

MINUTES OF SPECIAL MEETING
OF WAUKEGAN PORT DISTRICT

August 26, 2014

55 South Harbor Place, Waukegan, Illinois
Harbor Control Building

The following Board members were present:

Jorge Torres
Randy Podolsky
Gene Bach
Joe Legat
Dale Johnson
Grant Farrell

The following Board member was absent:

Mike Melius

District Counsel was not present:

Members of the Port District Staff present:

Chris Peters, Executive Assistant
Brion O'Dell, Marina Manager
Jamie O'Meara, Chief Accountant

Others in attendance:

Chris Tanner

1. Chairman Torres called the meeting to order at 9:00 A.M.
2. Pledge of Allegiance

Upon roll call, Messrs. Torres, Podolsky, Bach and Legat answered present. Messrs. Johnson, Farrell and Melius were not present.

3. NFR Budget

(Mr. Johnson and Mr. Farrell arrived separately at the meeting during the following discussion. Both were recognized by the Chair and Board as present.) Mr. Tanner presented two handouts showing rough costs and the different parcels involved. Mr. Tanner explained there had been changes to remediation rules and it would never be more inexpensive to remediate. The changes mean the particular kind of contamination that we are removing could be done by excavating only a few inches, where it used to be three feet. The process is complicated, but most of the contamination is along the railroad, and maybe only about a foot down. Clayton has a lead hot spot, our problem is 2006 fill. Mr. Podolsky asked for and received confirmation from Mr. Tanner, that we are defining remediation that may or may not be included in four Port District owned properties.

Mr. Tanner acknowledged he needed to talk to the State but the worst case would be we go down three feet. The new rules allow that we average over the whole depth of that three feet so if its near the surface, it should be easy. Mr. Podolsky inquired about how the lots would be classified when the project was completed. Mr. Tanner said you would have an NFR usually with some restrictions, he didn't know exactly, but possibly no water wells. Mr. Tanner also mentioned another issue was the previous grain elevators on the site had massive foundations. They will work around the foundations on the remediation project, but suggested you may want to remove them during the remediation. Mr. Tanner approximated the size to be: two feet thick and 70' x 40'. Mr. Johnson suggested if the foundations were removed and we receive an NFR, we now have a buildable site.

Mr. Tanner continued that he expected remediation would be in the summer of 2015 and 2016. It could all be done in 2015, but the Larsen Agreement complicated actions. The Agreement includes cancellation for development, but there are time restrictions.

The Initial Cost Estimate presented deals with both Waukegan Port District and Clayton properties. Mr. Tanner advised the spreadsheet presented had a math error for which he apologized, its about 5%. Costs, shaded figures, are split between Clayton Properties and the Board. Basically the split is 60/40 because you own 60% of the land and we own 40% of the land. When it comes to remediation, it is more in your favor because the remediation is all along the railroad, and your length along the railroad and Clayton's property along the railroad were about the same, so the costs are split 50/50. The numbers that Mr. Tanner's proposal included are based on a 50/50 split, but he did not mark it. The other mistake was when he did the addition, he forgot to add up a couple of numbers.

Questions arose about whether railroad lines crossed Madison Street going through the Duphar lot. Mr. O'Dell recalled perhaps some had been removed.

The budget costs include \$20,000 owed to the IEPA from a similar project ten years ago. The question is whether the IEPA is looking for that money or would waive payment. Board discussion included that the money would be due back when the property was developed. Mr. Torres confirmed that. Corrected budget numbers were requested. Mr. Torres explained he had met with Mr. Tanner previously and suggested to the board that the \$20,000 was money owed not on our property, but on the Clayton property by a previous owner and prior to our signing the agreement. Mr. Tanner added that it actually was money expended when we were evaluating both properties. When the EPA begins the program there is a front end charge, and every time they review documents, their hours are charged against that charge.

