Ms. O'Meara extended an invitation on behalf of Waukegan Main Street to the Mayor's Luncheon.

Mr. Torres introduced Michelle Bowers as the buyer of property on Clayton Street in Waukegan. Ms. Bowers furthered the introduction by saying she and her husband are trying to help clean up local properties and have purchased 3 and 6 E. Clayton Street.

### Harbor - Unfinished Business

#### 7. Status Report

Mr. O'Dell introduced Joe Seidelmann the new Harbor Maintenance Supervisor, replacing Dan Oestreich who had recently retired.

The South Marina Entrance Shoal is the major project pending. The silt curtain has been ordered which is required by the Illinois Environmental Protection Agency. That cost exhausted the budgeted funds for the shoal removal. Further discussion will follow.

Mr. Henderson summarized the dredging projects as follows:

#### North Commercial Harbor:

The United States Environmental Protection Agency (USEPA) has commenced work on their Superfund cleanup but has delayed the start of dredging until August. Their work will include the Entrance Channel. After our review of the USEPA Dredging Contract, 26 feet of rock over encapsulated PCB material was discovered along our docks on the east and west side of North Harbor as well as along the Entrance Channel. We have submitted a letter to the USEPA expressing our view that rock obstructions are an unacceptable risk and have offered alternatives. The USEPA is looking at that submittal. Also, we are waiting for replacement cost figures from USEPA on the North Marina Demolition and reconstruction. Both issues remain unresolved. We are making every attempt to cooperate with the USEPA and their timetable. Their project manager has been advised that Waukegan Port District board approval is required of any final agreement.

#### Approach Channel:

The United States Army Corps of Engineers (USACOE) anticipated this dredge to start in Spring 2012. The channel is closed until this project can be completed. That project has been funded, but has been delayed to a June start. We have requested they relocate the dredged sediment further away from the South Marina entrance.

#### Outer Harbor:

The USACOE has recently notified us they plan to dredge the Outer Harbor early in 2013. They need a depository for the sediment. The IEPA will not allow open lake disposal because of high levels of ammonia in the sediment.

Opening the channel is a significant need of harbor industries and tenants. The board discussed and was cognizant of those needs.

## 8. South Marina Entrance Shoal Removal

This project has been underway for a year and a half. The problem was made worse by an emergency dredging by the ACOE late last year to open the North Harbor entrance channel. The sediment was dumped just south of the marina. We have obtained permits from the IEPA, USEPA, IDNR, and the USACOE which took about a year on a fast track. IEPA has required a turbidity curtain. We had budgeted \$40,000 for this project. The estimate is now at \$160,000. While this figure might seem high, what we get for the money is an excavator on a barge, a barge for material, a clam shell crane, three trucks and all the union workers to operate the equipment for twelve days. The goal of the project is to make the entrance channel wide enough and deep enough to last. The funds will come from cash reserves. Discussion ensued about operations and reserve funds and how do reserves get replenished. Board members inquired about the possibility of other catastrophies possibly on the horizon. Mr. Henderson responded that federal funding was anticipated for the North Harbor Entrance Channel and that we would possibly participate in a solution for the sand migration issue. Board members again discussed harbor industry needs and the requirement to keep the entrance channel open. The Army Corps appears to be walking away from federal infrastructure obligations on the Great Lakes due to funding cuts. The use of the \$5.6 billion in Harbor Maintenance Trust Funds is the solution to the funding issues on the Great Lakes. Senator Durbin needs to endorse the RAMP Act and allocate the \$70 million that would clean up the 115 ports on the Great Lakes.

Mr. Morris going back to the action at hand, inquired if use of reserve funds would compromise our debt service coverage ratio. Ms. O'Meara responded that it did not.

On motion of Mr. Johnson to approve \$120,000 in addition to the \$40,000 already budgeted, seconded by Mr. Binning, all members present voted aye and the Chairman declared the motion carried.

Mr. Torres suggested perhaps the airport debt repayment schedule should be revisited.

### Harbor - New Business

None

### Airport – Board/Public Commentary

None

### Airport - Unfinished Business

## 9. Status Report

Mr. Stanczak gave the following report: Taxiway S starts the end of this month. Curran is the contractor for both Taxiway S and Taxiway B. Taxiway B will be done in two phases. Phase 1 of the Fence Project will also start soon and is the area starting at McAree Road moving toward Lewis and Wadsworth. Bear Den pavement repairs are underway. Mr. Stanczak said he is working with McCall School on a Community project. The Landings has made a fuel

agreement with Landmark Aviation and Stick and Rudder may do the same. The FAA queried the IDOT on the status of the Master Plan/Environmental Assessment (MP/EA). IDOT has been looking at alternatives since last September.

Mr. Henderson furthered the reports as follows:

Taxiway B will be a rare instance of night work which has been approved by the IDOA to allow access by corporate tenants during the project. The project will be done in two phases and may utilize 14/32 for a taxiway. A tenant meeting is planned for mid May, prior to commencement of construction.

The fence project targets wildlife hazards. The fence is ten feet high with two feet below ground. Phase 1 area has no fence at all in some places. The fence project will be from 1-5 phases. Phase 2 has not yet been funded.

The MP/EA is ongoing with the action on IDOT to determine their preferred alternative. With Hanson Professional Services, we are helping them evaluate their alternatives. Mr. Johnson asked if we had a time limit. Mr. Henderson explained the time factor ties to runway condition. When repairs are needed, the FAA will enforce the safety area. The MP/EA should be done next year – funding will take another 5-7 years putting us very close to the life expectancy of the runway.

Mr. Henderson reported the Air Show requested modification of their Permit. They have requested a lighter version of the requirement to provide detailed financial records and to demonstrate their ability to cover the cost by August. Mr. Morris' did not believe Air Show records were subject to FOIA. He also suggested they submit their records as confidential information. It was concluded to put the Air Show Permit on the agenda next month.

Airport - New Business

None

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

  
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DALE R. JOHNSON, Secretary

APPROVED:

  
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JORGE M. TORRES, Chairman