

AMERICA'S CENTRAL PORT DISTRICT
MINUTES OF RESCHEDULED BOARD MEETING

June 13, 2023

The rescheduled regular monthly meeting of the America's Central Port District Board was held at the Port District offices on June 13, 2023 at approximately 11:50 AM.

Roll call:

Lisa Brown	Present
Tyrone Echols	Present
David Goins	Absent
Ed Hagnauer	Present
Robert Palus	Absent
Steve Signall	Present
John Hamm III	Present

In addition to the Members listed above, Dennis Wilmsmeyer, Robbie Williams, LaMyeia Bradshaw, Phil Sholl, Christie Voelker, Alex Burkart, Ben McCall, and Bill Stahlman, Port Engineer, of Port Staff; Port interns, Christian Tresoldi and Parker Boyce; and Derek Filcoff, as legal counsel, were also in attendance.

Chairman Hamm asked for Public Comment. Hearing none, he asked for the approval of the Minutes of the Budget and Personnel Committee meeting held on June 1, 2023. Mr. Echols moved that the Minutes be approved. Mr. Signall seconded. Roll call:

Voting Aye - Brown
Echols
Hagnauer
Signall
Hamm

Voting Nay - None

Chairman declared motion passed and Minutes approved.

Chairman asked for the approval of the Minutes of the May 8, 2023 regularly scheduled Board Meeting. Mr. Echols moved that the Minutes be approved. Ms. Brown seconded and, with all Members present and voting Aye, Chairman declared motion passed and Minutes approved.

Mr. Echols moved that the Financials be approved and placed on file. Mr. Hagnauer seconded. Roll call:

Voting Aye - Brown
Echols
Hagnauer
Signall

Present - Hamm

Voting Nay - None

Chairman declared motion passed and Financials approved.

Ordinance No. 199 was presented, entitled “THE COMBINED ANNUAL BUDGET AND APPROPRIATION ORDINANCE, APPROPRIATING SUCH SUMS OF MONEY AS MAY BE DEEMED NECESSARY TO DEFRAY ALL NECESSARY EXPENSES AND LIABILITIES OF AMERICA’S CENTRAL PORT DISTRICT, MADISON COUNTY, ILLINOIS, FOR THE FISCAL YEAR BEGINNING JULY 1, 2023 AND ENDING JUNE 30, 2024 AND SPECIFYING THE OBJECTS AND PURPOSES FOR WHICH SUCH APPROPRIATIONS ARE MADE AND THE AMOUNT APPROPRIATED FOR EACH OBJECT OR PURPOSE.” Mr. Signall moved inasmuch as the Ordinance as now presented has been previously circulated in written form to and received by all of the Members of the Board, that the reading of said Ordinance be waived and that same be adopted in the written form as now presented. Mr. Hagnauer seconded. Roll call:

Voting Aye - Brown
Echols
Hagnauer
Signall
Hamm

Voting Nay - None

Chairman declared motion passed and Ordinance No. 199 adopted.

Resolution was presented, entitled “RESOLUTION AUTHORIZING PORT INVESTMENT OF FUNDS INTO CDARS WITH EDWARDSVILLE BANK.” Mr. Echols moved inasmuch as the Resolution as now presented has been previously circulated in written form to and received by all of the Members of the Board, that the reading of said Resolution be waived and that same be adopted in the written form as now presented. Ms. Brown seconded. Roll call:

Voting Aye - Brown
Echols
Hagnauer
Signall
Hamm

Voting Nay - None

Chairman declared motion passed and approved.

Resolution was presented, entitled “A RESOLUTION APPROVING A WAREHOUSE LEASE AGREEMENT BETWEEN AMERICA’S CENTRAL PORT DISTRICT AND GOLDENBERG, HELLER & ANTOGNOLI, PC.” Mr. Echols moved inasmuch as the Resolution as now presented has been previously circulated in written form to and received by all of the Members of the Board, that the reading of said Resolution be waived and that same be adopted in the written form as now presented. Ms. Brown seconded. Roll call:

Voting Aye - Brown

Echols
Hagnauer
Signall
Hamm

Voting Nay - None

Chairman declared motion passed and approved.

