

**MICHIGAN CITY PORT AUTHORITY
BOARD OF DIRECTORS MEETING**

January 22, 2007

TIME & PLACE

The regular meeting of the Michigan City Port Authority Board of Directors was called to order at 5:00 p.m. in the Port Authority board room.

PRESIDING OFFICER & ATTENDANCE

President James Jaksa presided. Board members in attendance included James Cadwell, John Haynes, Sam Johns, John Quinn and Linda Simmons. Harbormaster Tim Frame, Assistant Harbormaster of Administration Mary Ann Pawlicke and Assistant Harbormaster of Operations Bob Kavanaugh were also in attendance.

Board member James Baldwin was unable to attend this meeting.

Attorney Jeffery Katz was not asked to attend this meeting.

Guests in attendance included Alan Bigelow, Mike Hampel, Ernie Piotrowski and Tom Milcerak from the Michigan City Park Department Board of Directors.

MINUTES

Upon motion made by Sam Johns, seconded by John Quinn, the board approved the minutes to the previous meeting.

Board President James Jaksa informed the board that upon discussion from the previous meeting, guest comments will be heard both prior to and after board deliberations.

GUEST COMMENTS

Mike Hampel inquired about the expansion of the marina café by the Michigan City Yacht Club, stating he felt it would not be feasible due to the Yacht Clubs current financial difficulties, and if so, would improvements fall to the taxpayers. Mr. Jaksa informed him whatever improvements are made on the building by an individual other than the Port Authority, will become Port Authority property and written into such an agreement, with any financial institution having claim subsequently.

Ernie Piotrowski stated to the board he felt the notification of the Charter Boat surcharge had been ill-timed, which prevented boaters from being in a position to make a decision or other arrangements. In addition he inquired as to why slip size was a determining factor versus any other criteria as opposed to a flat rate currently charged to marina service providers. Mr. Piotrowski went on to state this decision could cause charters to leave the harbor, costing valuable revenue. He recommended the board review the policy and appeal in its entirety.

Alan Bigelow from Cheers Sailboat Charters informed the board he has been a marina slip holder since 1975, and as such has accepted normal rate increases over the years. However he agreed with Mr. Piotrowski that to receive an amended agreement after the initial renewal notice was sent, is unethical, and also agrees that there is no correlation to basing the surcharge on the slip size.

Mr. Piotrowski also reported that the non-skid paint along the 700 Dock finger piers has worn; consequently several customers have fallen causing potential problems for boaters and the Port Authority, and requested these piers be maintained. Mr. Bigelow also stated as a previous dock committee representative, this issue is not a new one and feels it should be given careful consideration.

BILLS

Upon motion made by John Quinn, seconded by James Cadwell, the board approved payment of the bills as presented.

REPORT FROM HARBORMASTER

Harbormaster Tim Frame informed the board Symon Lobsang from Lobsang Studios has installed the first module of our new marina software program and conducted a tutorial on Friday, January 19, 2007.

Harbormaster Frame informed the board that sand removal and management continues to be an issue for the Port Authority staff; currently using the Bob-Cat along with shovels. Although the Park Department on occasion agrees to assist for a fee, they are not always available as needed; Harbormaster Frame recommended the purchase of a tractor to deal with sand management, not to exceed an amount of \$23,000.00.

Upon motion made by Sam Johns, seconded by John Quinn, the board approved the purchase of a tractor with the appropriate attachments, not to exceed a cost of \$23,000.00.

Harbormaster Frame informed the board the new security cameras for Trail Creek Marina are scheduled to be installed on Tuesday, January 23, 2007.

Per inquiry from Linda Simmons, Harbormaster Frame informed the board the delivery of the handicapped chair lift has been delayed due to a faulty hinge which had been upgraded. Delivery time is approximately two (2) weeks.

REPORT FROM ASSISTANT HARBORMASTERS

Assistant Harbormaster of Operations Bob Kavanaugh, on behalf of the Trail Creek staff, thanked the board for the purchase of the new Band-Saw which they received on Thursday, January 18, 2007.

Assistant Harbormaster Kavanaugh informed the board the staff has begun the 2nd stage of dock refurbishing at Sprague Pointe Marina.

Assistant Harbormaster Kavanaugh informed the board the staff has gone 660 days, 7,375 hours without a lost time accident.

Due to an inquiry from Mike Hampel at the previous meeting, Assistant Harbormaster Kavanaugh reviewed a report with the board, of all 700 Dock work orders submitted during the 2005 and 2006 seasons. He reported only seven (7) actual requests were made by slip holders asking that their docks be painted; all of which had been completed. Assistant Kavanaugh suggested that the whole dock be painted in the spring; however it may not be completed until the end of May due to weather conditions and temperatures and the launch schedule. In addition, the staff is unable to complete the work while boats are docked and went on to suggest any slip holder arriving prior to completion be temporarily relocated. John Haynes inquired if the work could be contracted out, however the same conditions would apply; Mr. Jakska stated it was an issue the board was aware of and would address possible vendors to complete.

