

## MINUTES

### WAUKEGAN PORT DISTRICT

Board Meeting of Wednesday, September 16, 2009  
9:00 A.M.

DB Aviation FBO, Inc. – 2<sup>nd</sup> Level Conference Room  
3550 N. McAree Road – Waukegan, Illinois

**The following Board members were present:**

Rodger Welker, Chairman  
Jim Bierman  
Donald Vanderverter, Treasurer  
Dale Johnson  
Jorge Torres, Secretary  
Mike Melius

**The following Board member was absent:**

Hank Bogdala

**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  
Terri Hatton, Slip Coordinator  
Barney Baker, Airport Maintenance Supervisor

**Others in attendance:**

Jim Barnes, DB Aviation  
Dennis Banner, Advisory Committee Waukegan Airshow  
Grant Ferrell, Waukegan Airshow  
Skip Goss, Skill Aviation  
Augie Ralph, The Salmon Stop  
Ron Hudson, Hanson Professional Services  
Ray Avellino, Harbor Tenant

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

1. Approval of Regular Board Meeting Minutes of August 19, 2009

On motion of Mr. Torres to approve Minutes of August 19, 2009, seconded by Mr. Vanderverter, all members present voted aye and the Chairman declared the motion carried.

2. Approval of checks.

After discussion of various checks, on motion of Mr. Vanderverter to approve checks, seconded by Mr. Melius, all members present voted aye and the Chairman declared the motion carried.

3. Financial Reports: August 2009

Mr. Henderson presented a review of the Airport Revenue and Expense reports including the Aging Report. Edmund Inc. continues in litigation largely due to failure of the Plaintiff to respond to settlement inquiries. The Board generally discussed options for the litigation.

Mr. Henderson also reviewed Harbor Revenue and Expenses. Interest revenue is down due to use of borrowed funds on the new docks. Expenses are down due to fuel sales. Mr. Melius questioned the promotions expenses which were attributed to the boater appreciation party. The cost of the party at about \$9 per person with about 600 people attending is considered a necessary, appreciated and most productive use of funds promoting much good will with slip holders.

On motion of Mr. Melius to approve August 2009 financial reports, seconded by Mr. Johnson, all members present voted aye and the Chairman declared the motion carried.

4. Audit Report: Year End 2008

Ms. O'Meara summarized some of the particulars relating to the audit report. The \$5,100 harbor cash over/short account was explained as the safe theft. Ms. O'Meara also explained that the depreciation of the 1983-1985 construction had been depreciated over different periods of time. With the south pier project we determined to take a one time write off on the old docks which can be viewed on page 19 of the harbor fund.

The Board discussed various factors and took note that there were no recommendations from the accountant for action. On motion of Mr. Johnson to accept the Audit Report for year end 2008, seconded by Mr. Vanderverter, all members present voted aye and the Chairman declared the motion carried.

5. Operations Reports: August 2009

Airport operations are down 18% which is similarly reflected in fuel delivery. Mr. Barnes of DB Aviation commented on operations stating that we are doing well compared to the rest of the country which is off by 30%.

Harbor operations indicate fuel sales are up slightly reflective of a decreased cost of fuel. Launch ramp numbers are good attributed to the new automation.

On motion of Mr. Torres to approve August 2009 Operations Reports, seconded by Mr. Vanderverter, all members present voted aye and the Chairman declared the motion carried.

Airport – Board/Public Commentary

Grant Ferrell thanked the Port District and Board of Directors for their support of the Air Show. He reported they had faced some challenges this year but anticipate a good show. Acts will include a

wing walker, jet truck and moving porta potty, Super Chipmunks, a T-6, the Aerostar Team, Russian built, not fast and good for the audience. Also various planes have been flying around to pump up attendance. The date for next year has already been established for September 11, 2010 and they are excited about planning promotions anticipating participation with the City of Waukegan, Waukegan Fire Department, etc. Mr. Ferrell also thanked Jeff Clark, Skip Goss and Denny Banner for their participation and contributions to the Air Show.

#### Airport - Unfinished Business

##### 6. 2009 Waukegan Air Show

Mr. Stanczak reported that vendors are set up, police services have been contracted. The Sheriff's Auxiliary and Citizens Police Academy are helping with traffic control. There will be a \$5 admission fee to help recoup costs. Skip Goss has been working with Larry Leafblad on advertising the event. He reported that many performers were lost due to the required proof of insurance.

