

ILLINOIS INTERNATIONAL PORT DISTRICT

Record of Proceedings of the REGULAR BOARD MEETING

October 19, 2007

The regular meeting of the Board of Directors of the Illinois International Port District was held Friday, October 19, 2007 at 9:30 a.m., at the office of the Illinois International Port District, 3600 E. 95th St., Chicago, Illinois and was presided over by Chairman William Braasch. In the absence of William Dart, Secretary, Anthony Ianello, Executive Director, called the roll, and the following Directors were present: Samuel Evans, Cary Capparelli, Charles Bowen, Daniel Alvarez, Paul Jenkins, William Murphy, and Dean Maragos. Mr. Ianello reported that the Chairman was present and a quorum was present.

Also present: Frank Kudrna, Kudrna & Associates, Ltd; James McConnell, Neal & Leroy, LLC; Kurt Oelerich, Treasurer.

General public present: None

Board Meeting Minutes – September 21, 2007

The Minutes of the September 21, 2007 Board Meeting were presented, and a Motion was made by Mr. Murphy and seconded by Mr. Evans for approval. The Motion passed with one abstention by Mr. Maragos.

REPORTS OF STANDING COMMITTEES

Executive Committee

A welcome was extended to new Board member Dean T. Maragos.

Mr. Bowen moved to nominate William Murphy to fill the position of Board Vice Chairman formerly held by Anthony DeAngelis. The Motion was seconded by Mr. Capparelli and passed unanimously.

Agreements and Leases Committee

Mr. Ianello gave a summary of the Agreements and Leases Committee meeting held on October 16, 2007, as reported in the Agreements and Leases Committee Meeting Minutes.

Regarding Emesco litigation, Judge Leighton has requested a resolution from the Board advising him to continue to pursue the case against Emesco. Our main goal is to regain control of our property and to receive full payment for attorneys' fees connected with this very long litigation. The Board feels that Emesco is not moving forward in good faith to correct their default despite the mountain of paperwork they have submitted to prove

otherwise. They have merely submitted information regarding what they plan to do, but they are actually doing nothing.

RESOLUTION PD-07-05

A Resolution was proposed by Mr. Murphy directing Judge Leighton to continue litigation against Emesco. The Resolution was seconded by Mr. Bowen and passed unanimously.

Mr. Ianello reported that principals from Vascor would be flying in next week to meet with him regarding leasing property for their car distribution business.

Mr. McConnell reported that documents submitted by Detroit Biodiesel put all the risk on the Port if their venture is not successful. He has amended the document and returned it to them for review.

Homeland Security Committee

Chairman Capparelli reported that the Committee did not meet; however Mr. Kudrna reported on his meeting in Washington D.C. with Homeland Security personnel. He explained that communication is very difficult and exists only through email and only after a grant has been awarded. Therefore information regarding our current grant has been dragging on and on. Homeland Security and FEMA have now been combined to ensure that environmental issues are taken into consideration during the implementation of security grant projects. Mr. Kudrna was able to convince them that it was not necessary, and was in fact dangerous, to make the details of our security plan public, as had been their request. They agreed to a waiver which he hopes will be a permanent one. He also reported that representatives from both agencies are heavily overburdened with the amount of work for which they are responsible.

Finance and Personnel Committee

Treasurer Oelerich reported on the Minutes of the Finance and Personnel Committee Meeting of October 16, 2007 where the Port income statement, Harborside income statement, consolidated income statement, balance sheet, and check register for the month of September, 2007 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

Mr. Oelerich reported that dockage and wharfage fees are not up due to the fact that shipping overall is down 20-30%. Shipping at the Port is down 22% and follows the rise and fall of the economy by a few months. If the economy improves, we will feel the results next year.

A Motion was made by Mr. Alvarez and seconded by Mr. Capparelli to approve the Executive Director's contract for a five (5) year term with conditions remaining the same as the previous contract. The Motion passed unanimously.

Mr. Ianello reported that that the union representing Port District employees was offered annual increases of 4% for three (3) years. They countered with 5% for the same time period. The Board directed Mr. Ianello to keep negotiating.

UNFINISHED BUSINESS

Mr. Alvarez proposed that the Board recognize and commend Mr. DeAngelis for his many years of service to the Board of Directors. It was agreed that a Resolution be drawn up and presented to him.

NEW BUSINESS

An article regarding Senate funding of a \$23 Billion bill for water projects was presented.

ADJOURNMENT

The next meeting will be on November 16, 2007, and it was agreed that the December meeting would remain on the 21st.

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