

Jo-Carroll Depot LRA Board of Directors
Meeting Minutes
3:00 p.m., Wednesday, July 11, 2018

1. **Call to Order** -The meeting was called to order at 3:00 p.m. by Chairman Steve Keeffer on Wednesday, July 11, 2018 at the Jo-Carroll Depot LRA Conference Room, 18901 B Street, Savanna, Illinois.
2. **Roll Call** was answered as follows - Present: Don Crawford, Paul Hartman, Steve Keeffer, Kevin Reibel, Bill McFadden, Ron Smith, Bill Wright and Bill Robinson. LRA Staff present: Mara Roche. Attorney present: Phil Jensen. Guests present: Gary Frederick (Fluidic MicroControls), Amiee Martelle (Riverport Railroad), Tim Schoenig, Dan Sproule, Mark Hogan
3. **Pledge of Allegiance** was recited.
4. **Agenda Additions** – Bill Robinson made a to amend Executive Session to include (C) 1. Appointment, compensation and employment of specific employee. The motion was seconded by Bill McFadden. Motion passed by voice vote.
5. **Approval of June 6, 2018 Minutes: minutes not yet complete and still in draft format due to only 1 on staff and workload. Will add to next month's agenda. Motion to table minutes was made by Paul Hartman, seconded by Bill Robinson. Motion passed by voice vote.**

6. **Old Business:**

A. Review Bids for Building 9 Asbestos Abatement Rebid:

Last month a motion was made to reject all bids and put the Asbestos Abatement portion out for rebid and also received a letter from the Potempas in relation to their interest in purchasing for renovation of building 9.

Staff prepared an addendum for rebid and received resubmittals from 2 contractors.

Re-bids were opened July 9th with responses from two of the same contractors at a lesser cost. A third contractor also provided an alternate bid for the project but we unsure if we can accept due to the scope of work that was provided. Will need guidance on that bid from Attorney Jensen.

At this time (3:04) Brian Potempa arrived. The board was asked if they would like to continue the discussion on the bids or hear from Brian Potempa first.

The members agreed to hear from Brian Potempa first.

The LRA staff provide a walk-thru for the Potempas several months ago and they have since spoken with a few contractors with the actions needed to be taken to take care of the roof and front porch to preserve the building while they rehab it. The LRA also allowed them, at their own expense, to put a temporary patch on the roof while they were investigating the idea.

Brian feels it is a good opportunity for their Drive Golf company and would like to renovate the building very similar to a building at White Eagle Golf Club in Naperville. He would take the steps yet this year to tear the front porch off and re-roof the building.

Mrs. Roche asked Brian if he had any idea of the investment or timeline to fully rehab the building.

Brian felt they would have to invest as much as they did in their current building (headquarters).

Chairman Keefer asked what their eventual use of the building would be.

Brian stated they have 14 different companies that are umbrella companies, so they would lease out office space to them as well as a space for their Drive Golf business. Sales, office space.

Board member Bill Wright asked the window of time that they are looking to start and finish.

Brian stated he would need to take care of the front porch and roof immediately.

Board member Bill Wright asked how long they felt it would take to get those business in building 9.

Brian feels they can have it buttoned up and looking beautiful on the outside within a year, but the inside is going to take some work.

Many of the board members have seen the work they have done on their current building and that is the same quality they plan for building 9.

Board member Paul Hartman questioned what their original proposal was. Chairman Keefer stated they offered \$1,000 for the building in the letter presented last month.

Board member Paul Hartman asked what protection would we have that within 1 year they will get the outside done?

Attorney Jensen stated we have done things similar in the past. We have put maintenance obligations and imposed arbitrary purchase prices with the opportunity to buy down until the purchase is made. This would allow us to retain the ability to enforce. We don't want to give it for \$1,000 and then it sits and isn't utilized.

Brian stated that is not his intention, he wants to resurrect this area in to manufacturing and has put his own money into everything and has never had to go to a bank for anything that they have done on this property and stated he is a man of his word. What I really want and need is extra space so we can bring some opportunity for the golf company.

Gary Frederick, who has previously pleaded that the LRA continue to move forward with the demolition of the building, asked if the board would field questions at this time.

Chairman Keeffer allowed comments.

Gary stated that what anyone does to this building has a major impact on his property as it sits right next door. He feels Brian is a great neighbor and has been meaning to speak with him about this building. If the LRA can make sure contractually that he does what he is stating he will do, I support that. My big concern is that the renovation won't happen. This needs to be in contract, black and white. I don't feel I will be able to sell my building if that building is not demolished. I've tried before, just mainly to have it documented. Gary would like to speak with Brian to let him know where he stands and how they can work together.