Resolution was presented, entitled “A RESOLUTION APPROVING THE PROFESSIONAL SERVICES AGREEMENT WITH JUNEAU ASSOCIATES FOR ANNUAL ENGINEERING AND LAND SURVEYING SERVICES.” Mr. Echols moved inasmuch as the Resolution as now presented has been previously circulated in written form to and received by all of the Members of the Board, that the reading of said Resolution be waived and that same be adopted in the written form as now presented. Mr. Hagnauer seconded. Roll call:

Voting Aye - Brown
Echols
Hagnauer
Signall
Hamm

Voting Nay - None

Chairman declared motion passed and approved.

Resolution was presented, entitled “A RESOLUTION APPROVING THE LOWEST RESPONSIBLE BIDDER AND AUTHORIZING THE EXECUTION OF THE CONTRACT DOCUMENTS FOR THE P20-HRBR-01A – RED DOCK DUST COLLECTION IMPROVEMENTS PROJECT.” Mr. Echols moved inasmuch as the Resolution as now presented has been previously circulated in written form to and received by all of the Members of the Board, that the reading of said Resolution be waived and that same be adopted in the written form as now presented. Mr. Signall seconded. Roll call:

Voting Aye - Brown
Echols
Hagnauer
Signall
Hamm

Voting Nay - None

Chairman declared motion passed and approved.

Port Engineer, Bill Stahlman, gave an overview of the Engineer’s Report, including:

- Red Dock Cell Wall Repair – final design to be complete this month and then can begin final cost estimates and schedule;

- Warehouse 3, Suite B Wall Repair – wall has been rebuilt – contractor installing additional support steel;
- Tuckpointing for Warehouse 5, Suites D & E on hold;
- Structural repairs on Bldg. 346 expected to be complete by end of the month;
- Port staff to undertake Warehouse 3, Suite F column repairs;
- New parking lot project underway at the Barracks building – should be complete by end of the month;
- Apartment fire – contractor has completed abatement – roofing contractor beginning roof repair to be completed in a couple of weeks;
- Derailment at A&K - yard clean-up was completed in about 2 weeks – 2 rail cars were total loss – remaining cars going for repairs;
- Bldg. 203 construction will be starting next month;
- Boise moving forward with potential new warehouse build; and
- Progress of IDOT Rt. 3 and West First Street improvements for the right-in/right-out project has been delayed due to the water company's water line installation; projecting next Spring before First St. improvements commence.

A question was raised regarding the cause of the derailment. The exact cause has not been determined. Chairman Hamm inquired about rail inspections and the possibility of a third-party contractor to conduct periodic inspections.

Mr. Hagnauer moved that the Engineer's Report be placed on file. Ms. Brown seconded and, with all Members present and voting Aye, Chairman declared motion passed and approved.

Chairman Hamm asked Deputy Director, Ben McCall, to give a detailed report for the Business Report. Mr. McCall reported that commercial occupancy remains high and Staff has been getting higher rates on renewals. Residential occupancy had a jump in numbers due to the addition of the dorms and occupancy remains high.

Discussion was held regarding commercial rates versus those of surrounding warehousing such as Pontoon Beach. Staff stated the typical prospect for surrounding warehousing are looking for 500,000 to 1 million square feet of space and the Port's typical prospect is more in the 40,000 to 80,000 square feet. Staff has performed several marketing analyses to ensure we are charging comparable rates based upon the differences of our available space versus others.

Mr. Hagnauer moved that the Business Report be placed on file. Ms. Brown seconded and, with all Members present and voting Aye, Chairman declared motion passed and approved.

Discussion was held regarding the apartment fire. The Port's insurance broker is working with the insurance company of the resident for the reimbursement of up to \$100,000. Estimated costs of repairs have been determined to be less than the Port's deductible for residential properties.

Mr. Hagnauer inquired about the specialty steel company that made a presentation to the Board. Executive Director, Dennis Wilmsmeyer, reported that the company is still working to secure financing for the project prior to the Lease contingency period ending September 1, 2023.

