

MINUTES OF REGULAR MEETING
OF WAUKEGAN PORT DISTRICT

May 15, 2013

Waukegan Regional Airport
Landmark Aviation FBO, Inc. – 2nd Level Conference Room
3550 N. McAree Road – Waukegan, Illinois

The following Board Members were present:

Jorge Torres
Mike Melius
Joe Legat
Randy Podolsky

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

Others in attendance:

Mark Eisenberg, Baxter Aviation
Grant Farrell, Waukegan Air Show
Josh Lewis, Landmark Aviation

1. Call to Order by Chairman Torres at 2:00 PM.

Mr. Torres called for the nomination of a temporary secretary. On motion of Mr. Melius to appoint Mr. Podolsky temporary secretary, seconded by Mr. Legat, all members present voted aye and the Chairman declared the motion carried.

2. Approval of Regular Board Meeting Minutes of April 17, 2013.

On motion of Mr. Legat to approve April 17, 2013 Meeting Minutes, seconded by Mr. Melius, all members present voted aye and the Chairman declared the motion carried.

3. Approval of checks.

After review and discussion of various items including an overage in advertising, on motion of Mr. Podolsky to approve checks, seconded by Mr. Legat, all members present voted aye and the Chairman declared the motion carried.

4. Financial Reports: April 2013

Airport revenues are slightly behind; expenses are down for the month of April. Harbor revenues are off mostly in slip rental, although we are up slightly from April 2012 to April 2013. Most slip occupancy is on South Pier. Expenses are down year to date as well as the month of April. Aging Reports show zeros for the airport and for the harbor Waukegan Yacht Club is behind.

On motion of Mr. Melius to approve the financial reports for April 2013, seconded by Mr. Podolsky, all members present voted aye and the Chairman declared the motion carried.

5. Operations Reports: April 2013

Local airport operations are down, based aircraft is flat. Landmark's fuel delivery is up from April of 2012 to 2013. Customs are off from year to year.

On motion of Mr. Legat to approve the April Operations Report, seconded by Mr. Podolsky, all members present voted aye and the Chairman declared the motion carried.

Airport – Board/Public Commentary

None

Airport - Unfinished Business

Mr. Henderson reported that Mr. Johnson would like to participate in discussion of the Control Tower Ordinance. Upon Mr. Morris' direction, on motion of Mr. Melius to allow remote participation by Dale Johnson, seconded by Mr. Legat, all members present voted aye and the Chairman declared the motion carried. Discussion then followed on item 7.

7. Air Traffic Control Tower – Draft Ordinance to Fund Control Tower Expenses

Mark Eisenberg from Baxter Aviation was present to convey his company's support for the tower funding mechanism by aircraft size. The Air Traffic Control Tower is an important component to safety and gives the corporate operators security. He conveyed Baxter's recommendation is to move ahead with the Ordinance for funding and further acknowledged they agree with the weight class fee, for them, \$10,000 per aircraft annually.

Mr. Johnson conveyed his support for the Ordinance and the importance of funding the tower in the event FAA funding were to end.

Discussion on the draft ordinance follows:

Mr. Melius inquired whether all corporate operators had been consulted. Josh Lewis of Landmark Aviation thought the feeling was about 50/50 on the field. Some would like to see weights adjusted. Landmark agreed with Baxter, get the Ordinance on the books. Mr. Eisenberg commented that even though the fees are significant, Baxter was willing to endorse the proposal.

Other drafting comments: Paragraph A says it is not retroactive, does the Ordinance tie to Leases? Mr. Henderson's reply was: No it is completely separate from the Leases and only goes into effect if the FAA stops funding towers. There was concern over collecting funds in arrears. What if we collect too much? No mechanism in Ordinance for a refund. Pay interest to tenants? How do we collect from transients? What is our collection procedure? Mr. Henderson advised that based tenants would be invoiced and that transient fees would be collected through Landmark. Mr. Henderson also explained that landing fees are commonplace. Mr. Lewis and Mr. Eisenberg agreed. Legal methods for collection would be addressed. Mr. Melius was concerned about a refunding mechanism and collecting too much money. Mrs. Peters said we are more concerned about not collecting enough money. We do not have final numbers from the FAA of their costs for transfer and maintenance of their equipment. Weight fees were determined at \$2/pound per aircraft.

Mr. Podolsky thanked Baxter for their support. He expressed concern about something on the books that we will self fund. He asked Counsel to explain adoption procedures.

