

ILLINOIS INTERNATIONAL PORT DISTRICT

Record of Proceedings of the REGULAR BOARD MEETING

July 20, 2007

The regular meeting of the Board of Directors of the Illinois International Port District was held Friday, July 20, 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. William Dart, Secretary, called the roll, and the following Directors were present: Samuel Evans, Cary Capparelli, Anthony DeAngelis, Charles Bowen, and James Buchanan. Daniel Alvarez, Paul Jenkins, and William Murphy were absent. Mr. Dart reported that the Chairman was present and a quorum was present.

Also present: Frank Kudrna, Kudrna & Associates, Ltd; Anthony G. Ianello, Executive Director

General public present: None

Board Meeting Minutes – June 17, 2007

The Minutes of the June 17, 2007 Board Meeting were presented, and a Motion was made by Mr. Bowen and seconded by Mr. DeAngelis for approval. The Motion passed unanimously.

REPORTS OF STANDING COMMITTEES

Executive Committee

No meeting was held.

Agreements and Leases Committee

Mr. DeAngelis gave a summary of the Agreements and Leases Committee meeting held on July 17, 2007, as reported in the Agreements and Leases Committee Meeting Minutes.

Homeland Security Committee

Chairman Capparelli asked Mr. Ianello to report on a meeting he attended in Washington, D.C. on July 19 with Rick Maldonado, the Port's security consultant; Donni Turner from Senator Durbin's office; Rushe from Senator O'Bama's office; and representatives from the Department of Homeland Security, including the Coast Guard, the assistant to the Director of Administrative Programs, and the legislative liaison.

Mr. Ianello explained that \$440 million became available with the Round 7 Grant, President Bush also committed a supplemental \$110 million which has yet to be awarded. DHS recently reported that they would determine the distribution of these funds to Tier II

ports by re-scrutinizing their Round 7 Grant applications. Mr. Ianello got the impression that they would look at our request strong and hard this time, since we were passed over with the original \$440 million. The supplemental \$110 million is to be released before September 30, 2007, and we are hoping to receive a share.

With the savings gained in hiring Rick Maldonado as security consultant, Mr. Ianello would like to engage the services of retired Captain Randy Helland of the U.S. Coast Guard as a consultant to monitor our Security Plan. Capt. Helland is well known, and his connections could prove useful. He is asking for \$800-\$1,000/month for about five months.

Mr. Kudrna reported that North America Stevedoring is entertaining a request for another entrance into their property due to increased business. To accomplish this, we would need to obtain Coast Guard approval for modification to our Security Plan.

Mr. Capparelli submitted an article on the use of scuba divers to keep the country's under-waters secure.

Finance and Personnel Committee

Mr. Ianello reported on the Minutes of the Finance and Personnel Committee Meeting of July 17, 2007 where the Port income statement, Harborside income statement, consolidated income statement, balance sheet, and check register for the month of June, 2007, were presented to the Board for review and discussion. A Motion was made by Mr. Buchanan and seconded by Mr. Evans to approve the financial reports. The Motion passed unanimously.

Treasurer's Report

In Mr. Oelerich's absence, Mr. Ianello reported that Ernst and Young had completed our audit, and our bottom line was \$100,000 up from the previous year despite revenue challenges at Harborside. A letter of engagement for Ernst & Young to perform our current year audit was presented for signature and approved.

UNFINISHED BUSINESS

There was none.

NEW BUSINESS

There was none.

ADJOURNMENT

Next month's meeting will be held on August 17, 2007.

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