

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

January 27, 2011

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

The following Board members were present:

Hank Bogdala
Mike Melius
Dale Johnson
Jorge Torres
Homer Benavides by Telephone

The following Board members were absent:

Joe Legat
Kimberlee Richmond

District Counsel present:

Not Present

Members of the Port District Staff present:

Duncan C. Henderson, A.A.E., Executive Director
Chris Peters, Administrative Assistant
Brion O'Dell, Marina Manager
Jamie O'Meara, Chief Accountant

Others in attendance:

Beverly Bogdala
Brad West
Brent Jones

Call to Order

Mr. Bogdala called the meeting to order at 4:33 PM.

Messrs. Bogdala, Torres, Melius and Johnson were present. It was reported that Mr. Benavides would participate by telephone with the approval of the members present. On motion of Mr. Johnson to allow Mr. Benavides to participate by telephone, seconded by Mr. Melius, all members present voted aye and the Chairman declared the motion carried.

Mr. Henderson suggested we proceed to item 3, Property/Casualty Insurance renewal while awaiting Mr. Benavides call. He informed the board the current policy would expire

Sunday, January 30, 2010 necessitating action. The renewal quote is a 2.4% increase over the 2010 premium. Mr. West added that his office conducts a market review searching for the best option on behalf of the Port District. The proposal utilizes several different insurance companies. Customarily budgeted receipts and payrolls are used, this renewal is based on audited figures. Excess surety has been provided due to the increased use of funds wire transfers.

There were questions about the method for asset valuation. A separate company assists with our asset evaluation which is a replacement value sum. Obtaining an actual appraisal was considered but the last quote for all port district property was in excess of \$100,000. Because new buildings and equipment start at actual cost, and new Leases contain a provision to obtain an appraisal at our discretion, it was determined the cost of a new appraisal was not warranted.

Mr. Benavides joined the meeting by telephone.

On motion of Mr. Torres to approve the Property and Casualty Insurance Renewal Proposal presented, seconded by Mr. Melius, all members voted aye and the chairman declared the motion carried.

Mr. Henderson then presented item 1, the emergency sole source procurement request to repair damage to the launch ramps. The ramps were destroyed by storm damage in December. The launch ramps are an important revenue center which need to be fully functional for the March perch season. The repairs would result in eight functioning ramps, a long term benefit to the district. Gillen Company, a harbor tenant and marine operator, has submitted the proposal for consideration and is ready to undertake the project. The company does comply with the Prevailing Wage Act and does employ union personnel. Funds are available in cash reserves held by the district in certificates of deposit. These funds are separate from our operating accounts. While operations are tight as discussed at budget time, the gap between revenue and expenses is narrowing. However our operating budget is still in the black and we anticipate being able to replenish our reserves with a percentage of revenue.

Contract issues were considered, as was compliance with competitive bidding. It was reported Mr. Morris had prepared a Resolution to memorialize the need for the emergency sole source procurement. Also it was recognized that there is a limited number of contractors available with the qualifications required for this type of emergency project. After much consideration, board members requested the contract with Gillen Company be reviewed by legal counsel, and should address start and stop dates, a liquidated damage provision and identify the scope of work including the identification of cost items.

On motion of Mr. Johnson that an exception to the competitive bidding policy be approved to make emergency repairs to the launch ramps, that the board approve Resolution 2011-R-01, that board counsel review the Contract with Gillen Company to assure compliance with applicable laws and that the ramps be operational by April 1, 2011, seconded by

Mr. Melius, on roll call vote, Messrs. Torres, Melius, Johnson, Bogdala and Benavides voted aye and the chairman declared the motion carried.

The last item of business, item 2, approval of Amendment No. 1 to Agreement for Engineering Services was reported by Mr. Henderson as an amendment to the ARRA project for the overlay of Runway 14-32. The amendment must be approved by the Port District as the Sponsor of the project. The Port District does not fund any portion of this project but the Amendment is required to allow the State to close it out. On motion of Mr. Melius to approve Amendment No. 1, Agreement for Engineering Services for Repair and Overlay Runway 14-32, Project no. 3-17-0140-B44, seconded by Mr. Johnson, all members voted aye and the Chairman declared the motion carried.

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

s/ Joseph J. Legat, Board Member

APPROVED:

s/ Henry J. Bogdala, Sr., Chairman