

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

April 21, 2010

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

The following Board members were present:

Hank Bogdala
Donald Vanderverter, Treasurer
Dale Johnson
Jorge Torres, Secretary
Jim Bierman

The following Board member was absent:

Rodger Welker
Mike Melius

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
Terri Hatton, Slip Coordinator
Barney Baker, Airport Maintenance Supervisor

Others in attendance:

David G. Brittsan, DB Aviation, Inc.
Bonnie Willms
Augie Ralph
Mark Hawn
Frank Wassis

In the absence of Dr. Welker, on motion of Mr. Bierman to appoint Hank Bogdala Chairman, seconded by Mr. Johnson, all members present voted aye and the Motion was declared carried.

1. Approval of the Board Meeting Minutes of March 17, 2010

On motion of Mr. Johnson to approve the Minutes of the March 17, 2010 board meeting, seconded by Mr. Bierman, all members present voted aye, and the Chairman declared the motion carried.

2. Approval of Checks

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

3. Financial Reports: March 2010

Mr. Henderson reviewed financial reports: Harbor revenue is off about \$27,000. Given the economic condition our situation is not bad. Slip occupancy was discussed including discussion about boater surveys, comparables to numbers last year and the age of boaters occupying Waukegan Harbor. Expenses year to date are also down from last year. Capital items were summarized. Airport revenue is off a lot largely due to interest earned. Fuel flowage is also off. Expenses are up which is not a concern at this time of year. The capital item listed is the sponsor's portion of the Environmental Assessment/Master Plan Project. Aging reports are current.

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

Mr. Brittsan arrived at the meeting.

4. Operations Reports through March 2009

Harbor operations: Fuel sales are insignificant this early in the season. The fuel pier is able to dispense fuel even though the contractor has not completed the project. Launch fees are up favorably.

Airport operations are still in negative figures although it was felt that negative single digits was favorable after the double digits of 2009. Mr. Brittsan confirmed fuel sales were good for DB Aviation in March. Customs clearances are holding steady.

Mayor Sabonjian arrived at the meeting.

On motion of Mr. Bierman to approve the Operations Reports, seconded by Mr. Torres, all members present voted aye, and the Chairman declared the motion carried.

Harbor – Unfinished Business

5. Status Reports

Mr. O'Dell reported:

The fuel pier project nearing completion had a few issues remaining: 1) the new card terminals do not function as efficiently as the old equipment. The software supplier is troubleshooting the details; 2) The fire alarm system when activated has sent intermittent trouble alarms. So far the suppliers have not located the problem but meetings are in progress with the contractor, Skipper Marine, AT&T and the electrician, Kelso-Burnett. Mr. O'Dell directed Skipper Marine to get it resolved. Public reception has been good, we are selling fuel and the pump outs are working.

The law suit from the woman injured last summer is continuing. Recently, a long list of questions from legal counsel had been answered.

The launch ramp questions discussed last month had been addressed by Mr. O'Dell meeting with Rod Miller to implement requests. Items addressed were parking modifications, making courtesy slips available, signs with emergency contact information and a life ring on site.

The beer license from the City of Waukegan will be purchased in the next week and then we follow up with application to the State.

Mr. O'Dell thanked Barney Baker for his assistance with harbor maintenance by striping the parking lot.

Mr. Henderson reported the Port District had concluded its solicitation of the CDF project to the USEPA. We now wait for a decision from the USEPA as to whether they proceed with their ROD method or our new CDF idea. He reiterated that the idea had come about to enable North Pier renovations but was pleased that the Army Corps and other agencies would benefit from the concept. The USEPA is in the process of comparing costs of the two alternatives. The project would be funded 90% by the USEPA and 10% by the State of Illinois.

Mayor Sabonjian expressed his hope that the USEPA would proceed with the CDF concept. He felt the berm option in the ROD would be an eyesore and would not benefit the City in its endeavors. A restaurant on the new island would be great especially if the name "Mathons" could be secured.

Chairman Bogdala acknowledged and thanked Mayor Sabonjian for his attendance at the Waukegan Port District meeting signifying a good working relationship between the City and the Port District.

Harbor – New Business

None

Harbor – Board/Public Commentary

Keith Koestner from Waukegan reported working with Brion O'Dell, Rod Miller and a group to improve conditions at the launch ramps. He asked if money generated from the launch ramps could go into a separate fund to pay only for launch ramp expenses. He stated he felt the boat launching public financed the entire marina including other members of the public and people using Government Pier. He delivered a note to Mr. Bogdala.

