

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

May 12, 2010

**Waukegan Regional Airport
DB Aviation FBO, Inc. – 2nd Level Conference Room
3550 N. McAree Road – Waukegan, Illinois**

The following Board members were present:

Hank Bogdala, Acting Chairman
Donald Vanderventer, Treasurer
Jorge Torres, Secretary
Mike Melius

The following Board member was absent:

Rodger Welker
James Bierman
Dale Johnson

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
Jim Stanczak, Airport Manager
Brion O'Dell, Marina Manager
Jamie O'Meara, Chief Accountant
Barney Baker, Airport Maintenance Supervisor

Others in attendance:

Jim Barnes, DB Aviation, Inc.
Augie Ralph, The Salmon Stop
Joe Leggat
Bonnie Wilms
Keith Koestner

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

1. Approval of the Board Meeting Minutes of April 21, 2010

On motion of Mr. Torres to approve regular meeting Minutes for April 21, 2010 seconded by Mr. Melius, all members present voted aye and the chairman declared the motion carried.

2. Approval of Checks

Mr. Vanderverter reported he had previously reviewed checks and found them to be in order. Board members had some questions and after discussion, receiving satisfactory explanation, on motion of Mr. Vanderverter to approve checks, seconded by Mr. Melius, all members present voted aye, and the Chairman declared the motion passed.

3. Financial Reports: April, 2010

Mr. Henderson conducted a review of the Financial Reports as presented touching on interest earned, debt due for the BBB, extra wages due to three payroll periods in April, vehicle operations and maintenance, and that land acquisition funds had been utilized for purchases.

The Aging Reports were next discussed with board inquiry over the amount shown for Edmund Inc. The matter has been resolved but awaits preparation of a Settlement Agreement due to neglect by legal counsel for Edmund. After discussion the board members agreed that Mr. Morris should invest some time to draft and finalize the Settlement Agreement.

Marina slip occupancy drew attention with board members inquiring about a downturn over last year. Mr. O'Dell reported the season had started slow due to weather and economy. Many people simply have chosen not to launch their boats. He reported that marina staff members continue to monitor other marinas and we look at boater services regularly. Mr. Torres asked for a reason to attribute the low numbers. He felt the economy was better than last year. Mr. O'Dell answered our prices are overpriced particularly in the North Pier area. Mr. Henderson asked Mr. O'Dell to look into stats for comparable marinas in the United States.

The \$10,970 capital item to T.J. Thomas Associates, our environmental consultant, is for work on the In-Lake Containment Cell project. The payment has brought us to the funding cap previously approved. We now wait for the United States Environmental Protection Agency to make their decision.

On motion of Mr. Vanderverter to approve the Financial Reports as presented, seconded by Mr. Melius, all members present voted aye and the Chairman declared the motion carried.

4. Operations Report

The Airport Operations report has a new line item this month for operations from 2000-0600. This reflects a time period when the Air Traffic Control Tower (ATCT) is closed. Airport Security personnel collect those figures and we will now include them in our statistics. This prompted some discussion over airport activity while the ATCT was not open. Mr. Henderson explained the practice is not an anomaly to Waukegan Regional Airport, and is common practice throughout the nation. The purpose of the control tower is to handle aircraft with

divergent air speeds. Small aircraft operators are trained and expected to conduct safe operations with or without a tower.

Harbor operations compared to the airport reflect discretionary spending. Fuel sales this early are not noteworthy, but launch permits are encouraging and we are pleased with the operations.

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

Airport-Board / Public Commentary

Mr. Bogdala reported that he had met with Mr. Henderson, Ms. Peters and Mr. O'Dell at the harbor offices on several occasions about various matters.

Mr. Bogdala also expressed his congratulations to DB Aviation for their achievements.

Next Mr. Bogdala recited the list of requests from Ron Miller delivered to the Board at the last board meeting, describing items Mr. O'Dell had been able to accomplish for the fishermen.

Last, Mr. Bogdala advised the Mayor would soon replace two board members and introduced Joe Leggat. Mr. Leggat had been approved by the Waukegan City Council for installation on the Waukegan Port District Board. The second nominee had not yet been affirmed by the City Council.