Mr. Wilmsmeyer updated the Members regarding the Madison Harbor and the Port's dredge. Siltation of the harbor has been a problem since its opening in 2016. The Port purchased a dredge

for \$530,000 that was determined to be undersized; however, the company would not take it back. The Port continues to try to sell the dredge to recoup at least some of the cost. The dredge is in covered storage at the Port. Staff is currently contacting several Departments of Natural Resources as potential purchasers but several have already turned us down. Dredging expenses have totaled approximately \$9.3 million since 2016 with about one-half of the expenses coming directly from Port funds. The Port has received a \$13 million grant from IDOT to address the siltation issue; staff is re-filing an “in-river” disposal permit and has a meeting scheduled with the Corps; intern Parker Boyce is working on a cost benefit analysis for the Madison Harbor; and studies are underway with our consultant to determine the best course of action regarding siltation and its elimination and disposal.

Mr. Wilmsmeyer updated the Members regarding Green Eagle/Wright Acquisition Group. Green Eagle entered into a lease agreement with the Port in March, 2022. The Lease was assigned to Green Eagle from Royal Banks. The original Lessee, GDI, made considerable equipment purchases for the production of high-protein animal feed from dry distillers grains and, as was stated by Green Eagle, they had purchased the equipment and wished to resume production of product. After non-payment of their rent and late fees and many attempts to work with them to get the account current, owing approximately \$160,000 in rent and late fees, the Port locked them out of the space. Late fees have continued to be charged. Staff was approached by River Bend Seed to take over the leased premises for its operation and a new lease was approved by the Board in April, 2023. River Bend, who has not yet taken possession of the premises, may now want to lease the buildings for approximately three months to allow them to move the equipment out and cancel the lease. The Port continues to lose money (estimated \$20,000 per month) by not being able to lease the space to a new tenant. Staff continues to work with the parties to come to the best resolution possible and to again begin receiving income on the buildings.

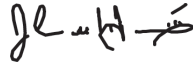
Mr. Wilmsmeyer updated the Members regarding the status of the Norfolk Southern (NS) overpayment issue. Since the inception of the agreement with NS for the Port to receive revenue for the number of cars brought into the Granite City Harbor, NS has provided the Port with the number of cars along with the rate, and the Port then invoices NS for payment. Around March, 2022, NS notified the Port they had been reporting ALL railcars entering Granite City rather than just to the Harbor and therefore had been overpaying the Port for many years. Per the terms of the agreement, NS was limited to a three-year “look back” from the time of the audit in 2021 and determined that they had overpaid the Port approximately \$950,000 and they have requested reimbursement. The Port, unsuccessfully, tried to hire three different transportation auditing firms to confirm their findings. In August, 2022, NS agreed to continue reporting the number of cars coming into the Harbor and that the revenue that the Port would have received would be applied as a credit to the outstanding balance. To date, approximately \$416,000 has been credited to the balance. The Port, in the interim, has ramped up its efforts to install automated railcar readers to receive the data and bill from the reader and has tasked our interns, Christian Tresoldi and Parker Boyce, to gather data from our tenants at the Harbor including Apex, SCF, US Steel and Friedman Industries (formerly PlatePlus) to look for discrepancies in the data. Christian Tresoldi reported that between rates per car and the number of cars, we are finding discrepancies in the Port’s favor. It is the Port’s intention to come to a resolution with NS in the third quarter of 2023 and to finalize the numbers.

Chairman Hamm moved to enter into Executive Session to discuss lease negotiations. Mr. Signall needed to leave the meeting and there would no longer be a quorum to continue the meeting. Mr.

Hamm stated he would then call a Special Board Meeting to be held at the earliest possible convenience to discuss the issue.

There being no further business to come before the Board, Mr. Echols moved that the Meeting be adjourned. Mr. Hamm seconded and, with all Members present and voting Aye, Chairman declared motion passed and meeting adjourned.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Ed Hagnauer".

Ed Hagnauer
Secretary