Port Authority member Bill Jahnke suggested to Attorney Jensen that maybe we could grant an Option Agreement for \$1,000 down the LRA will grant title at the 12 month mark if certain improvements are done to our satisfaction then they obtain ownership.

Attorney Jensen stated he was thinking of a Lease Purchase Agreement where we retain ownership but stipulate benchmarks reached in contractual work we will convey.

Bill Jahnke said since it is going to be a cash deal so there is no bank involved needing security so a lease purchase or option agreement will allow the LRA to retain control.

Chairman Keeffer ask Brian how he felt about that.

Brian stated he was OK with that but that the only stipulation was that it not include the interior stuff because he doesn't know what it includes right now.

Chairman Keeffer stated that at this time he thinks the only thing we are concerned about is the outside as that is what is affecting Gary's sale.

Gary stated that there is another problem because there are not enough people using the sewer to keep it flowing and sooner or later he feels there are going to be major problems if we don't get people using the system. He said he has signs that it is going to happen to many people in his area and there seem to be people moving out all the time. I think it is not a matter of just fixing the outside and if Brian tears it down I hope he has plans of having someone build there because something has to be done with that whole area.

Brian said the idea is that it is in my court now, to be honest I don't know what kind of can of worms I'm opening and whether it need to be tore down.

Attorney Jensen asked how many people they would have in there if it is a call center. Brian said they have 40 desks.

Amiee Martelle stated this would mirror the agreement that they had when they purchased property in 3B where they had to tear down the theatre and build a new building before they could get ownership, correct?

Chairman Keeffer stated that since our main concern is that this is an eyesore which means the outside, not the inside. The way I'm looking at it we will pay over \$100,000 to tear it down vs we get paid \$1,000 to fix it up.

Mara Roche reminded the board that the LRA is still under a Moratorium on property until the new reuse plan is signed off on. We need to be cautious of setting a precedence.

Board member Ron Smith said he would be in favor of the Attorney drafting up an agreement that he detailed earlier.

Bill McFadden made a motion, seconded by Bill Wright to accept the proposal from Brian Potempa and have Attorney Jensen draw up the agreement.

Roll call vote: Don Crawford – Yes; Paul Hartman – No; Steve Keeffer – Yes, Kevin Reibel – Yes; Bill Robinson – Yes; Ron Smith – Yes; Bill Wright – Yes; Bill McFadden – Yes

Motion passed.

Brian Potempa left at 3:31

Dan Sproule stated you are having us put up a bond for the demolition so you might want to think about having them put up a bond, that way your moratorium is protected and well because you are guaranteed that he does the structural work.

Attorney Jensen stated the problem with a bond is that it is money expended without a return, point is very well taken but I don't think we need to go that route with this outside work.

Chairman Crawford has concerns about the moratorium and Attorney Jensen stated that at the September meeting you would be able to vote to renew or amend that moratorium if you so choose and also review the document for the Potempa's.

Bill Robinson made a motion, seconded by Ron Smith to reject all bids for asbestos abatement and demolition of building 9. Motion was passed by voice vote.

Dan Sproule left at 3:33

Mark Hogan left at 3:33

B. OEA Project Update – The Benthic Study portion of the project has been completed. We are awaiting the final report to see the findings.

The Updated Reuse Plan: comments are still being passed around and revised between the consultants team and DC legal. They will attempt to have a draft final report by the next meeting. After board approval and recommendations, we will still have the Economic Development portion to complete. This grant is set to expire on September 30, 2018.

A draft application for a reuse plan for Fish 5 and administrative expenses has been provided to OEA. We had to change the Scope of Work to a Phased approach and were then advised to go back to the original. We currently have questions in to MARAD and hope to get those comments for revisions and then submitted in full to OEA again. As a reminder the LRA will be responsible for a 10% match of this grant.

We have also learned that in order to get MARAD funding for this project it has to qualify as a sponsored project and we will be working more to see how we can get there.

7. **New Business**

A. Bills over \$2,500: none

B. Staff Reports

1. Executive Director

a. Report/issues updates-

~Review and approval of cassette destruction of meetings held 2008 – 2011. All minutes are on file. The Open Meetings Act states “The verbatim record may be destroyed without notification to or the approval of a records commission or the State Archivist under the Local Records Act or the State Records Act no less than 18 months after the completion of the meeting recorded but only after the public body approves the destruction of a particular recording.” We are running out of space for storage and summer hire Patrick Holcomb has gone through the minutes books and the tapes and has compiled a list of which tapes can be destroyed, which is attached. All of the dates listed do have paper minutes on file as well as the Word files.

Bill McFadden made a motion, seconded by Don Crawford, to destroy recordings between 2008 and 2011 for those that have minutes on file. Motion passed by voice vote.

