

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

April 15, 2009

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

The following Board members were present:

Rodger Welker, Chairman
Donald Vanderverter, Treasurer
Jorge Torres, Secretary
Jim Bierman
Pete Couvall
Mike Melius

The following Board member was absent:

Dale Johnson

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
Barney Baker, Airport Maintenance Supervisor
Dan Oestreich, Harbor Maintenance Supervisor
Terri Hatton, Slip Coordinator
Sue Petty, Boater Services

Others in attendance:

Ron Hudson, Hanson Professional Services
David G. Brittsan, DB Aviation, Inc.
Augie Ralph, Salmon Stop
Ken Avellino, Waukegan Boat Works
Ray Avellino, Waukegan Boat Works
Paul Biehl, Boater

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

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

On motion of Mr. Vanderverter to approve the Minutes of the March 18, 2009 board meeting, seconded by Mr. Melius, Dr. Welker and Messrs. Vanderverter, Couvall, Melius and Torres voted aye. Mr. Bierman voted present. The Chairman declared the motion carried.

2. Approval of Checks

Mr. Vanderverter reported he had reviewed checks with Ms. O'Meara. Questions were presented and discussed in detail by the board members to include CERCLA fees and method of billing. Messrs. Couvall and Bierman expressed an opinion that legal counsel was unnecessary at board meetings. After discussion it was agreed that legal counsel should attend meetings. On motion of Mr. Vanderverter to approve of checks, seconded by Mr. Torres, Mr. Bierman voted nay and Dr. Welker, and Messrs. Torres, Vanderverter, Melius, and Couvall voted aye. The Chairman declared the motion carried.

3. Financial Reports: March 2009

At Mr. Henderson's request, Mr. O'Dell gave a report on slip occupancy. Board discussion included those percentages and pier conditions as well as weather affecting the season start and the economy. Ms. Hatton confirmed there had been cancellations due to job losses. Financial and Aging Reports were reviewed as presented.

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

4. Operations Reports through March 2009

Harbor Operations are just starting up for the year. Airport Operations are off about 16% balanced between local and itinerant. Brunswick has pulled their flight department. Customs shows decreases as well.

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.

Harbor – Unfinished Business

5. Status Reports

Mr. O'Dell reported water is being turned on today for north and south piers. North Harbor will be turned on Thursday. Work will be proceeding on repairs needed in North Harbor as a result of the winter ice. Gillen will re-drive the ice jacked pile after a postponement due to mechanical difficulties. Lack of materials has delayed siding the balance of the HCB. Board members may pick up new key cards today.

The launch ramp project is progressing well with a few IT issues. Cameras for security have been installed and all transactions can be monitored through the new system. We have plenty of feedback on the project, most positive. Mr. O'Dell expressed his appreciation for the extraordinary efforts expended by Ms. O'Meara and Mr. Oestreich. Their attention to details and troubleshooting has been invaluable to the success of the project.

Mr. Henderson reported a meeting with Ginny Wood on an Epay program being offered through the State of Illinois for various fees. The system will allow our customers to pay bills on-line.

Waukegan Main Street through Ms. O'Meara invited the Board to attend the Mayor's Luncheon on May 18, 2009.

Harbor – New Business

None

Harbor – Board/Public Commentary

Paul Biehl asked for the amount of unreimbursed expenses on CERCLA. He also pointed out that it was his opinion that the percentage drop in rental was due to our fees being higher than the competition. Ms. O'Meara responded that she would check her records on the CERCLA expenses.

Ken Avellino of Waukegan Boat Works expressed his dissatisfaction with the automated launch ramp gate. He felt it adversely affected his business and asked for accommodations. Dr. Welker asked Port District Staff if we could accommodate Mr. Avellino and Mr. O'Dell responded that he had done so.

Augie Ralph of the Salmon Stop next addressed the board. He questioned launch gate issues and acknowledged customer service issues for associated businesses. He also felt the launch gate impeded parking and expressed concern for Waukegan Yacht Services and their business. Mr. Ralph complained about fishermen casting and damaging his boat which is an ongoing issue. He agreed to alert security to casting damage.

Mr. Morris next responded to the question presented earlier about cost of legal fees. His work was requested as follows:

- Sales tax liability for WCAF ramp work
- Adverse possession: issues regarding airport projects - abandoned roadway
- Ticket form – re: summary issues - legality of fees
- Eminent Domain – port district / city
- Congressman Kirk's appearance in Waukegan

- Response to Board residency question
- North Shore Gas – contamination
- Historical search re: water looping at airport with city
- Coordination with EPA re: harbor cleanup issues not directly related to lawsuit.
- Mr. Morris' time coordinating with Mr. Henderson and Ms. Spillane on City suit issues.
- Subordination re: Easements

Mr. Morris then gave a recap of activity in the City Case since inception as related to legal bills and reimbursement. Mr. Melius suggested that we request Brad West look into the reimbursement matter.

The Board discussed availability of stimulus money and whether any funds were allocated to harbors. Mr. Couvall commented that the first phase of stimulus funding is for shovel ready projects. Mr. Hudson said that work had to be obligated by September 30 and that harbors and marinas are specifically forbidden under the act. Mr. Henderson stated that he and Port District staff routinely investigate grant money sources.

The board discussed the recent election and the effects of a new Mayor in Waukegan.

Airport – Unfinished Business

6. Approval of Acquisition of land at 12558 W. Hart St., Beach Park IL (Ray)

Mr. Henderson briefed the board on the Ray property. The property is included in the Master Plan and we do have funds available to complete the purchase. After board discussion, on motion of Mr. Melius to approve the acquisition of the Ray property, seconded by Mr. Vanderverter, all members present voted aye and the Chairman declared the motion carried.

7. Status Reports

Mr. Henderson presented the DOPAA, Description of Proposed Action and Alternatives, for conceptual alternatives to runway issues. The DOPAA is authored by Ron Hudson and is required and has been submitted to the Division of Aeronautics. The DOPPA enabled the Division's decision to proceed based on an Environmental Assessment. Mr. Hudson anticipated an 18 month turnaround time once the FAA is ready to make a recommendation. Mr. Henderson applauded Mr. Hudson's work on the DOPAA and his accommodation of the requests of the Division.

Mr. Couvall discussed County Board activity in the context of runway expansion with Mr. Hudson.

Mr. Bierman asked if there was stimulus money for UGN. Mr. Hudson responded the SRE was not included in the stimulus package but runway 14/32 is eligible. Mr. Henderson reported that he is shopping financing for the SRE. The original estimate was \$1,000,000 and the cost is now at \$1,600,000,000. Mr. Bierman also inquired if there is any 80/20 state funding— and it was reported that none is available at this time.

Mr. Baker reported that replacement of the rotating beacon is in progress. Consideration had been given to relocating the beacon, but a final location acceptable to the air traffic control tower has not been determined. Hanson Engineering is working with the State now to let the project. The new tractor will be delivered soon.

Airport – New Business

None

Airport – Board / Public Commentary

Mr. Henderson congratulated Mr. Brittsan on DB Aviation's outstanding rating of 36 in the country and #1 in the State of Illinois. Mr. Brittsan commented that the rating mentioned is by pilots that have to give a user ID and password to participate in the survey. The Board of Directors extolled their congratulations on Mr. Brittsan.

There being no further business, on motion of Mr. Melius 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
JORGE TORRES, Secretary

APPROVED:

s/James Bierman
JAMES BIERMAN, Acting Chairman