After discussion of whether there had been a previous agreement or not, Mr. Johnson confirmed there was no prior agreement. Mr. Torres recommended that the \$20,000 incurred by a previous owner should not be counted against the Port District as it has nothing to do with our agreement. Mr. Tanner said that needed to be corrected in the document. Mr. Podolsky asked for a clean document.

Mr. Torres asked for a motion to approve the budget. After several clarifications and verbal modifications, specifically that the budget was for two Waukegan Port District items, the total project cost and the total IEPA cost and that the costs would only be incurred when the Port District

sold or developed the property. On motion of Mr. Johnson to approve not to exceed \$60,000 of current costs only, nothing prior to 2014, and in conjunction with the Environmental Remediation Agreement with Clayton LLC, that these costs are not due from the Port District unless and until the time set forth in the Agreement, seconded by Mr. Podolsky, on a roll call vote, all members present voted aye and the Chairman declared the motion carried.

Mr. Torres asked Mr. Tanner to leave documents for execution due to time constraints. Mr. Podolsky asked, for the record, that Mr. Tanner get an estimated cost for removal of the slab, and that the Port could also do so, if it so chooses. Chris Tanner said that would work out well, because the first thing they would do is some sampling and we can find out the thickness of the slab.

Mr. Torres presented a support letter he had delivered to IDNR. This is a letter where the Port District is working in conjunction with the City of Waukegan and IDNR in reference to getting a \$1 million grant. It is kind of spearheaded by the City and is pertaining to infrastructure improvement to avoid drainage to the lake. Once they create the grant or application, he would bring it to the board for review, this is non-committal, just saying that we support the actions of this grant.

4. Professional Services

Mr. Torres led a discussion on professional services and the selection process. It had been suggested by Mr. Legat and Mr. Bach that each professional service should be bid once a year. Professional services are insurance, legal and auditing. On insurance, our broker does our bidding for us. It was brought to the table that we should have a bidding process for the broker, and not rely strictly on the broker that we have now. Mr. Legat specifically asked that we bid on legal counsel. Mr. Podolsky agreed we should get a proposal for legal, and has in the past recommended a firm as well as reviewing what alternatives are available for our insurance services. Mr. Torres suggested the first task is that we go in phases, recommending maybe legal first and then insurance.. Mr. Podolsky suggested creating a needs assessment, or a draft RFP so we are defining what we need to start and ask how the firms would work with us on their charges, etc. Mr. Torres requested comments from the board, saying that he had no problem. Mr. Farrell said we should look at all our professional services, even our insurance. Mr. Torres suggested that if the board allowed, he would look at both, legal and insurance and bring something to the board. Ms. O'Meara pointed out that audit had just been done and that it was a three year contract. Staggering the RFPs was suggested.

On motion of Mr. Podolsky to go into closed session, seconded by Mr. Bach, on a roll call vote all members present voted aye and the Chairman declared the motion carried.

Closed Session:

5. Personnel Matters pursuant to 5 ILCS 120/2(c) (1) of the Open Meetings Act

Open Session:

6. Personnel Matters pursuant to 5 ILCS 120/2(c) (1) of the Open Meetings Act

7. Marina Manager

Chris Peters and Brion O'Dell returned to the meeting. Mr. Torres informed Mr. O'Dell that he had conveyed Mr. O'Dell's request to leave employment due to medical and personal reasons during closed session. Mr. Torres requested a motion to support Mr. O'Dell's request but continue his employment through the end of September in gratitude of services to the Port District. Mr. Torres advised that he would have Mr. Morris draft paperwork on the separation.

On motion of Mr. Podolsky to accept the marina manager's resignation effective the end of September and in lieu of working through September, severance be paid through September with the marina manager's ability to cease working day to day, seconded by Mr. Bach, on a roll call vote all members present voted aye and the Chairman declared the motion carried.

There being no further business, on motion of Mr. Legat to adjourn the meeting, seconded by Mr. Johnson, all members present voted aye, and the Chairman declared the motion carried. The meeting adjourned.


GRANT B. FARRELL, Secretary

APPROVED:


JORGE TORRES, Chairman