

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

October 20, 2010

**Harbor Control Building
55 S. Harbor Place, Waukegan, Illinois**

The following Board members were present:

Hank Bogdala
Mike Melius
Dale Johnson
Joe Legat
Jorge Torres

The following Board member was absent:

Homer Benavides
Kimberlee Richmond

District Counsel present:

Thomas A. Morris, Jr.

Members of the Port District Staff present:

Duncan C. Henderson, A.A.E., Executive Director
Chris Peters, Administrative Assistant
Brion O'Dell, Marina Manager
Jim Stanczak, Airport Manager
Jamie O'Meara, Chief Accountant
Terri Hatton, Slip Coordinator

Others in attendance:

Bob Sabonjian, Mayor, City of Waukegan
Terry Browne, Collins Engineering
Dave Brittsan, DB Aviation
Allen Ashcroft, Landmark Aviation

1. Call to Order

Mr. Bogdala called the meeting to order at 9:00 AM

2. Roll Call

Mr. Bogdala called the roll whereupon Messrs. Melius, Torres, Johnson and Bogdala were present. Mr. Morris arrived shortly after roll call. Mr. Legat, Mr. Benavides and Ms. Richmond were not present.

3. Pledge of Allegiance

4. Approval of Board Meeting Minutes of September 15, 2010

On motion of Mr. Johnson to approve September 15, 2010 Regular Meeting Minutes, seconded by Mr. Melius, all members present voted aye and the Chairman declared the motion carried.

Closed Session

After board discussion over holding closed session prior to conducting routine business matters, it was deemed appropriate to proceed in Closed Session. On motion of Mr. Torres to go into closed session to discuss or approve Closed Session Minutes and pursuant to 5 ILCS 120/2(C)(5) and (6) of the Open Meetings Act, seconded by Mr. Melius, all members present voted aye and the Chairman declared the motion carried. Mr. Bogdala acknowledged the arrival of Mr. Legat.

(Items 5 and 6 in Closed Session)

The board reconvened in open session.

Open Session

7. Action on DB Aviation Assignment of Leases

No action taken.

8. Action on proposal from Edward E. Gillen Co.

Mr. Henderson recommended the board accept the proposal of Edward E. Gillen Co. for lease modification. On motion of Mr. Johnson to accept the proposal, seconded by Mr. Melius, all members present voted aye and the Chairman declared the motion carried.

9. Action on proposal of Waukegan Yacht Club

No action taken.

Mayor Sabonjian departed.

10. Action on Agreement for Engineering Services Agreement to acquire 12536 W. Hart Street, Beach Park, Illinois.

11. Action on Agreement for Engineering Services Agreement to acquire 12609 W. Dorothy Street, Beach Park, Illinois.

Mr. Henderson explained items 10 and 11 which are both routine Engineering Services Agreements required in land acquisition matters by the Illinois Division of Aeronautics. Questions presented by the board included whether the numbers were in line with the standard fees and whether we continue to work with willing sellers. Mr. Henderson responded that we are working with willing sellers, however, price has not yet been discussed.

On motion of Mr. Torres to approve the Engineering Services Agreement to acquire 12536 W. Hart Street, Beach Park, Illinois and 12609 W. Dorothy Street, Beach Park, Illinois, seconded by Mr. Johnson, all members present voted and the Chairman declared the motion carried.

12. Approval of Checks

Mr. Torres reported he had conducted a review of the check report. No questions were presented. On motion of Mr. Torres to approve checks, seconded by Mr. Melius, all members present voted aye and the Chairman declared the motion carried.

13. Financial Reports: September 2010

Mr. Henderson reported the harbor is at 91% of budget. With revenues down \$237,000 the situation is not quite as onerous as it would appear. Expenses are also down about \$500,000 (including fuel sales). The Port District cannot have a deficit. Nationally the boating industry is down. Mr. Johnson commented that even though negatives show, they are not real negatives. Fuel sales included in the numbers are misleading. Mr. Henderson reported the harbor staff is working to make sure we keep numbers under control. Capital expenses include Allied Tele-Com for a computer; Mr. O'Dell explained F.I.S.T., an assistance program, which was utilized to paint the Teece building. The Aging Report showing money due from Waukegan Yacht Services is now outdated, having received \$6,900 yesterday.

