

MINUTES OF REGULAR MEETING
OF WAUKEGAN PORT DISTRICT

November 21, 2012

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
Dale Johnson
Todd Binning
Homer Benavides
Randy Podolsky

The following Board member was absent:

Joe Legat
Mike Melius

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
Barney Baker, Airport Maintenance Supervisor

Others in attendance:

Kirk Mies, Pilot
Jason Koperny, West's Insurance Agency
Bill Hults

1. Call to Order by Chairman Torres at 2:00 PM.
2. Approval of Regular Board Meeting Minutes of October 22, 2012.

Mr. Podolsky requested corrections to the Minutes as prepared. On motion of Mr. Podolsky to approve the October 22, 2012 Minutes as corrected, seconded by Mr. Johnson, all members present voted aye, and the Chairman declared the motion carried.

3. Approval of checks.

Checks were reviewed. Questions were presented on payments for deicing, diesel fuel, and the EJ&E loan. On motion of Mr. Johnson to approve checks, seconded by Mr. Binning, all members present voted aye and the Chairman declared the motion carried.

4. Financial Reports: October 2012

Mr. Henderson reviewed the financial reports. Airport and harbor revenues and expenses are down. Percentages are on track as the year comes to a close. Board inquiry would suggest looking for a better return on cash reserves. Using cash reserves to prepay the loan was suggested along with refinancing and a line of credit for emergencies. Mr. Benavides arrived during this discussion. Mr. Henderson continuing with the Aging Report inquired of the board's pleasure relating to Waukegan Yacht Club's three month (four as of December 1) arrearage. After discussing the dynamics of the Club, it was determined that a courtesy notification to the Mayor's office would be appropriate, and to issue the proper notice of rent due.

On motion of Mr. Binning to approve the financial reports for October 2012, seconded by Mr. Podolsky, all members present voted aye and the Chairman declared the motion carried.

5. Operations Reports: October 2012

Airport operations are up five percent. Fuel sales seem to fluctuate weekly. Customs are off slightly, and those numbers tie to the Federal fiscal year. Harbor operations are up for the year. The increased diesel fuel sales were appreciated in light of fewer boaters.

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

6. Worker's Compensation Insurance Renewal

Mr. Henderson reported that Mr. West had asked to re-schedule the presentation, but in light of a nine per cent decrease in premium, and the written proposal presented, Mr. Johnson made a motion to approve the renewal, which was seconded by Mr. Benavides. All members present voted aye and the Chairman declared the motion carried.

7. Preliminary 2013 Budget

Customarily the preliminary budget is presented in November anticipating approval in December. It was difficult to balance the budget to meet debt service ratio on the dock loan. Mr. Henderson expressed his confidence that we can operate at a profit. Capital items are being presented with the caveat that board approval would be requested prior to a purchase. Board discussion ensued exploring fuel figures, anticipated lease revenues, cost basis vs. accrual basis, and that the district's profit sharing plan is fully funded each month. Capital requests were reviewed suggesting a shared approach. The board members were encouraged to review the preliminary budget presented and to contact Mr. Henderson in the event of any questions.

Airport – Board/Public Commentary

Josh Lewis of Landmark Aviation suggested the Port District update its website. His suggestion was based on customer requests to him. His suggestion was echoed by airport staff and board members.

Airport - Unfinished Business

8. Status Reports

Mr. Stanczak: Taxiway S is done. Taxiway B pavement is down and landscaping is in progress. The ATCT was very cooperative in the project. Fence Phase 1 is done and the requisite gates are functional. The FAA has required some tree trimming which is in progress at the end of Runway 14 and in the light lane of 23. The WCAF water problem is resolved. Waukegan is now a National airport, a new FAA categorization. We retain our reliever status, but are also categorized as a national airport. Mr. Henderson added the FAA had conducted a review of national landing facilities and divided the general aviation airports into four categories based on number and types of based aircraft, volume and types of flights. Waukegan was categorized as one of 84 national general aviation airports. We hope this will tie to new funding, but realize it may impose more onerous Part 139 requirements.

Mr. Henderson: Our political efforts appear to be successful relating to the runway extension. A meeting is scheduled for early December to continue discussions. Highways has agreed to design the road to accommodate our tunnel/bridge project. Highways agreed to draft a Memorandum of Understanding to include funding and maintenance responsibilities of each party. Preliminarily, we maintain the deck and they maintain the substructure.

Mr. Podolsky reported he was scheduled to meet with Greg Bales of Senator Durbin's office next week and inquired what talking points would be of benefit. He and Mr. Morris suggested seeking support from newly elected officials as well as Senator Kirk. Mr. Henderson suggested that support by our representatives for the runway extension to the IDOH and to the FAA would be appreciated. Also, support and funding for dredging at Waukegan Harbor is critical. Military use of the airport was confirmed by Josh Lewis of Landmark Aviation. The military will continue to have a presence as they recently renewed their three year fuel contract.

Airport - New Business

9. Standard Agreement for Consultant Services for Project: Rehabilitate Taxiway C and Associated Exit Taxiways, Phase 1, UGN 4189.

After discussion, on motion of Mr. Johnson to approve the Standard Agreement for Consultant Services for Project: Rehabilitate Taxiway C and Associated Exit Taxiways, Phase 1, UGN 4189, seconded by Mr. Podolsky, all members present voted aye and the Chairman declared the motion carried.

Harbor– Board/Public Commentary

Mr. Podolsky asked for the cost of a new gate at North Pier. Mr. O'Dell would obtain that number. Mr. Podolsky also expressed interest in a beach and better dog walk area as well as concern over the coal soot from the power plant just north of the harbor.

Harbor - Unfinished Business

10. Status Reports

Mr. O'Dell reported there had been a death at the harbor. It was a suicide and the fire department was called in to retrieve the victim. The harbor is shut down for the season. We have pulled the launch ramp docks for the winter, but left one in for the City to use while they are working on their water line. We met with the City recently on the entrance channel blockage. It has silted back in the way it was before the recent Army Corps dredging. The Army Corps is trying to put us into special operational categories that may entitle us to funding. They are working to help us which is much appreciated.

Harbor - New Business

None

Closed Session:

None

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



DALE R. JOHNSON, Secretary

APPROVED:



JORGE M. TORRES, Chairman