

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

March 18, 2009

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

The following Board members were present:

Rodger Welker, Chairman
Donald Vanderventer, Treasurer
Jorge Torres, Secretary
Dale Johnson
Mike Melius
Pete Couvall

The following Board member was absent:

James Bierman

District Counsel present:

Thomas A. Morris, Jr.

Members of the Port District Staff present:

Duncan C. Henderson, A.A.E., Executive Director
Jim Stanczak, Airport Manager
Chris Peters, Administrative Assistant
Brion O'Dell, Marina Manager
Jamie O'Meara, Chief Accountant
Barney Baker, Airport Maintenance Supervisor

Others in attendance:

Ron Hudson, Hanson Professional Services
Larry Walker, Waukegan Yacht Services, Inc.
Bert Atkinson, Commercial Boater
Augie Ralph, The Salmon Stop
David G. Brittsan, DB Aviation, Inc.

Chairman Welker called the meeting to order at 9:00 A.M.

1. Approval of the Board Meeting Minutes of February 18, 2009

On motion of Mr. Johnson to approve regular meeting Minutes for February 18, 2009, seconded by Mr. Vanderverter, all members present voted aye and the chairman declared the motion carried.

Mr. Couvall arrived at the meeting.

2. Approval of Closed Session Board Meeting Minutes of February 18, 2009

On motion of Mr. Torres to approve closed session Minutes of February 18, 2009, seconded by Mr. Johnson, all members present voted aye, and the Chairman declared the motion passed.

3. Approval of Checks

Mr. Vanderverter reported he had reviewed checks with Ms. O'Meara. After board discussion, on motion of Mr. Melius to approve checks, seconded by Mr. Vanderverter, all members present voted aye, and the Chairman declared the motion passed.

Mr. Morris arrived at the meeting.

4. Financial Reports: February 2009

Mr. Henderson reviewed the airport revenue report showing jet fuel flowage skewed due to a delivery to Baxter. Expenses are as expected and we are still awaiting legal resolution to the Edmund Inc. matter.

Harbor revenue is down slightly due to declining slip occupancy. Dr. Welker questioned lease figures from 2008 to 2009. Ms. O'Meara contributed that was likely due to a tonnage payment in 2008 that had not been received in 2009. Harbor expenses are down slightly. The capital item to TapCo is for the auto launch gate being installed. Lower slip occupancy was discussed. New occupants had been anticipated for newly renovated piers, and in fact existing tenants had moved over to the new piers. The result is a less desirable product for potential new customers.

5. Operations Report

There are no harbor operations to report this month. Airport operations are down about ten percent. Local operations are up indicating the flight schools are picking up. We have picked up one based aircraft. Brunswick is closing their flight department although they still have a few planes on site. Dave Brittsan reported that DB has properly predicted their market position.

Item 10 discussed out of order.

Harbor New Business

10. Adjustment of Fuel Price

The board elected to consider item 10 at this time as an accommodation to the boater attendees. The fuel adjustment under consideration was due to the much higher cost of fuel at the end of the 2008 season. Our price is now substantially higher than market. A reduction of our normal 21¢ margin to a 5¢ margin was being proposed to compensate until the next fuel delivery and a recalculation of the fuel price. The board considered the amount of fuel on hand and noted that in prior situations where cost had increased the Port District had declined to raise prices to increase the margin.

Harbor – Board / Public Commentary

Bert Atkinson addressed the board questioning procedures surrounding the new launch ramp gate as did Mr. Ralph. Mr. O'Dell addressed their concerns explaining the gate procedure, security measures and other considerations for the project.

Mr. Walker thanked the board for consideration of his longer term lease.

Airport – Unfinished Business

6. Status Reports

Mr. Stanczak reported we are awaiting permits for the SRE project. The City's requirement of two water systems had caused a delay. Mr. Hudson explained the City had a method of shutting down water for non-payment but protecting fire fighting abilities. We have resolved the issue by adding a new section of pipe.

Water loop – its out there but pressure cannot be increased because it would blow out residential meters. Mr. Henderson reported that our records do indicate we have paid for the loop.

Environmental screening – waiting on IDOA and FAA. Mr. Henderson complimented Mr. Hudson on his handling of the questions presented by the FAA on the environmental process.

Looking at more land acquisition. Demolition is done on Routt and Kruse. ITARP is here now doing assessments, checking for arrows.

Taxiway A east (some cracks) west (being completed).

Fuel pricing report is in the packet.

Survey for 14/32 – go with overlay so as not to jeopardize funding on SRE and fencing.

Rotating Beacon – cannot install on tower, considering putting on a stand and locating it next to vault.

Fire gate issue: in progress.

Mr. Henderson inquired of Mr. Baker about the status of an airport capital item. Mr. Baker reported the truck has been purchased awaiting delivery.

Dr. Welker asked about 14/32 improvements. Mr. Hudson reported it will be done entirely with stimulus money.

Airport – New Business

None

Airport-Board / Public Commentary

Mr. Brittsan concurred with Mr. Henderson that the aviation industry is dealing with the economy just like everyone else but DB Aviation remains optimistic.

Harbor Unfinished Business

7. Approval of Gillen Lease

The Gillen Lease has been presented for review and is a renewal of their existing Lease for a new three year term. The Board discussed the tenant and the disrepair of the building. On motion of Mr. Johnson to approve the Gillen Lease renewal subject to legal review, seconded by Mr. Melius, all members present voted aye and the Chairman declared the motion carried.

8. Approval of Waukegan Yacht Services Lease and Fee Agreement

The Waukegan Yacht Services Lease and Fee Agreement are being extended for a three year term as requested at a prior board meeting by Larry Walker. On motion of Mr. Johnson to approve the Waukegan Yacht Services Lease and Fee Agreement renewal subject to legal review, seconded by Mr. Melius, all members present voted aye and the Chairman declared the motion carried.

9. Status Reports

Mr. O'Dell reported the launch ramp gate construction was commencing today and the fuel pier is ready to proceed on schedule in October. We still have ice in the marina, but once it

melts the season will begin. There is some ice damage in the harbors, which will be addressed when weather conditions permit. The floating piers performed very well over the winter.

There being no further business, Dr. Welker called for a motion to adjourn. On motion of Mr. Johnson to adjourn the meeting, seconded by Mr. Vanderverter, all members present voted aye, the Chairman declared the motion carried and the meeting adjourned.

s/Jorge Torres
Secretary

APPROVED:

s/RODGER WELKER
Chairman