

1 ILLINOIS FINANCE AUTHORITY  
2 REGULAR MEETING  
3 September 14th, 2017, at 9:33 a.m.  
4  
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7 Report of Proceedings had at the Regular Meeting of the  
8 Illinois Finance Authority on September 14th, 2017, at the  
9 hour of 9:30, a.m., pursuant to notice, at 160 North LaSalle  
10 Street, Suite S1000, Chicago, Illinois.  
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1 APPEARANCE:  
2 ILLINOIS FINANCE AUTHORITY MEMBERS

- 3 MR. ERIC ANDERBERG, Chairman
- 4 MR. JAMES J. FUENTES
- 5 MR. ROBERT HORNE
- 6 MS. ARLENE JURACEK
- 7 MR. LERRY KNOX
- 8 MS. GILA J. BRONNER
- 9 MR. MICHAEL W. GOETZ
- 10 MR. LYLE McCOY
- 11 MR. TERRY O' BRIEN
- 12 MS. BETH SMOOTS
- 13 MR. JOHN YONOVER
- 14 ILLINOIS FINANCE AUTHORITY STAFF MEMBERS
- 15 MR. BRAD FLETCHER, Assistant Vice-President
- 16 MR. RICH FRAMPTON, Vice-President
- 17 MS. PAMELA LENANE, Vice-President
- 18 MS. ELIZABETH WEBER, General Counsel
- 19 MS. XIMENA GRANDA, Controller
- 20 MR. CHRISTOPHER B. MEISTER, Executive Director
- 21 MR. PATRICK EVANS, Agricultural Banker (Via audio conference)
- 22 MR. TERRY FRANZEN, Procurement
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1 CHAIRMAN ANDERBERG: I would like to call the  
2 meeting to order. Would the Assistant Secretary  
3 please call the roll?

4 FLETCHER: Certainly. The time is 9:33 a.m.  
5 I'll call the roll of Members physically present.  
6 Ms. Bronner?

7 BRONNER: Here.

8 FLETCHER: Mr. Fuentes?  
9 FUENTES: Here.  
10 FLETCHER: Mr. Goetz?  
11 GOETZ: Here.  
12 FLETCHER: Mr. Horne?  
13 HORNE: Here.  
14 FLETCHER: Ms. Juracek?  
15 JURACEK: Here.  
16 FLETCHER: Mr. Knox?  
17 KNOX: Here.  
18 FLETCHER: Mr. McCoy?  
19 McCOY: Here.  
20 FLETCHER: Mr. O' Bri en?  
21 O' BRI EN: Here.  
22 FLETCHER: Ms. Smoots?  
23 SMOOTS: Here.  
24 FLETCHER: Mr. Yonover?  
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1 YONOVER: Here.  
2 FLETCHER: And Mr. Chair man?  
3 CHAI RMAN ANDERBERG: Here.  
4 FLETCHER: Mr. Chair man, a quorum of Members  
5 physical ly present in the room has been consti tuted.  
6 CHAI RMAN ANDERBERG: Di d we recogni ze our  
7 two --  
8 FLETCHER: It's also come to my knowl edge we  
9 also have two Members parti cipating by audi o  
10 conference, while their votes will not count, we  
11 woul d like to acknowl edge them.

12 I believe we have Member Poole on the line  
13 and Member Obernagel.

14 MEISTER: George and Roger?

15 OBERNAGEL: Yes.

16 POOLE: Yes.

17 FLETCHER: They are confirmed they are on the  
18 line.

19 CHAIRMAN ANDERBERG: Does anyone wish to make  
20 any additions, edits or corrections to today's  
21 agenda?

22 Hearing none, I would like to request a  
23 motion to approve the agenda. Is there such a  
24 motion?

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1 KNOX: So moved.

2 CHAIRMAN ANDERBERG: I have a motion. And a  
3 second?

4 GOETZ: Second.

5 CHAIRMAN ANDERBERG: All those in favor?

6 (A chorus of ayes.)

