

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

April 20, 2011

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

The following Board members were present:

Hank Bogdala
Mike Melius
Joe Legat
Homer Benavides
Todd Binning

The following Board member was absent:

Dale Johnson
Jorge Torres

District Counsel present:

Thomas A. Morris, Jr.

Members of the Port District Staff present:

Duncan C. Henderson, A.A.E., Executive Director
Brion O'Dell, Harbor Manager
Chris Peters, Executive Assistant
Jamie O'Meara, Chief Accountant
Jim Stanczak, Airport Manager

Others in attendance:

Beverly Bogdala
Ron Hudson
Tom McIntosh
Keith Koestner
Paul Biehl

1. Call to Order
2. Roll Call: Mike Melius, Homer Benavides, Joe Legat, Hank Bogdala
3. Pledge of Allegiance
4. Approval of Regular Board Meeting Minutes of February 16, 2011

On motion of Mr. Legat to approve the February 16, 2011 Minutes, seconded by Mr. Melius, all members present voted aye, and the Chairman declared the Motion carried.

5. Approval of checks.

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

6. Financial Reports: February and March 2011

Mr. Henderson provided commentary on financial reports. Harbor revenues are down significantly comparing last year to present. Marina business continues to decline and our staff monitors revenues and expenses closely. Harbor expenses are flat. The capital expenditure of \$6,040 is the Lake County Stormwater Management Permit Fee for the launch ramp project.

Paul Biehl arrived at the meeting.

Harbor current occupancy and issues were discussed. It was noted the number of commercial operators out of North Harbor continues to decrease.

Harbor Aging Report: St. Mary's Cement is a tonnage fee due which has been invoiced but not yet paid. St. Mary's Cement administration procedures cause the delay.

Airport revenue comparisons from year to year are simply a timing issue on the lease and security line item. Airport expenses are flat. The capital payment to Prinmar Corp. is a partial payment on the BBB.

On motion of Mr. Melius to approve the financial reports for February and March 2011, seconded by Mr. Benavides, all members present voted aye and the Chairman declared the motion carried.

7. Operations Reports: February and March 2011

On motion of Mr. Melius to approve the February and March 2011 Operations Reports, seconded by Mr. Benavides, all members present voted aye and the Chairman declared the motion carried.

8. Functions of Port District - Open Meetings Act – Ethics Training

Mr. Henderson explained the agenda item was necessitated by some questions he had been presented with relating to ethics training, the Open Meetings Act and board interaction with staff. The Mayor of Waukegan had recently initiated a meeting including Mr. Bogdala and Mr. Henderson where it was suggested a retreat be held to address the matters raised. The ethics and open meetings questions were raised also due to an invitation to dinner from Waukegan Yacht Club. Board discussion concluded that board attendance at such a function during lease negotiations would not be appropriate. A separate correspondence included honorary Waukegan Yacht Club memberships was also discussed at length. Traditionally the Port District administration office acts as a filter for the board in order to protect members from an appearance of impropriety and insure compliance with public meeting notice. This agenda item was for board consideration of such matters. Mayor Sabonjian and Todd Binning arrived during the discussion. Also during this discussion Mr. Bogdala handed out some materials he

had compiled interpreting board powers granted by the enabling legislation.

Mr. Morris and Mr. Melius both opined on the ethics act and open meetings act. Mr. Morris defined a majority of a quorum of this board would be three members present. If business was discussed, you need to have a public meeting requiring public notice. If you all happened to be at another meeting or function where you were attending as an individual, you can do so, however if Port District business is discussed, that would require notice, minutes, legal action, etc. Additionally, the Gift Ban Act could apply to the value of the club memberships. Illinois places a dollar amount on donations from a prohibited source while federal standards allow that the perception of irregular or improper influence is a violation. The Illinois Act is not as strong as the Federal Act. The Yacht Club "Honorary Membership" value of \$800 would be a violation under Illinois standards. The conclusion was that the honorary club memberships should be declined. Mr. Legat disclosed that he was a member of Glen Flora Country Club which has a reciprocity agreement with the Waukegan Yacht Club. Mr. Morris and Mr. Melius agreed to work on ethics training to be presented to the board at a later date.