Mr. Morris advised an Ordinance is required by law to be published on adoption. He also conveyed the Ordinance is not effective by its own terms until the FAA terminates funding. We could have a draft Ordinance approved in form, but not finally approved.

Mr. Podolsky and Mr. Melius offered various comments to be addressed by legal counsel during his review and revision such as whether the leases prohibit collection of a landing fee? Potential refunds should only be to based aircraft tenants. Various logistical issues relating to administrative procedure were also considered.

Mr. Johnson supported finalizing the Ordinance and having it ready to adopt if necessary. Mr. Morris advised his office was in process of reviewing and revising the Ordinance. Mr. Johnson concluded his participation.

The meeting continued with item 6:

6. Status Reports.

Mr. Stanczak reported the Pre-Construction Meeting had occurred on Taxiway Charlie which is a 90 day program. Legal notice in on DCEO grant, bid opening to come.

Mr. Stanczak reported Senators Kirk and Durbin had worked on Mr. LaHood to keep the towers. Mr. Stanczak was asked to thank the representatives for their work and he answered that he had sent them an email. Mr. Henderson requested copies of the emails be provided for board records. Mr. Stanczak continued saying the Tower litigation had been dismissed. The FAA Director issued a letter vacating plans to close towers. Right now, funding is in the 2014 budget. It was heartening to see the support by most tenants to help fund the tower.

Mr. Henderson advised Phase 2 of the Perimeter Fence project is scheduled for bid in June. Phase 2 covers the area from the corner of Wadsworth Road and Lewis Avenue westerly to our border. The project is let by the Illinois Division of Aeronautics. Work continues on the runway extension and widening of Green Bay Road. We are waiting for Highways response to our comments to their proposed letter of understanding.

Mr. Farrell requested the Permit process for the Air Show be started. They will be honoring Vietnam Veterans and will do a living history. He anticipates free admission for Vietnam vets and would like them to bring their war era photo. They are in fund raising mode right now. No military acts are anticipated at this time.

Airport - New Business

7. Standard Agreement for Consultant Services for Planning and Special Services to demolish four residences for a sum not to exceed \$60,400.00.

Approval of the Standard Agreement was recommended as routine to airport projects and 90% reimbursable by the State. Board members asked for other options and justification of the amount. It was suggested the fire department may demo for training. Staff responded the fire department does conduct training at some of our properties, but they do not bring the properties into Code Compliance. The matter was tabled until more information could be provided.

Harbor- Board/Public Commentary

Mr. Melius questioned Mr. O'Dell about the spines on the railings. Our staff has temporarily removed the spines for painting. Caution tape was requested. Mr. Podolsky asked about the pricing for North Gate. Mr. O'Dell responded the information had previously been provided. Mr. Podolsky asked if he should let this go. He inquired about benefits for North Pier boaters and the budget.

Harbor - Unfinished Business

8. Status Reports

Mr. O'Dell reported the ultrasonic bird repellents were doing a great job keeping the birds off the docks. Maintenance staff are cleaning bird droppings on a daily basis. Mr. Podolsky was pleased with the new stainless clips to hold the line which also keeps bird visits down.

Mr. O'Dell then handed out a diagram of dredge volumes. The designated yellow area was estimated to be about 10,000 yards. We have already dredged 5,000 to date. Depth is about ten feet from the southern point to the middle, then six feet to the north end. The original price for yellow area was \$300,000. The red area boats generate about \$70,000 annually. The red area would cost about \$65,000 more using time and materials pricing. Mr. O'Dell asked additional funds to dredge the extra area outlined in red. That area was last dug in 2005. After discussion board members concurred they would ratify \$65,000 for additional dredging at the next regular meeting.

Mr. Henderson inquired whether the board wished to look at the north gate at our next meeting. Mr. Podolsky felt the gate would be an enhancement aesthetically and to security that should be considered. Cost figures would be delivered to the board for consideration.

Harbor - New Business

None


Ms. O'Meara presented a Preliminary Audit for board review. She requested board members please call or email any questions prior to the next board meeting.

Closed Session:

On motion of Mr. Melius to go into Closed Session pursuant to 5 ILCS 120/2 (c) (6) of the Open Meetings Act, seconded by Mr. Podolsky, all members present voted aye and the Chairman declared the motion carried.

Open Session:

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



GRANT B. FARRELL, Acting Secretary

APPROVED



JORGE M. TORRES, Chairman