Assistant Harbormaster of Administration Mary Ann Pawlicke informed the board the *Record Retention Policy* was near completion and along with the list of accompanying documents, will be available at the next board meeting.

Assistant Harbormaster Pawlicke informed the board the office will be closed on February 19, 2007 in observance of *Presidents Day*; February meetings are scheduled for the 12th and 26th of the month.

Assistant Harbormaster Pawlicke submitted the *Open Balance Report* to the board.

COMMITTEE REPORTS

There was no report for the Budget and Financial Oversight Committee.

On Behalf of the Claims and Insurance Committee, Linda Simmons informed the board that the payment to General Insurance was divided as follows:

- Umbrella Policy - \$25,625.00
- Package Policy - \$86,315.00

Mrs. Simmons informed the board the 2007 Terrorism Package in the amount of \$2,697.00 was declined. Additional numbers for both the Public Official Policy and the Excess Marine Operators Policy will be available at the February 26th board meeting.

Sam Johns advised Mrs. Simmons that once the new tractor has been purchased, it will need to be included in the policy.

On behalf of the Master Planning and Special Projects Committee, Sam Johns complimented the staff on their progress with the off-season projects.

On behalf of the boater Communications, Special Events and Advertising Committee, John Haynes had nothing to report.

On behalf of the Port Operations, Personnel and Marina Policy Committee, John Quinn reviewed the 2007 employee salary schedule and P.E.R.F. changes (report included with minutes), and advised they be approved.

Upon motion made by John Quinn, seconded by James Cadwell, the board approved the 2007 salary schedule as presented.

Mr. Quinn advised that a 3% cost of living increase be approved for full time employees to match the City's pay raise.

Upon motion made by John Quinn, seconded by James Cadwell, the board approved a 3% cost of living increase for full time employees.

In reference to the Merit Evaluation System, Mr. Quinn informed the board the Port Operations Committee is requesting to grant up to an additional 5% increase for an accomplished evaluation and up to an additional 10% increase for an exceptional evaluation.

Upon motion made by John Quinn, seconded by James Cadwell, the board moved to grant the board president the discretion of increasing the salary up to 10% for exceptional and 5% for accomplished.

Upon motion made by John Quinn, seconded by Linda Simmons, the board approved to increase the attorney compensation to \$7, 000.00 for the 2007 year.

Mr. Quinn informed the board that he along with Mr. Jaksa had met with Mike Hampel and Steve Kreighbaum regarding the charter boat surcharge. It had been decided they would meet once a month, prior to the regular board meeting, to discuss any issues they had. Based upon their meeting, Mr. Quinn went on to recommend the current 15% surcharge be maintained for the next two (2) years.

Upon motion made by John Quinn, seconded by James Cadwell, the board approved to maintain the 15% surcharge for the 2007 and 2008 seasons.

Upon motion made by John Quinn, seconded by Linda Simmons, the board approved to extend the season for the Charter Boats April 1st through November 30th at no extra charge.

Mr. Quinn also assured the group that the board would address the issues raised by the Charter Association.

OLD BUSINESS

Mr. Jakska advised the board that one member sign up each month to attend a Park Department board meeting as many Port Authority projects are done in conjunction with the Park Department.

NEW BUSINESS

There was no new business to discuss at this meeting.

GUEST COMMENTS

Mike Hampel requested a more detailed agenda be made available to guests prior to the meetings, so they can prepare comments on individual issues, such as the purchase of a new tractor and salary changes.

Ernie Piotrowski suggested a cost analysis be prepared based on the percentage of usage throughout the year, prior to purchasing the tractor. Mr. Johns informed the group that an analysis had been done based on what was currently being spent on sand removal maintenance and stated they predict a five (5) year payback period on the equipment as a good investment.

Alan Bigelow reiterated his statement regarding the ill-timed notification of the additional surcharge to charter boats.

Mr. Jakska stated he felt, along with Mr. Quinn, that the meeting held with the Charter Association was an informative one, and although both sides may at times disagree, he advised they keep the lines of communication open and invited anyone from the Charter Association to attend these meetings.

ADJOURNMENT

Upon motion made by John Quinn, seconded by Sam Johns, the meeting was adjourned at 6:00 p.m.

Respectfully submitted,

James Cadwell, Board Secretary

Approved On: _____
Date

By: _____
James Jakska, Board President