Harbor – Board/Public Commentary

Paul Biehl commented on Senator Link's bill for a CDF saying it would take a large portion of Lake Michigan. Land would be easier to catch and contain a leak. He cited a Toledo Ohio leak which was now in Lake Erie. He is concerned over the water intakes south of the proposed site. He also does not think it would be beneficial to the Citizens of the State of Illinois. Mr. Bogdala informed him the board had adopted a resolution in support of the CDF and thanked him for his comments.

Mr. Melius requested a copy of Senate Bill 863.

Tom McIntosh was concerned about the silting problem at the harbor entrance. His boat keel is 7 ½ feet and very expensive. He is wondering if he should move to a new marina and asked if this would be an ongoing problem.

Discussion followed over the cost and problems associated with maintenance dredging. Silting is caused by wave attenuation and the flow of the Waukegan River. This year we are working on moving the problem and have marked the shoal at the entrance. The Waukegan River does dump into our entrance. Mr. McIntosh was directed to stay east of the buoys. Mayor Sabonjian stated the river is a long term problem and the City is looking into a resolution. Wetlands along the length would help filter.

Mr. Henderson reported the wave action constantly moves the lake bottom. The contractor to move the silt is not available to come until May. Contractor availability is the same reason we moved so fast on the launch ramps. We also utilize two environmental consultants: Thomas J. Thomas and Chris Tanner. We recently met with Chris Tanner who is promulgating the use of "riffle pools" to alleviate the Waukegan River problems. We have three issues to consider: the Waukegan River, dredging the sand bar, and permits. Note it took 9-12 months for National Gypsum to move forward on their sea wall repairs that will commence next week after our launch ramp project has been completed. The conclusion is that we are working on the Waukegan River and sand bar issues. We are hampered with nothing that comes out of Lake

Michigan can go back into Lake Michigan.

Mayor Sabonjian stated the City is trying to pull up the sea wall on their site and put it back into place. They are waiting to hear from Contractors. Estimates for repairs are at \$3,000,000. There was some discussion of the limited number of contractors available for marine construction. Mr. Henderson reiterated that we got Gillen first this year allowing us to move forward with the launch ramp repairs.

Keith Koestner thanked the District for getting the ramps fixed so quickly, especially Mr. O'Dell.

Mayor Sabonjian reported he had attended the second meeting of the cruise ship ferry committee. They met with a knowledgeable tour craft operator. The operator educated them on the complexities and extreme cost of such an endeavor. The meeting lead us to understand that you need guaranteed clientele, costing about \$1,000/hour to operate the boat. Mr. Bogdala stated they would not invite him to any more meetings as he was such a downer. The Mayor told him it was not that simple. Kenosha will consider whether to ask their counsel for money. The Mayor reported the City of Waukegan does not have any money. Mr. Henderson added that the Port District also did not have the funds.

The Mayor departed the meeting.

Mr. Bogdala then discussed the missed meetings due to absent board members. He asked about changing the time of meetings. After discussion, since a full membership was not present, the matter was tabled until the full board could participate.

Mr. Henderson announced Senate Bill 863 Amendment 1 for the CDF and Senate Bill 173 relating to local government consolidation.

Mr. Henderson next addressed a request from the Army Corps of Engineers (ACOE or Corps) for cost sharing documentation on a project begun in 1998. The agreement was between the Corps and the Port District to do a feasibility study. It appears the custom in 1998 was to let the CAG do the local share of the work. The project was never completed and dissipates in 2007. The document on its face reflect records retention was for three years following closure. They asked us to show them in kind work or pay the Corps. The Corps contends the project was never closed, that it was only inactive. Mr. Morris recalled Suzi Schreiber and Chris Tanner doing soundings and thought the project was going forward until the City law suit commenced. The Corps typically needs a local sponsor and it has to be a public body. Ms. Schreiber should be able to provide the requisite documentation.

Mr. Binning would be attending the next CAG meeting. He is not a board member of CAG, but attends as a concerned citizen. He was aware the Corps had gone to CAG for the documentation and it had been supplied. Now the Corps cannot find their documentation and has re-requested it. The City also contributed to those local hours. After discussion, Mr. Henderson requested that Mr. Binning work with CAG to resolve the ACOE request before pursuing other remedies.

