

ILLINOIS INTERNATIONAL PORT DISTRICT

Record of Proceedings of the REGULAR BOARD MEETING

November 21, 2008

The regular meeting of the Board of Directors of the Illinois International Port District was held Friday, November 21, 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, Terry Fitzmaurice, Dean Maragos, Cary Capparelli and Paul Jenkins. Mr. Dart reported that the Chairman was present and a quorum was present.

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

General public present: None

Board Meeting Minutes – October 17, 2008

The Minutes of the October 17, 2008 Board Meeting were presented, and a Motion to approve the Minutes was made by Mr. Fitzmaurice, seconded by Mr. Alvarez, and passed unanimously.

REPORTS OF STANDING COMMITTEES

Executive Committee

There was no meeting.

Agreements and Leases Committee

Mr. Murphy reported on the Minutes of the Agreements and Leases Committee Meeting held on November 18, 2008. Mr. Maragos asked about the nature of the railroad agreements, and Counsel McConnell responded that the railroads pay us per car brought into the Port. We have had long-standing agreements with them that go back to 1959. In 1989 Chicago Rail Link paid the Port \$5/car; however Mr. Ianello negotiated better terms with the South Bend South Shore Railroad at \$50/car. All three railroads, SBSS, EJ&E and Norfolk Southern, now have the same agreement, and tenants can choose whichever they want to use. The new document is really an amendment to renew the same terms along with an annual FRA (similar to the Cost Price Index) increase. Mr. Maragos asked if we should be negotiating with the Canadian National Railway, as well as the CSX, and suggested a meeting with Mr. Ianello and Counsel McConnell to discuss this option further.

Mr. Maragos also inquired as to the agreement the Port is making with Metron/Primary Steel. Mr. Ianello informed him that they have a 66-year lease which came up for renewal last year. They have agreed to our new terms, and the document he is drafting is really an amendment to the current agreement with a significant increase in rent.

Homeland Security Committee

Mr. Kudrna reported on current security improvements, as well as the fact that new grant funds will be becoming available in December and January (refer to his report). Seebald & Associates has been retained to compose our grant submittal.

Finance and Personnel Committee

Treasurer Oelerich reported on the Minutes of the Finance and Personnel Committee Meeting of November 18, 2008 where the Port income statement, Harborside income statement, consolidated income statement, balance sheet, and check register for the month of October, 2008 were presented to the Board for review and discussion. A Motion was made by Mr. Jenkins and seconded by Mr. Evans to approve the financial reports. The Motion passed unanimously.

Treasurer's Report

October was the last full month of a good year for golf operations. We experienced three or four weeks in October of above-budgeted interest rates on debt, but the base rate has gone back down under 3%, so we are still under budget for the year to date.

Treasurer Oelerich reported that the 457 Plan is like a governmental 401k., although with this plan, the contributor does not have to withdraw funds at a certain age. It has a number of favorable contribution rules as to who is allowed to participate. All employees and board members would be able to contribute to the tax-deferred plan, and anyone connected with the Port could also participate, per Board decision. It will cost \$3,000 to have the plan drafted and then less than \$1,000/year for administration. In 2010 we are required to update our pension plan, so the same attorney will be directed to do this according to our pension plan stipulations. The plan will be redone, consolidating all amendments into one main document.

The 2009 budget has been submitted for review prior to discussion and a vote at next month's meeting.

Seebald & Associates has also been retained to perform the annual Homeland Security audit and plan submission.

UNFINISHED BUSINESS

Mr. Maragos referred back to the Emesco litigation and asked Counsel McConnell where we stood. He was informed that Emesco is dragging their feet but must produce the sublease documents that we have requested by November 30.

Mr. Maragos also asked what the determining factor was regarding the creation of a third golf course at Harborside. Mr. Braasch reported that the City is still looking at the option, we think favorably, but they haven't finished their deliberation.

NEW BUSINESS

Mr. Ianello reported that he plans to enter into an agreement with bp Amoco which needs some extra space to store rail cars. They do not know how long they will need the space, but they are willing to repair the necessary rail at their cost and then pay the Port \$5/car/day. At this time there is room for approximately 400 cars.

ADJOURNMENT

The next meeting will take place on Friday, December 19, 2008 at the offices of the Illinois International Port District.

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

William J. Braasch
Chairman

William F. Dart
Secretary