

ILLINOIS INTERNATIONAL PORT DISTRICT

Record of Proceedings of the REGULAR BOARD MEETING

December 19, 2008

The regular meeting of the Board of Directors of the Illinois International Port District was held via conference call due to dangerous weather conditions on December 19, 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.; and James McConnell, Neal and Leroy. Treasurer Kurt Oelerich was absent.

General public present: None

Board Meeting Minutes – November 21, 2008

The Minutes of the November 21, 2008 Board Meeting were presented, and a Motion to approve the Minutes was made by Mr. Jenkins, 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 December 16, 2008. In response to learning that Emesco subleased one acre of its property, Mr. Maragos inquired as to how many acres Emesco leased from the Port and whether there were any other subleases. Emesco controls 52 acres and claims that they have no other subleases.

Mr. Maragos also inquired as to the implications of the two FTZ proposals being processed. BMW has requested new FTZ status which has been approved by the Board and is going through the necessary channels with the FTZ Board in Washington. Regarding the FTZ boundary modification on Port District property, Mr. Ianello explained that while a new FTZ request may take 6-12 months to process, it is possible to save time by transferring FTZ status from a piece of property in an existing FTZ which is

not active to a new parcel of land in another location. This also helps us to clean up our FTZ and eliminate areas that are inactive.

Finance and Personnel Committee

Mr. Ianello reported on the Minutes of the Finance and Personnel Committee Meeting of December 16, 2008. The Port income statement, Harborside income statement, consolidated income statement, balance sheet, and check register for the month of November, 2008 were presented to the Board for review and discussion. Chairman Braasch commented on how well the Port District finances had been managed in 2008. A Motion was made by Mr. Fitzmaurice and seconded by Mr. Bowen to approve the financial reports. The Motion passed unanimously.

A Motion to accept the 457 Plan was made by Mr. Bowen, seconded by Mr. Evans and passed with one abstention by Mr. Capparelli.

The 2009 Budget was also presented to the Board with a Motion for acceptance by Mr. Evans, a second by Mr. Bowen, and unanimous approval.

Mr. Kudrna reported that our consulting engineers had received bids for seven lighting towers near the shore at Iroquois Landing in conjunction with Homeland Security, and Lyons and Pinner were the low bidder at \$515,000. Upon recommendation to accept this bid, Mr. Fitzmaurice made a Motion to accept the bid with an authorization for Kudrna and Associates to negotiate the contract for this work. Mr. Alvarez seconded the Motion, and it passed unanimously.

A similar Motion was made by Mr. Jenkins for further electrical work to be performed by Sharlene Electric in the amount of \$9,500. Mr. Bowen seconded the Motion and it passed unanimously.

Treasurer's Report

There was none.

Homeland Security Committee

Mr. Capparelli reported that Mr. Ianello and others had processed the application for the latest Homeland Security grant in the amount of \$6.8 million. Other Homeland Security details had already been discussed by Mr. Kudrna as part of the financial reports.

UNFINISHED BUSINESS

There was none.

NEW BUSINESS

There was none.

ADJOURNMENT

The next meeting will take place on Friday, January 16, 2009 at the offices of the Illinois International Port District.

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

William J. Braasch
Chairman

William F. Dart
Secretary