Our Water/Sewer Operators contract expires at the end of August and will be on next month’s agenda. Board members have been provided a copy of his current contract for review. Operator Tim Schoenig asked if the board would consider paying ½ of the Workman’s Comp policy. It has jumped from \$750 to \$1,500. After the audit he got \$200 of the \$1,500 back. The reimbursement from the audit will be split with the LRA also.

Our NPDES permit expires July 31, 2018. Operator Tim Schoenig has submitted the proper forms for the new permit on behalf of the LRA.

- b. Correspondence: none
- c. Property transfers –
- d. Employment report – June 2018 employee numbers were 112 . Last month was 104 and June 2017 employment was at 102.
- 2. Bookkeeper**
 - a. Bank account balances - As of 7/7/18 is \$1,106,200.98
 - b. CD –The next CD due is on 9/13/2018 for \$202,650.68 at the Milledgeville State Bank with an APY 1.05%.
 - c. Cash flow –Income for the month of June was \$39,357.76. Expenses for the month of June were \$43,086.35.
 - d. Budget update –Seven months into the FY, income on line AO 72 is \$126,008.82. Expenses seven months into the FY on line AO 134 are \$243,208.47 for a deficit of **\$-117,199.65**.
 - e. Water/Sewer-Income vs Expenses related expenses for the month of June were \$2,231.00 and income was \$0,. Total expenses to date are \$49,972.40. Total income to date is \$11,835.02 for a deficit of **\$-38,137.80** seven months into the FY.
 - f. Outstanding Invoices - Art Dersham 3rd and 4th quarter water and sewer \$470.18 his water has already been turned off at his request. An email and letters have been sent. Tim reported he also has a broken meter.

C. Board of Directors Reports

- 1. Foreign Trade Zone #271 – no meeting
- 2. Jo-Carroll Enterprise Zone – no meeting
- 3. Other directors' reports – none

D. Attorney's Report - No report. A reminder to Phil about the easement for Depot Electric Supply over C Street.

E. Other new business - None.

IX. Reports to the Board

- A. Site Manager / BRAC Environmental Coordinator – No update provided
- B. Tenants –
- C. Amiee Martelle with Riverport Railroad reported they are hiring.

Gary Frederick commented that he was surprised the LRA just sold building 9 with no business plan. Is this the first time it has been done because it is in violation of our charter? I didn't hear him confident at all or say what he was going to do. To me that is a very dangerous precedent to set but it is too late for that now. I am all in

favor of the sale if he is really going to do something but this is totally against our charter. Gary also expressed concerns about a particular property that needs to be cleaned up and has not had any luck with the zoning department.

Bill Jahnke stated the port district has the ability to lay in certain rules and regulations and would be willing to work with the LRA to generate some basic ordinances regarding appearance. We want to make sure the board is comfortable with this before it is passed. It was suggested that Bill Jahnke and Phil Jensen work together on some draft language. Bill Robinson suggested looking at the Savanna ordinances. After something is drafted we should give the tenants the opportunity to state what else they would like to see in the ordinance. Gary also has concern about the disrepair of the buildings purchased by Ray Chin and would hope an ordinance could help with those types of situations.

C. UMRI Port District – None

D. USFWS – None.

E. Water/Sewer Operator Update: Matt Wagner with Wagner Consulting was here to look at the tower and valves. They did find a few valves that were open that may be impacting pressure. The well pressure was down 10lbs so it seems to be helping.

F. Guests:

9.. Public Comments: None

10. Executive Session as permitted for the following under:

5 ILCS 120/2 (c) 1) Appointment, compensation and employment of specific employees and 5ILCS 120/2 (c) (21) Discussion of minutes of meetings lawfully closed under the Act, whether for purposes of approval by the body of the minutes or semi-annual review of the minutes as mandated by Section 2.06

Bill Robinson made a motion, seconded by Paul Hartman to move into executive session under 5 ILCS 120/2 (c) (21) Discussion of minutes of meetings lawfully closed under this Act, whether for purposes of approval by the body of the minutes or semi-annual review of the minutes as mandated by Section 2.06 and 5 ILCS 120/2 (c) (1) Appointment, compensation and employment of specific employees. Motion passed by roll call vote; Ayes - 8 Nays - 0

Moved to Executive Session: 4:18

Returned to Open Session: 4:31

11. Motions from Executive Session, if any - Bill Robinson made a motion, seconded by Paul Hartman to not approve opening any reviewed closed session minutes. Motion passed by voice vote.

Bill Robinson made a motion, seconded by Bill Wright to award a \$7,500 bonus immediately to Mara Roche for the additional workload she has taken on. Motion passed by voice vote.

12. Adjournment

A motion to adjourn the meeting was made by Bill Robinson, seconded by Bill Wright. The motion passed by voice vote. The meeting was adjourned at 4:33 p.m.

Mara Roche, Interim LRA Board Secretary