

**ILLINOIS INTERNATIONAL PORT DISTRICT**  
**Finance and Personnel Committee Meeting**

February 21, 2020  
3600 E. 95<sup>th</sup> Street  
Chicago, Illinois

**SUMMARY OF MINUTES**

**Members Present:**

Paul Chialdikas, Committee Chairman  
Aaron Del Mar  
Chuck Bowen  
William Habel  
Henry Wisniewski

**Others Present:**

Ivan Solis (ex officio member)  
Terry Sullivan  
Danielle Cassel  
Terry Fitzmaurice (via teleconference)  
Brad Smith, Neal & Leroy  
Clayton Harris III, Executive Director  
Kurt Oelerich, Treasurer  
Kathy Dart, Secretary

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Committee Chairman Chialdikas opened the meeting of the Finance and Personnel Committee at 10:10 am. Roll was taken and a quorum was present.

**General public present:** Ron Sevcik and Brooke Hessel Cline, Hessel and Associates.

Committee Chairman Chialdikas requested a Motion to allow Director Fitzmaurice to attend the meeting via teleconference. The Motion was made by Chairman Solis, seconded by Mr. Wisniewski and the Motion passed unanimously.

**APPROVAL OF MINUTES**

Committee Chairman Chialdikas requested a Motion recommending the Board to approve the Finance and Personnel Committee minutes from January 17, 2020. The Motion made by Mr. Bowen; the Motion was seconded by Mr. Wisniewski, and the Motion passed unanimously.

**PRESENTATION**

Committee Chairman Chialdikas requested a Motion to take the Agenda out of order, allowing for the presentation from Hessel and Associates regarding the IIPD pension. The Motion made by Mr. Del Mar; the Motion was seconded by Mr. Bowen, and the Motion passed unanimously.

Ron Sevcik and Brooke Hessel Cline of Hessel and Associates detailed the current IIPD pension plan including its funding, requirements and restrictions. The Committee had a lengthy discussion regarding the Plan. A number of items were discussed including costs, contributions, potential revisions to the current Plan and ways to decrease costs. Committee Chairman Chialdikas requested Hessel and Associates provide additional data based on the discussion. The Committee members stressed any potential revisions to the Plan would be related to new hires; existing members of the Plan would not be impacted.

Committee Chairman Chialdikas indicated that the plan is due to be restated before the end of April. He requested a Special Meeting be held in early March to further discuss the IIPD pension. Committee members will be contacted to coordinate a date for the meeting.

## FINANCIAL REPORTS

**Monthly Financial Reports** - Treasurer Oelerich presented, for review, the financial reports for the month of January 2020.

A number of points were noted and discussed, including:

- The January 2020 revenue fell slightly below the budgeted amount. There is some variance due to dockage and wharfage fees and pending CPI changes.
- The January 2020 monthly total expense fell below the budgeted amount. The interest expense will be significantly reduced in the near future due to the pending refinancing.
- The January 2020 Net Income (revenues net of expenses), although negative, fell above the budgeted monthly projection.

Following discussion, the Committee recommended the Board of Directors approve the January Financial Reports.

## OLD BUSINESS

### Debt Refinancing and Letter of Credit Status

Committee and Board members were provided with documents relating to the debt refinancing for review prior to the meeting. Counsel Smith summarized the refinancing process and provided the current status of the refinancing and existing Letter of Credit. Counsel Smith detailed the due diligence period, the ultimate conditions of the refinancing, its favorable rates, and the three quality institutional investors involved. The presented refinancing deal closely reflects the terms the Board initially approved. The presented deal significantly reduces interest payments. In addition, the covenants and restrictions carried with the prior debt are significantly reduced. If the Committee and Board approves the presented refinancing deal, Counsel Smith indicated the initial closing would occur on February 27, 2020 and final closing will occur March 31, 2020.

After a lengthy discussion, Committee Chairman Chialdikas requested a Motion recommending the Board to approve the new debt refinancing and execute all related documents, as discussed. The Motion was made by Mr. Habel, seconded by Mr. Bowen, and the Motion passed unanimously.

Relating to the refinancing, Counsel Smith detailed the 13<sup>th</sup> Amendment to the Reimbursement Letter with US Bank that will also be required. This Amendment: 1) Refunds the IIPD's February sinking fund payment to the IIPD. These funds will be returned to the IIPD operating account; 2) Provides for an exchange of collateral. US Bank releases the mortgage and assignment of rents; and, 3) Waives US Bank's optional redemption.

After discussion, Committee Chairman Chialdikas requested a Motion recommending the Board to approve the 13<sup>th</sup> Amendment to the Reimbursement Letter. The Motion made by Mr. Habel; the Motion was seconded by Mr. Wisniewski, and the Motion passed unanimously.

### **OLD BUSINESS (continued)**

#### **RFP Status**

Counsel Smith reported he is in the process of reviewing the RFPs for: Media Strategy, Security Services, Engineer Services and Auditing Services. The RFP's will be forwarded to the Committee Chair and will be prepared for Committee review and potential approval at the March meeting.

#### **Existing Service Contracts and Real Estate Services**

Committee Chairman Chialdikas requested the Real Estate Service discussion be forwarded to the Leases and Agreement Committee. Committee Chairman Chialdikas asked that Committee Chairman Habel work with staff to get updated on prior contact with JLL.

### **NEW BUSINESS**

#### **Upgrade of IIPD Financial Automation**

Executive Director Harris reported he has researched alternatives to the current IIPD financial reporting system. Executive Director Harris and Chairman Solis reviewed alternatives to the current, Great Plains system. After discussion and analysis, it is recommended that the current system be converted to Quick Books. Executive Director Harris has received proposals from potential vendors to migrate the current system. After discussion, the Committee recommended the Board approve the change in financial reporting systems, and authorize the Executive Director proceed with the conversion process.

### **EXECUTIVE DIRECTOR'S REPORT**

Executive Director Harris reported he has met with officials of the City of Chicago Water Department regarding the Water Department's double billing; billing both the IIPD and Lake Calumet tenants. The Water Department has adjusted the meters, and going forward, the IIPD will receive one bill. The IIPD will be responsible for billing the IIPD Lake Calumet tenants for water usage. The City will refund the IIPD for past overbilling. The refund process will take a few months.

Executive Director Harris reported the Illinois River closure will extend from July 1<sup>st</sup> to approximately October 29<sup>th</sup>.

**EXECUTIVE SESSION**

Committee Chairman Chialdikas requested a Motion to enter Executive Session to discuss litigation matters. The Motion was made by Mr. Habel and seconded by Mr. Bowen and the Motion passed unanimously.

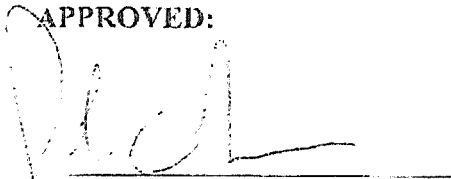
**Litigation Matters– Discussion in Executive Session pursuant to Section 2(c)(11) of the Illinois Open Meetings Act.**

Following discussion, Committee Chairman Chialdikas requested a Motion to exit Executive Session. The Motion was made by Mr. Del Marl and seconded by Mr. Wisniewski and the Motion passed unanimously.

**ADJOURNMENT**

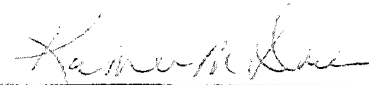
There being no further business to come before the Committee, the meeting was adjourned at approximately 11:40 am.

**APPROVED:**



Paul Chialdikas  
Committee Chairman

**ATTESTED:**



Kathleen Dart  
Secretary