Airport revenues do track chronologically. The percent of budget at 77% is about right for 2010 year to date. We are up \$40,000 in jet fuel flowage. Expenses are at 72% of budget where wages are up. Capital items include our new truck to Prairie; the next two items are payments for the BBB to Prinmar Construction and ComEd. Mr. Johnson inquired about the amount coming back to land acquisition and if those funds were needed prior to the purchase of the new properties? Mr. Henderson explained a fast track purchase is about 12 months so we expect reimbursement before we need to spend again. \$300,000+ is out for reimbursement from the State. The Aging Report for \$63 is inconsequential.

On motion of Mr. Melius to approve the Financial Reports for September 2010, seconded by Mr. Johnson, all members present voted aye and the Chairman declared the motion carried.

14. Operations Reports: September 2010

Harbor operations are approaching the end of the season with a close date of November 1. Mr. Johnson inquired if it is reasonable to expect boats will be gone, recollecting the abandoned boat frozen into the harbor several years ago. Mr. O'Dell responded we become lovingly aggressive to move boats out at this time of year. No new trends were reported for the launch ramps.

Airport operations at 1.9% is flat. Based aircraft is the same. September is not a good month for fuel delivery looking at the negative 5.5 for DB. Mr. Brittsan commented that September comparisons proved that 2010 was predictably unpredictable, in September everything simply slowed down. Fourth quarter numbers will probably be off 8-10% with the likelihood of a shortfall in the next few months.

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

Harbor– Board/Public Commentary

Mr. Bogdala spoke about the memorial service conducted at the harbor for employee Lionel Welch. He commended Mr. Henderson and Mr. O'Dell for their eulogies as well as the other staff for the fantastic job memorializing Mr. Welch. Mr. Henderson thanked Mr. Bogdala adding that his actions were not in an official capacity, but were those of a friend. Mr. Welch was one of a kind.

Mr. Morris presented concerns over his position as Ethics Officer and the possibility of a conflict due to his role as attorney for the District. In the past another attorney member of the board has acted as the Ethics Officer. Mr. Johnson asked Mr. Melius if he would so act.

On motion of Mr. Legat to appoint Mr. Melius as Ethics Officer, seconded by Mr. Torres, all members present voted aye and the Chairman declared the motion carried.

Harbor - Unfinished Business

15. Status Report

Mr. Bogdala passed out information on his exploration of ferry and passenger cruise lines. He reported meeting with various chambers and agencies who are supportive of the concept. Mr. Bogdala had obtained a listing of all the companies and called them. He felt there was strong interest and was coordinating a meeting with the boat owners and interested parties. The City of Waukegan offered to host the meeting.

Mr. O'Dell reported the harbor is shutting down for the winter.

Mr. Henderson commented on the in lake containment cell recently discussed in the Weekly Report. The Illinois Environmental Protection Agency (IEPA) adamantly refused to pursue the concept further. The United States Environmental Protection Agency (USEPA) continues to pursue the idea, and has requested a meeting with IEPA to clear up misconceptions. We are spending some money with Harvey Sheldon on conveyance questions. Mr. Henderson reported he would attend the meeting if USEPA was able to set it up.

Harbor – New Business

None

Airport – Board/Public Commentary

None

Airport - Unfinished Business

16. Status Report

Mr. Stanczak reported the SRE building is moving along. The steel has arrived on site. The rotating beacon was rotating as of yesterday and the Wang hangar is in progress. Maintenance is working on a snow plan meeting and runway 14/32 is ready for its inspection on Friday. Mr. Stanczak reported he had attended the IEPA meeting recently. The snow fence will be installed by Lake County as is customary. The neighbors appreciate the benefits the snow fence provides. The 14/32 access road

constructed on the north side of the airport will remain in place. We received approval to keep it for emergency access.

Mr. Henderson reported the EA/MP (Environmental Assessment/Master Plan) continues. The main component being the extension of runway 5/23. One component of the Master Plan is whether the closed landfill area could be developed. That portion of the Master Plan is concluded with the determination that development is possible, but construction requirements would be more expensive.

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, the Chairman declared the motion carried and the meeting adjourned.



MICHAEL M. MELIUS
Acting Secretary

APPROVED:



DALE R. JOHNSON
Acting Chairman