Harbor - Unfinished Business

9. Status Report

Mr. O'Dell reported the launch ramps are almost done. The coffer dam will come down and we can reinstall docks. The dirt pile will need to be resolved. Mr. Benavides inquired if the work was completed to his satisfaction and Mr. O'Dell responded yes. The feedback on the project is fantastic.

The shoal is a work in progress and there is one ice jacked pile to be re-driven.

Harbor - New Business

Airport – Board/Public Commentary

Ms. O'Meara invited the board members to attend the Waukegan Main Street May 16 Fundraiser at the Genesee Theatre. She also encouraged members to enjoy Art Walk on May 14. Board members expressed interest in attending the luncheon and would RSVP.

Airport - Unfinished Business

10. Status Report. Mr. Stanczak reported the airport was preparing the mowers for grass cutting and then they had to pull out the snow plows. He has applied for FEMA money for the snow disaster. Beach Park has approved the vacation of Eastwood and they would like to donate a land parcel. The red hangars have two potential new occupants. The new maintenance building will be completed soon, grading is in progress. New projects underway include the perimeter fence and Taxiway S. Mr. Hudson added the rehabilitation of Taxiway S in the south hangar area is on the IDOT letting for next Friday and so far only 3 parties have expressed interest and prices seem to be going up. Phase 1 of the Perimeter Fence project will start at the Fuel Farm continues around the Beach Park hangar area to Lewis Avenue and Wadsworth. That is on the June 17 bid let. Fencing particulars were discussed including tree removal. Some areas of the perimeter will be excluded as we anticipate changes in property lines. Mr. Legat asked about advertising due to the low number of bidders. Mr. Hudson explained because it was an IDOT letting, only allowed contractors can bid. Likewise, they are limited to how many projects they can bid therefore the bidders tend to be selective.

Mr. Henderson asked Mr. Hudson to provide an update on our Master Plan/Environmental Assessment (MP/EA). The runway 5/23 extension is a key element of the Illinois Highway Department with the Green Bay Road widening project. We met with Highways and the FAA and IDOA in efforts to coordinate and facilitate cooperation. Another factor arising from the FAA is their issuance of new guidelines implementing a Safety Management System (SMS) policy in all airport projects which will now become a component of our Master Plan. The MP/EA is a 2.5 year study encompassing a 20 year horizon. We have submitted facility requirements, and alternatives for airfield layout. Two alternatives for a 7,000 foot runway are being considered. One would extend the length over the existing runway and the other would be a new runway north of the existing location. Both alternatives require interaction with IDOT. IDOT is finally on board with us, but we need to finalize our

alternatives. Different possibilities and specifications were discussed including grade separations, safety areas, and the use of collapsible concrete a/k/a EMAS (Engineered Material Arresting System). EMAS is still under patent and very expensive. SMS has not yet passed rule making, but is receiving major emphasis from the FAA. Mr. Henderson advised there are significant legal issues with SMS that would dissuade him from signing for the Post District as currently written.

Lake County recently requested a FOIA of revenues received from District leaseholds. This was an extensive request that Ms. Peters completed within deadline. The purpose is to establish a valuation of leases to assess taxes upon the tenants.

11. Approval of Land Acquisition from Therese Sassone, 12609 W. Dorothy St., Beach Park, Illinois for the sum of \$160,000.00.

Mr. Henderson and Ms. Peters briefed the board on negotiations and Division of Aeronautics (IDOA) requirements for this acquisition. The division had approved the acquisition and price. On motion of Mr. Melius to approve the purchase of the property located at 12609 W. Dorothy St., Beach Park, Illinois for the sum of \$160,000, seconded by Mr. Binning, all members present voted aye and the Chairman declared the motion carried.

Airport - New Business

12. Request for Naming Rights

Mr. Henderson reported receipt of an unsolicited call from Harry Gaples asking about naming rights to the airport. He suggested "Gaples Regional Airport" and offered a substantial sum for a period of 25 years. It appears to be worthy of consideration. Ms. O'Meara contributed a major local company is volunteering support to Genesee Theatre offering about \$7,000,000. After discussion, on motion of Mr. Benavides to authorize Mr. Henderson to pursue the request, seconded by Mr. Binning, all members present voted aye and the Chairman declared the motion carried.

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

s/Chris Peters, Temporary Secretary

APPROVED:

s/ Henry J. Bogdala, Sr., Chairman