

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

April 17, 2013

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

The following Board Members were present:

Dale Johnson
Jorge Torres
Joe Legat
Randy Podolsky

The following Board Members were absent:

Homer Benavides
Mike Melius

District Counsel was not present.

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

Others in attendance:

Alderman Bill Valko, City of Waukegan
Josh Lewis, Landmark Aviation
Ken Serzynski, Stick & Rudder Flying Club

1. Call to Order
2. Pledge of Allegiance

Mr. Torres welcomed Alderman Valko to the meeting.

3. Approval of Regular Board Meeting Minutes of March 20, 2013

On motion of Mr. Johnson to approve March 20, 2013 Meeting Minutes, seconded by Mr. Legat, Messrs. Johnson, Legat and Torres voted aye, Mr. Podolsky abstained. The Chairman declared the motion carried.

4. Approval of checks.

On inquiry the \$73,875 capital item was for the Sponsor Share of the Project to widen and resurface Taxiway C. The State of Illinois through block grant legislation will fund the project. The State requires payment of our share prior to commencement of the project. The State also requires the Sponsor to guarantee payment for the project in the event State funds are not released. The fee to the Chicago Tribune was also inquired about which was for harbor advertisement.

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

5. Financial Reports: March 2013

Harbor revenue is down. With the recent announcement that Wilmette is closed we are hopeful to make up some revenue. Inquiries and discussion ensued about occupancy of fixed piers versus floating piers. Airport revenue is off slightly. Expenses do not show anything critical. The \$13,616 for airport vehicle operations and maintenance at the airport is due to fuel for snow plowing.

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

6. Operations Reports: March 2013

Harbor operations have not yet commenced. Airport operations are down eight per cent. Based Aircraft remain the same. Fuel delivery indicates that W.C.A.F. received a large delivery; that number will be significant to tower funding discussions later in the meeting. Customs are up slightly from March of 2012 to March 2013.

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

Harbor– Board/Public Commentary

Harbor - Unfinished Business

7. Status Report

Mr. O'Dell reported he is aggressively pursuing dredging. The surveys have been done and we will choose the most important areas to dredge. We continue to pursue open lake nourishment. The area around the launch ramps has been dredged by the USEPA as promised. The launch ramps are now open. The USEPA anticipates completion of dredging by August of 2013. North Harbor will remain closed for the 2013 boating season.

During this report, Ken Serczynski from Stick & Rudder Flying Club arrived at the meeting.

Mr. Podolsky reported that he and Mr. O'Dell had met and were working on some things. Akzo Noble has agreed to turn their lights down away from the marina. Water levels are at a record low level.

Harbor - New Business

8. Approval of a sum not to exceed \$25,000 for Maintenance Painting of Rail and Gate on South Pier

Mr. Seidelmann described the rail and gate project. After discussion, on motion of Mr. Johnson to approve the sum not to exceed \$25,000 for maintenance painting of rail and gate on South Pier, seconded by Mr. Podolsky, all members present voted aye and the Chairman declared the motion carried. Mr. Podolsky suggested that if it would generate a savings of more than \$2,000 the gate need not be painted.

Airport – Board/Public Commentary

Josh Lewis of Landmark Aviation announced his presence to discuss the Contract Control Tower at Waukegan which would be discussed later in the meeting.

Airport - Unfinished Business

9. Status Report

Mr. Stanczak advised the Taxiway C project is scheduled for pre-construction meeting next week. Demolitions are in progress. Maintenance is putting away their winter equipment and starting to assemble summer equipment. Customs repairs are underway. An aircraft ran off the runway last week in the fog and rain. There has been a lot of work on the tower funding. Tenants are willing to help. A fuel flow surcharge seems to be favored for the period from June 15 through September 30. He urged everyone to contact their legislators. He has contacted Senator Kirk and Congressman Schneider. Resolutions are pending for the 2013-2014 budget.

Mr. Torres inquired how the negotiations were going with Customs for their improvements. Mr. Henderson responded the Customs Contractors were probably hit with sequestration issues as well. Their Contract Manager was to get back to us with ideas to improve the facility, but in the meantime, we continue to implement the upgrades agreed upon at the last meeting.

Mr. Henderson introduced items 10 and 11. The two items are two projects requiring two amendments to complete the airport snow removal equipment building, paving and utilities projects. Item 10 is funded through the airport improvement program and our share is 2.5%. Item 11 is the building itself, and the entire cost is our responsibility.

10. Approval of Amendment 1 to Agreement for Engineering Construction Phase Services for Project name: Construct SRE Access Pavements and Auto Lot; Extend Utilities to SRE, UGN-3887 to increase the not to exceed limit by \$14,918.31.

11. Approval of Amendment 2 to Agreement for Engineering Construction Phase Services for Project name: Construction of SRE Building, and; Furnish Bidding Assistance, UGN-3879 the not to exceed limit by \$4,714.33.

On motion of Mr. Johnson to approve Amendment 1, UGN-3887 and Amendment 2, UGN-3879, to Agreements for Engineering Construction Phase Services for Construction of SRE Building and Access Pavements, Auto Lot and Utilities, seconded by Mr. Podolsky, all members present voted aye and the Chairman declared the motion carried.

Airport - New Business

12. Air Traffic Control Tower

Mr. Stanczak reported on three meetings of tenants regarding the tower. Those meetings resulted in consensus of the tenants that the tower is necessary for safety. The tenants have expressed a desire to increase the fuel flowage fee for jet fuel by fifteen cents and low lead by five cents, to cover the cost of the tower. Estimates for funding are approximately \$44,000 per month.

The issue of whether Landmark can compete in the market with the fuel increase contemplated was raised. After discussion, it was concluded that an increase in fuel fees was not a reliable method to generate the revenue needed. Consideration of a special assessment based on square feet of leaseholds was suggested as was a fee per weight of based aircraft along with landing fees for transients. A solution to fund the tower was deemed necessary. The board requested proposals for viable short and long term solutions to fund the tower be heard at the next board meeting.

Closed Session

None

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



RANDY D. PODOLSKY, Acting Secretary

APPROVED:



JORGE M. TORRES, Chairman