Coast Guard Auxiliarist Bonnie Willms told the board this was her third season in the marina. She requested a full refund of her slip fee due to moving out of State and requested the season be modified for Personal Water Craft Users.

Mayor Sabonjian announced awards would be given this evening to children for designing caution fish signs and extended an invitation to the event. He expressed appreciation for the neat pictures the children had submitted.

Augie Ralph of the Salmon Stop inquired if the fences on the break walls had been installed temporarily due to law suits or if they were permanent? Mr. Henderson explained they were permanent citing safety and protection of our fuel farm.

Mr. Ralph also stated the “guides” using the launch ramps are not recognized by the Coast Guard as approved captains. They should be licensed the same as Charter Boat Captains and he considered them to be illegal operators.

Mr. Bogdala announced the Waukegan Main Street Event at Genesee Theatre honoring the Mayor inviting all to attend.

Mr. Wassis departed.

Airport – Unfinished Business

6. Status Reports

Mr. Henderson reported:

The State had concluded its analysis of the condition of airport paving and suggested that Mr. Baker review the report in order to prioritize repairs.

Mr. Henderson had participated in an A.A.E. and Airport International discussion about Customs user fees imposed across the country. The two categories are: Port of Entry and User

Fee. Waukegan Regional is categorized as user fee. The conference revealed that the Chicago area airports are much better organized than the rest of the country. For example, Dallas/Ft. Worth Airports absorb the cost of customs and do not pass the fees on to their customers. Garbage disposal is also a huge issue with very specific guidelines to be followed including time limits on holding and use of a certified garbage hauler. Our annual inspection is currently in process.

Some construction projects coming up this summer include: Runway 14/32 Resurfacing starting in the next few weeks and the Rotating Beacon Replacement also starting soon and should only take about 30 days.

The sponsor fee was paid recently for the Master Plan/EA. This is a huge ongoing project in conjunction with the solution to runway safety areas and length.

A meeting had occurred recently with Stick and Rudder Club. The Club would like modifications to their use, but would need to satisfy Minimum Standards adopted by the Port District Board. The Club was directed to submit a formal request for consideration.

Mr. Henderson applauded DB Aviation and their recognition for being named in a magazine for fixed base operators across the country. This year DB Aviation was number 1 in the State of Illinois and number 32 in the nation. Mr. Brittsan was thankful for the acknowledgment and extended his appreciation to the many hard working people in his company. It meant a lot because the voters are the pilots using their services.

Airport – New Business

7. BB Building (BBB) – Approval of Construction Contract

Mr. Henderson explained the Construction Project was divided into two parts, first for Grading, Paving and Utilities through a State Contract which will not come to the board for approval, and second for the Building which is through the board requiring action. Mr. Henderson recommended approval of the Contract with Prinmar Construction. Mr. Torres asked if the loan had been finalized to pay for the project and was answered yes by Mr. Henderson.

On motion of Mr. Torres to approve execution of the Contract with Prinmar Construction, seconded by Mr. Johnson, all members present voted aye and the Chairman declared the motion carried.

Airport – Board / Public Commentary

Mr. Brittsan advised that the National Business Aircraft Association (NBAA) Event had re-scheduled from September 9 to August 18, 2010.

8. Approval of Closed Session Minutes of January 20, 2010

After discussion, Closed Session was not deemed necessary, with an explanation from Mr. Morris that the parties were working out language of settlement. The case is resolved on the basis of \$700,000 to the City of Waukegan. The Port District's share would be about \$23,000 which would be paid by the insurance carrier defending the action. He was hopeful to have final approval by a May 6 status date with the Judge. Mayor Sabonjian added that he was attempting to get approval by the May 6 date as well.

Mr. Johnson asked why the Closed Session Minutes had not been previously approved. Ms. Peters stated the Minutes had been included in the March board packet but that no action was taken at the March meeting to approve the Minutes. There have not been any changes to those Minutes as included in the March packet.

On motion of Mr. Johnson to approve Closed Session Minutes of January 20, 2010, seconded by Mr. Torres, all members present voted aye and the Chairman declared the motion carried.

9. City of Waukegan Litigation pursuant to 5 ILCS 120/2(c)(11) of the Open Meetings Act.

No action.

10. Action on City of Waukegan Litigation as the board deems necessary.

None

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

s/Jorge Torres
JORGE TORRES, Secretary

APPROVED:

s/Henry J. Bogdala, Sr.
HENRY J. BOGDALA, SR., Chairman