Mr. Banner spoke to the Air Show's timeline. He stated preparations began about 5 months ago. Many people, especially about 4 or 5 people donated a substantial amount of time to the event; he expressed his dismay over the loss of about half the expected performers citing insurance requirements. He admonished various local government agencies in their efforts at cost recovery and saluted Mr. Stanczak for his efforts.

##### 7. Status Reports

Mr. Stanczak reported that the WCAF is making good progress on their project. The ramp is in, fuel tanks have been covered, landscaping is in progress, and the maintenance building is under construction. Maintenance staff have done a fabulous job on the grounds, they are in pristine condition. Runway 14/32 project is waiting for stimulus funds. He reported attending the TIP meeting in Springfield and a Lake County Forest Preserve Meeting discussing Waukegan Savannah plans.

Mr. Henderson conveyed concern over commencement of the 14/32 Project so close to inclement weather. Having the runway unusable during the winter is not acceptable. Mr. Hudson acquiesced but advised there is a requirement to commence construction within 30 days of the bid award. It was agreed that it would be advisable to start the project this year without tearing up the runway anticipating completion in Spring 2010. Paramount concern is to maintain project integrity.

Mr. Hudson reported on Master Planning and a request from the IDOA to submit the entire plan versus a phased approach. We have \$1.2 million in earmarks with the Master Plan being \$800,000. We are hopeful to use the balance for our SRE building.

The beacon project is continuing with a 20 page State requirement for the Contractor. The specified pole is a 12 week item and will probably be installed in March.

Mr. Bierman inquired about the Forest Preserve meeting and control of 10,000 feet of land. Mr. Henderson responded that 10,000 feet is the subject of an Advisory Circular from the FAA. Any entity receiving federal funds is bound by FAA Advisory Circulars. The Forest Preserve called for the meeting to determine their Master Plan for Waukegan Savanna. All parties would be well served by reaching a mutual agreement.

Airport - New Business

None

Harbor– Board/Public Commentary

None

Harbor - Unfinished Business

8. 2010 Slip Rates

It was reported that North Point Marina had sent out their renewal packages for 2010 with no fee increase. Mr. O'Dell reported that he had reviewed harbor revenue and expenses and was able to achieve cost savings based on his Memo of September 11, 2009 to the board. Taking that into consideration and after further discussion relating to the 2010 budget which is tied to insurance renewals which are not yet known, and the fact that the new dock borrowing cost is offset because the old City loan has been paid in full, the board concurred with Port District staff in their recommendation of no increase for the 2010 season.

On motion of Mr. Johnson for no fee increase to the 2010 slip rates contingent on the increases to other fees in Mr. O'Dell's Memorandum, seconded by Mr. Melius, all members present voted aye and the Chairman declared the motion carried.

9. Status Reports

Mr. O'Dell reported a spurt of weed growth in the harbors. DNR permits spraying, but under close scrutiny. Normally this is done in two applications a few weeks apart. This year the DNR representative felt the weeds were under control after one spraying and would not permit the second application. Unfortunately, the weeds took off late in the season and we have been inundated with boater complaints. The weeds essentially have strangled the boats, power and sail alike. We have launched the weed harvester, a stop gap measure, but one that hopefully will appease the boaters for the rest of the season. We have been in contact with the DNR to make sure they are aware of the invasive weed action.

The Pre-Construction meeting for the fuel dock is scheduled for Monday. The docks have been delivered and are being assembled in the North Harbor at the Gillen Tug Boat site. Demolition is scheduled to begin October 1. We are hopeful the project will be complete by Thanksgiving. The scheduled completion date for the contractor is December 30, 2009.

Mr. Henderson reported the City law suit continues. We received notification the City has filed a new Complaint in the matter. Mr. Morris briefed the board on the filings and legal actions. The city has alleged that \$30,000,000 in costs have been incurred, but have only enumerated about \$1,000,000. Zurich Insurance continues to carry the litigation.

Mr. Henderson also reported meeting with the EPA on harbor cleanup. North Marina would have to be removed for clean-up and a CDF is a possibility for dredge. No resolutions were reached as it is problematic coordinating the matter with three agencies such as the Army Corps, USEPA and ILEPA. The cost of the CDF has not been agreed upon. If hydraulic dredging is used de-watering is a problem.

ILEPA has a problem with the amount of ammonia going in and out of the water. So far, no concrete conclusions have been reached. Waukegan Port District supports the CDF concept.

Harbor - New Business

None

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. The meeting adjourned.

s/Jorge Torres  
JORGE TORRES, Secretary

APPROVED:

s/Rodger Welker  
RODGER WELKER, Chairman