

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

October 22, 2012

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

The following Board members were present:

Jorge Torres
Joe Legat
Homer Benavides
Todd Binning
Mike Melius
Randy Podolsky

The following Board member was absent:

Dale Johnson

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
Joe Seidelmann, Marina Maintenance Supervisor
Jim Stanczak, Airport Manager
Jamie O'Meara, Chief Accountant

Others in attendance:

None

1. Call to Order
2. Pledge of Allegiance
3. Approval of Regular Board Meeting Minutes of September 24, 2012

On motion of Mr. Melius to approve the September 24, 2012 board meeting Minutes, seconded by Mr. Legat, all members present, being Messrs. Torres, Melius, Benavides, Binning and Legat voted aye and the Chairman declared the motion carried.

4. Approval of checks.

After various questions were presented and answered, during which time Mr. Podolsky arrived at the meeting and was recognized by the Chairman, on motion of Mr. Binning to

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

5. Financial Reports: September 2012

Mr. Henderson reviewed the financial reports. After discussion, on motion of Mr. Binning to approve the September 2012 financial reports, seconded by Mr. Melius, all members present voted aye and the Chairman declared the motion carried.

6. Operations Reports: September 2012

The harbor operations report is pleasing given that fuel flowage is up for regular and diesel. The airport operations report is down in the single and twin category, but we now have a beautiful new Bombardier Global Jet which just arrived and is the largest jet based at Waukegan. Fuel flowage is down for the airport, Customs are strong. After discussion, on motion of Mr. Binning to approve the operations reports, seconded by Mr. Benavides, all members present voted aye and the Chairman declared the motion carried.

7. Amend 2012 Board Meeting Schedule for Holidays

8. 2013 Board Meeting Schedule

The holiday schedule for 2012 and 2013 was discussed in relation to board meeting dates. After one proposal was rejected, and after discussion by the board members present, on motion of Mr. Benavides to hold all future meetings on the third Wednesday of each month at 2:00 PM, seconded by Mr. Legat, Messrs. Torres, Binning, Legat, Melius and Benavides voted aye, Mr. Podolsky voted nay, and the Chairman declared the motion carried.

Harbor– Board/Public Commentary

Mr. Podolsky inquired about plans for the off season and whether there would be any new physical improvements. Mr. O'Dell explained new improvements would come in the 2013 budget plans. Mr. Podolsky suggested a new gate for North Pier may be worth considering.

Harbor - Unfinished Business

9. Status Report

Mr. O'Dell advised that he and marina staff had met with Messrs. Podolsky and Binning finalizing details of 2012 fees. The USEPA intend to quit work November 10 in North Harbor and will resume April 1, 2013. Harbor shut down is in progress for the end of season. The long term projection of the Army Corps of Engineers is that the lake level will remain very low. We are within inches of an all-time record set in 1964. Work continues on the application for a maintenance permit to dredge South Marina with the assistance of our environmental consultant, Tom Thomas. The application has been pending for sometime and includes approval to open lake dump.

LaFarge Corp has advised the North Harbor channel is again too shallow for their ships to attempt port. On inquiry by Mr. Podolsky, Mr. O'Dell advised the Army Corps is tasked with maintaining channel depth, however they are unfunded. About a year and a half ago, the Army Corps requested assistance in breaking free funding collected by a tax on shippers to maintain federal infrastructure. So far, the funds have not been appropriated. Support of the RAMP Act would be well worth while.

Mr. Henderson advised that North Shore Gas provided an update of the wells they monitor on site at the lake front recently. They intend to add another vapor recovery well in the HCB. The USEPA demo of North Marina is complete and today we received our cash remuneration in lieu of dock replacement.

Harbor - New Business

None

Airport – Board/Public Commentary

None

Airport - Unfinished Business

10. Status Report

Mr. Henderson had met with Director David Vaught of the DCEO. He was very understanding and supportive of the runway extension project and had some creative financial solutions. He encouraged our continued efforts to coordinate the project. Another meeting is scheduled with the State Highway Department through the support of Mayor Sabonjian. Our goal is to have highways pre-design Green Bay Road depressed to allow the runway extension. We are gaining political momentum. Senator Link has voiced his support and we believe he has moved the project forward. Currently he is in process of scheduling a meeting with the Governor.

Board members asked the status of the Forest Preserve negotiations. We cannot negotiate right now because we do not know which runway extension alternative will be sought. The FAA will need to make that determination in our ongoing Master Plan / Environmental Assessment (MP/EA) project. The Forest Preserve had been involved in discussions a number of years ago on this subject and at that time said absolutely do not pursue a realignment of Green Bay Road. Based on that information, we continued to work with Illinois Division of Highways (IDOH) in the planning stages of their IL-131 widening project. Now after four years, IDOH wanted to re-examine the realignment question. They went to the Forest Preserve and received a response that the Forest Preserve would entertain re-alignment, but it would render Waukegan Savanna useless for their purposes, i.e. buy the whole Savanna. When you add the Forest Preserve acquisition ordinance, the costs increase astronomically. So, IDOH goes to the FAA. The FAA's response to them was that the project is too expensive and the project stalled.

Our corporate tenants are the real power behind the extension. Their hangars are worth \$41 million using conservative estimates, not including their jets. Landmark Aviation with a presence in Waukegan due to those corporate tenants, is likely in the \$45 million range as well.

Board members discussed a response to Mr. Hahn's recent inquiry. Mr. Morris' recollection was that John Balen had approached the acquisition as a way to allow future airport expansion, and that the Forest Preserve had never wanted the Savanna. It was determined to prepare a formal response to Mr. Hahn.

Mr. Stanczak reported that taxiway B will hopefully finish by end of November and the fence (phase I) is still underway. The fencing contractor has asked for an extension. Airport maintenance is done with mowers for the year and the snow equipment is almost ready. A safety inspection has resulted in some tree topping work needed for 14/32.

Airport - New Business

None

Closed Session:

13. Negotiation / Value of Property Matters pursuant to 5 ILCS 120/2 (c) (6) of the Open Meetings Act.

None

Open Session

14. Negotiation / Value of Property Matters pursuant to 5 ILCS 120/2 (c) (6) of the Open Meetings Act.

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

APPROVED:



JORGE M. TORRES, Chairman



DALE R. JOHNSON, Secretary