

ILLINOIS INTERNATIONAL PORT DISTRICT

Record of Proceedings of the REGULAR BOARD MEETING

October 17, 2008

The regular meeting of the Board of Directors of the Illinois International Port District was held Friday, October 17, at 9:30 a.m., at the Illinois International Port District, 3600 E. 95th St., Chicago, Illinois and was presided over by Chairman William Braasch. William Dart, Secretary, called the roll, and the following Directors were present: Charles Bowen, Paul Jenkins, William Murphy, Daniel Alvarez, Paul Jenkins, Terry Fitzmaurice, and Dean Maragos. Mr. Capparelli was absent. Mr. Dart reported that the Chairman was present and a quorum was present.

Also present: Anthony Ianello, Executive Director; George Braam, Kudrna & Associates, Ltd.; James McConnell, Neal and Leroy; and Kurt Oelerich, Treasurer

General public present: None

Board Meeting Minutes – September 19, 2008

The Minutes of the September 19, 2008 Board Meeting were presented, and a Motion to approve the Minutes was made by Mr. Bowen, seconded by Mr. Evans, and passed unanimously.

REPORTS OF STANDING COMMITTEES

Executive Committee

Counsel McConnell reported that the terms of the Chairman and Vice Chairman of the Board of Directors have ended, and he opened nominations to fill the two positions for the next three-year term. Mr. Evans made a Motion to nominate William Braasch for Chairman and was seconded by Mr. Alvarez. Mr. Evans also moved to nominate William Murphy for Vice Chairman, and was seconded by Mr. Bowen. A voice acclamation passed both Motions unanimously.

Agreements and Leases Committee

Mr. Murphy reported on the Minutes of the Agreements and Leases Committee Meeting held on October 14, 2008.

Homeland Security Committee

Mr. Braam passed out a report detailing work in progress and work to be done in conjunction with the TSA grant. Mr. Ianello pointed out that we are not asking for any new funds but are re-allocating the funds to more pertinent projects that have arisen during the construction of the new guard station at Iroquois Landing and other areas. All

project costs are eligible for 75% funding by the TSA grant and 25% by the Port District. Mr. Oelerich asked Mr. Braam for an accounting of capital expenditures for the current year as well as those projected for next year in order to facilitate budgeting for the future.

Finance and Personnel Committee

Treasurer Oelerich reported on the Minutes of the Finance and Personnel Committee Meeting of October 14, 2008 where the Port income statement, Harborside income statement, consolidated income statement, balance sheet, and check register for the month of September, 2008 were presented to the Board for review and discussion. A Motion was made by Mr. Bowen and seconded by Mr. Jenkins to approve the financial reports. The Motion passed unanimously.

Treasurer's Report

Regarding the higher interest rate expense which appears on the financial statements, Mr. Oelerich explained that the Port's rate varies weekly, and with the recent volatility of the economy, the rates were over the budgeted 4%. In 5 1/2 years, however, the rate has only been over the budgeted amount for 4 weeks and is currently at 3.6%. And for the past year, we are ahead of budget on interest expense by \$144,000.

Mr. Oelerich also reported that total golf rounds this year are up by 8%, although this is the last month of golf at Harborside for the season.

Regarding the 457 Plan, Mr. Oelerich explained that this is a type of 401k plan with a few more favorable attributes. More information will be provided at the next Finance and Personnel Committee meeting.

Mr. Braam reported that the Committee has authorized repairs to be made to a new sink hole at Iroquois Landing. Hopefully the repairs will not exceed \$40,000.

UNFINISHED BUSINESS

There was none.

NEW BUSINESS

Mr. Ianello reported that a new contract agreement had been reached on the west coast with the ILA and would probably be accepted in the Midwest as well. Since our tenants do not do business with the ILA, they should not be affected which means that while their competitors labor costs will rise, theirs should remain the same.

ADJOURNMENT

The next meeting will take place on Friday, November 21, 2008 at the offices of the Illinois International Port District.

There being no further business, a Motion to adjourn was made by Mr. Murphy, seconded by Mr. Evans, and passed unanimously.

William J. Braasch
Chairman

William F. Dart
Secretary