

ILLINOIS INTERNATIONAL PORT DISTRICT

Record of Proceedings of the REGULAR BOARD MEETING

February 17, 2012

The regular meeting of the Board of Directors of the Illinois International Port District was held Friday, February 17, 2012, at 9:30 a.m., at the Illinois International Port District, 3600 E. 95th St., Chicago, Illinois. Kathleen Dart, Secretary, called the roll, and the following Directors were present: Terry Sullivan, Daniel Alvarez, Charles Bowen, Henry Wisniewski, Dean Maragos, Victor Crivello, and Beth DelGaldo. Ms. Dart reported that the Chairman was present and a quorum was present. Mr. Fitzmaurice was absent.

Also present: Anthony Ianello, Executive Director; Kurt Oelerich, Treasurer; George Braam, URS Corp.; and Michael Leroy, Neal & Leroy LLC.

General public present: Jorge Perez, HACIA; Jim Giblin, Occam Consulting Group

Executive Committee

There was no meeting.

Board Meeting Minutes – January 20, 2012

The Minutes of the January 20, 2012 Board Meeting were presented, and a Motion to approve was made by Mr. Bowen, seconded by Mr. Sullivan, and passed with Mr. Maragos abstaining.

REPORTS OF STANDING COMMITTEES

Leases and Agreements Committee

Mr. Ianello reported on the Minutes of the Leases and Agreements Committee Meeting held on February 7, 2012. The Board Members accepted the Minutes as read.

Marketing Committee

There was no report.

Legislative Committee

There was no report.

Homeland Security Committee

There was no report.

Finance and Personnel Committee

Treasurer Oelerich reported on the Port income statement, Harborside income statement, consolidated income statement, balance sheet, and check register for the month of January 2012. A Motion to accept the financial statements was made by Mr. Bowen, seconded by Mr. Wisniewski, and passed unanimously.

Treasurer's Report

Mr. Oelerich reported that Port operations and expenses were ahead of budget with the consolidated figures breaking even, representing a good start to the new year. He noted that on the balance sheet, the cash components between operating cash and the sinking fund had been separated, a move which Chairman Forde applauded.

The Board was informed that there were three covenants to the Port District's loan with U.S. Bank. The covenants are established by a financial formula, and if the Port is in breach of any one of the covenants the bank may choose to waive the breach or find the Port in default of the loan. In four of the last nine years the Port has been in breach of at least one covenant; however, in the years through 2009, the bank waived the breach, and the bank had yet to take any action with regard to 2010. For 2011, the Port was in compliance with all three covenants.

Chairman Forde described the very productive five-hour meeting which took place on Tuesday, February 14, between the BMO team and Port District representatives. After their gathering of information and our understanding of what they are trying to accomplish, we are encouraged about the study.

A Motion was made by Mr. Maragos to require Ernst and Young to perform the 2011 audit under GAAP and GASB accounting procedures. Mr. Forde informed Mr. Maragos that the Board was well aware of his opinion on this subject and reiterated the several reasons that this would not be a good decision at this time, including the associated expenses and the fact that BMO had not expressed any concerns about the Port's accounting. Mr. Bowen asked that the Motion die due to lack of a second, and Ms. DelGaldo seconded the Motion. After extensive discussion the vote was called. Ayes: Mr. Maragos, Ms. DelGaldo, Mr. Crivello. Nays: Mr. Bowen, Mr. Wisniewski, Mr. Alvarez, Mr. Sullivan, Mr. Forde. The Motion did not pass.

Chairman Forde informed Board Members that if they wanted to discuss any part of the strategic plan with BMO team members, he would be glad to set it up. The BMO team will not be coming to the March Board Meeting; rather, we will wait to receive their report after 60 days.

Chairman Forde will ask Ernst and Young to report to the Board following the completion of the 2011 audit.

UNFINISHED BUSINESS

Counsel Leroy reminded the Board Members that online training pertaining to the Open Meetings Act must be completed by each of them. The training takes approximately one hour, and the certificate of completion should be forwarded to Executive Director Ianello.

NEW BUSINESS

An article regarding Asian Carp in the Great Lakes was presented.

ADJOURNMENT

The next meeting of the Board of Directors will take place on Friday, March 16, 2012 at the Illinois International Port District, 3600 E. 95th St., Chicago, Illinois.

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


Kathleen M. Dart
Secretary


Michael K. Forde
Chairman