Mr. Koestner inquired if the launch ramp funds could be segregated into their own account.

Mr. Torres inquired about the Waukegan Airways Lease matter. Mr. Henderson responded that their first rental payment was due July 1. The payment is a substantial sum. Waukegan Airways had previously requested an extension of time. Our response to that request has not been answered and at this point we hope to amicably terminate the lease.

Airport – Unfinished Business

5. Status Reports

Mr. Stanczak reported:

- We passed the Customs garbage inspection.
- We have three new potential sellers for land acquisition projects.
- Seeding has been done next to DB Aviation.

- He is seeking bids on crack sealing.
- An airport project status report was handed out.

Mr. Henderson elaborated on the Customs garbage inspection. The Department of Agriculture mandates procedures. Garbage can only be held from 48 to 72 hours; it must be quarantined and special bags for international garbage must be used. Garbage must be incinerated or sterilized and ultimately disposed of at an approved facility. Passing the inspection is imperative and a failure would be extremely difficult to resolve. The service is necessary for the corporate tenants and other travelers utilizing our airport. Mr. Baker who is responsible for compliance added that any person found in violation could be assessed penalties up to \$250,000. Mr. Henderson extended his compliments to Mr. Baker.

6. Approval of Agreement for Architectural, Engineering and Planning Services for Airports for the Airport Beacon and Tower, AIP Project No. 3-17-0105-B47

Mr. Henderson explained that Airport Improvement Projects require that a Contract be entered for Engineering Services and requested board approval. On motion of Mr. Torres to approve the Agreement for Architectural, Engineering and Planning Services for Airports for the Airport Beacon and Tower, AIP Project No. 3-17-0105-B47, seconded by Mr. Melius, all members present voted aye and the Chairman declared the motion carried.

Airport – New Business

None

Harbor – Board / Public Commentary

Bonnie Willms inquired about the status of her request to modify the slip terms for personal watercraft (PWC) users. She also again asked for a full refund and asked the date the docks had been set up this year for PWC. Mr. O'Dell responded the PWC docks went in the 2nd or 3rd week in April.

Keith Koestner thanked Mr. O'Dell for repairs to some holes at the launch ramps.

Harbor Unfinished Business

7. Status Reports

Mr. O'Dell reported the fuel pier is complete and we have taken delivery. He also reported the launch ramps are failing and one lane in particular has a substantial problem.

Mr. Henderson next brought attention to the settlement documentation in board packets relating to the CERCLA suit. Mr. Morris added that Mr. Sheldon's Memo, part of the documentation, indicated the matter was scheduled with the Waukegan City Council for action on May 17. Zurich Insurance has confirmed their agreement to pay the Port District's share. It

was noted the federal government will not waive their right to institute suit in CERCLA matters as a matter of policy.

Harbor New Business

None

On motion of Mr. Melius to go into Closed Session to discuss Land Acquisition Matters pursuant to 5 ILCS 120/2(c)(5) of the Open Meetings Act and City of Waukegan Litigation pursuant to 5 ILCS 120/2(c)(11) of the Open Meetings Act, seconded by Mr. Torres, on a roll call vote, all members present voted aye, namely: Messrs. Melius, Vanderverter, Torres and Bogdala, and the Chairman declared the motion carried.

Closed Session

8. Land Acquisition Matters pursuant to 5 ILCS 120/2(c)(5) of the Open Meetings Act.

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

Upon return to open session, in consideration of Mr. Morris' earlier brief on the logistics of finalizing settlement earlier in the meeting, on motion of Mr. Melius to accept the language of the Consent Decree as presented, seconded by Mr. Torres, on a roll call vote, Messrs. Torres, Vanderverter, Bogdala and Melius voted aye, no members voted nay and the Chairman declared the motion carried.

The board discussed board appointments. It was concluded that procedures should be established for replacement of board members. It appeared City Hall had replaced member seats when it was unknown whether resignations had been tendered.

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

s/Dale R. Johnson
DALE R. JOHNSON, Secretary

APPROVED:

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