

ILLINOIS INTERNATIONAL PORT DISTRICT

Record of Proceedings of the REGULAR BOARD MEETING

August 15, 2008

The regular meeting of the Board of Directors of the Illinois International Port District was held Friday, August 15 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. In the absence of William Dart, Secretary, Executive Director Anthony Ianello called the roll, and the following Directors were present: Terry Fitzmaurice, Cary Capparelli, Charles Bowen, Paul Jenkins, William Murphy, and Dean Maragos. Mr. Alvarez and Mr. Evans were absent. Mr. Ianello reported that the Chairman was present and a quorum was present.

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

General public present: None

Board Meeting Minutes – July 18, 2008

The Minutes of the July 18, 2008 Board Meeting were presented, and Mr. Maragos requested that they be amended to indicate that his Motion to include additional information on the Port District website was seconded by Mr. Murphy and passed unanimously following the direction that it be reviewed by the Executive Committee. A Motion to approve the Minutes as amended was made by Mr. Murphy, seconded by Mr. Fitzmaurice, and passed unanimously.

REPORTS OF STANDING COMMITTEES

Executive Committee

Chairman Braasch reported on the Minutes of the Executive Committee meeting held on August 15, 2008 to discuss Motions made at the July 18 Board Meeting. Staff was directed to contact Board members individually regarding what type of personal information they would prefer to be placed on the website. In addition, yearly meeting dates will be published on the website.

Chairman Braasch will defer a decision to meet with outside economic development agencies until he has met with Mayor Daly.

Agreements and Leases Committee

Mr. Murphy reported on the Minutes of the Agreements and Leases Committee Meeting held on August 12, 2008.

Mr. Maragos inquired as to the possibility of contacting a local wind turbine company to use Port property for energy generation; however Mr. Ianello reported that this idea had been presented previously, and the project is not feasible.

EXECUTIVE SESSION

A Motion to enter into Executive Session to discuss pending litigation with Emesco was made by Mr. Murphy and seconded by Mr. Bowen. It passed unanimously.

A Motion to exit Executive Session was made by Mr. Murphy and seconded by Mr. Jenkins. It passed unanimously.

Marketing Committee

Chairman Capparelli had no new business to report.

Homeland Security Committee

Chairman Capparelli reported that the Port is in receipt of the initial \$180,000 draw from Homeland Security and deferred to Mr. Braam for an update. Mr. Braam reiterated that the full grant amount is \$3.4 million, and we will be continuing to work with Siemens and requesting additional monies this month. Security fencing work is continuing, and Calumet City Plumbing was awarded the contract for utility work at the guard post with a bid of \$21,926. Bids for paving work will be secured this month.

A Motion to approve the expenditure for utility work was made by Mr. Murphy, seconded by Mr. Capparelli, and passed unanimously.

Finance and Personnel Committee

Treasurer Oelerich reported on the Minutes of the Finance and Personnel Committee Meeting of August 12, 2008 where the Port income statement, Harborside income statement, consolidated income statement, balance sheet, and check register for the month of July, 2008 were presented to the Board for review and discussion. A Motion was made by Mr. Fitzmaurice and seconded by Mr. Maragos to approve the financial reports. The Motion passed unanimously.

Treasurer's Report

Mr. Oelerich reported that we are more than \$900,000 ahead on Port and Harborside revenue, as well as income. We are still experiencing favorable interest expense and all other expenses are in line with budgeted amounts.

Regarding the dock wall repair at Iroquois Landing, Mr. Braam passed out progress photos illustrating the extent of damage and repairs. Unfortunately, when the contractor, Lakes and Rivers, removed pavement from the area, it was discovered that the length of the damaged dock was 60 feet rather than the 25 previously reported. 700 additional tons

of material were required, bringing the total cost \$12,000 higher than originally quoted. Mr. Braam reminded the Board that this repair was just a “band aid” for a larger problem, but it was necessary in order to stay operational. The total permanent repair to the dock wall is estimated to be between \$15 and \$20 million due to the rising cost of steel. Mr. Ianello commented that we are trying to get funds for this from the Capital Fund, and we already have a permit from the Army Corps of Engineers to build a new wall. Mr. Maragos asked if it might be in our best interest to finance this project through loans; however Mr. Oelerich responded that we don’t have enough borrowing capacity, especially since this project would not produce any revenue when completed. Funding through the Army Corps of Engineers is another possibility; however Mr. Ianello reported that this process takes 2-3 years.

UNFINISHED BUSINESS

There was none.

NEW BUSINESS

There was none.

ADJOURNMENT

The next meeting will take place on Friday, September 19, 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. Bowen, and passed unanimously.

William J. Braasch
Chairman

William F. Dart
Secretary