7 CHAIRMAN ANDERBERG: Opposed?

8 (No response.)

9 CHAIRMAN ANDERBERG: The ayes have it. We've  
10 got a lot to get through here today. I would like  
11 to make a few remarks.

12 Late last month, Chris, Elizabeth and  
13 myself went out to New York for the State Revolving  
14 Fund bond issuance. It was a resounding success. I  
15 just want to congratulate and thank the staff, the  
16 IFA, for all your hard work in getting that done.

17 It was tremendous. I do want to also -- it was an  
18 amazing experience, too.

19 But I can't let it pass without saying I'm  
20 real suspect Chris might have had a connection to  
21 North Korea because the night before they shot a  
22 missile over Japan and that helped the flight to  
23 quality the next morning.

24 But it was a tremendous success. I would

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1 also like to thank Roger Poole and George Obernagel.  
2 They tried getting here this morning, but were  
3 fogged in at St. Louis Airport, and they are here on  
4 the phone today. So, thank you, gentlemen, for  
5 phoning in.

6 And I'll turn it over to Chris.

7 MEISTER: Thank you, Mr. Chair. Again, I would  
8 like to not just thank Eric, because it was a  
9 sacrifice to come out and participate in the  
10 pricing, but just I also want to thank all of the  
11 Board Members and all of the staff, and all of the  
12 Members of the financing team.

13 I've asked Brad Fletcher to provide an  
14 overview. This has been, I think, a financial and  
15 public policy success for our state that,  
16 personally, I'm very proud to be a part of.

17 We've had 100-percent support from our  
18 partners at IEPA, and Carol Radwine, the CFO.  
19 Carol, are you on the line?

20 RADWINE: I am on the line, Chris.

21 MEISTER: Yes. So, Carol is going to be  
22 speaking and recognized a little bit further, but  
23 this is a tremendous success.

24 I think the people that deserve the most  
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1 success are the entire team at Illinois  
2 Environmental Protection Agency, but this has been a  
3 four-year process, two governors, three Chairs here  
4 at the IFA, a number of staff and a number of  
5 Members of the financing team; and, of course, your  
6 support.

7 Because I just want to underscore, and one  
8 of the Board Members raised it last meeting, the  
9 level of organizational commitment at both the  
10 Authority and IEPA. And, again, a special thanks to  
11 Director Messina for his support, and Governor  
12 Rauner's Office for their support has really made  
13 this a great success that we can all be proud of.  
14 Thank you. Brad?

15 FLETCHER: So, Chris asked me to give a brief  
16 overview after we priced and closed the 2017 SRF  
17 bonds. I'm going to be referring to various  
18 exhibits, again, with this yellow memo in front of  
19 you, and also at the back end, the final exhibit,  
20 will be the rather voluminous, if you will, it's the  
21 closing book provided by Bank of America Merrill  
22 Lynch.

23 As Chris mentioned, the Series 2017 SRF  
24 bonds closed on September 12th. They were issued in

1 the aggregate principal amount of \$560,250,000. The  
2 bonds were sold at a premium providing over  
3 \$661,000,000 of net bond proceeds. That is  
4 discounting cost of issuance and underwriter's  
5 discount.

6 So \$661,000,000 was deposited directly  
7 into IEPA's Clean Water Loan Fund and their Drinking  
8 Water Loan Fund. If I may, I'll turn your attention  
9 to Exhibit 1.

10 That is this page here, table of rankings.  
11 As a result of this successful 2017 SRF bond  
12 closing, Illinois now ranks 11th in the national  
13 rankings among SRF bond issuers from 1989 to the  
14 present, having issued almost \$1.5 billion of bonds  
15 in that time.

16 This overall ranking is primarily  
17 attributable to Illinois issuing \$1.2 billion over  
18 the last four years alone through three series of  
19 bonds, the 2013 SRF bonds, the 2016 SRF bonds and  
20 now the 2017 SRF bonds.

21 These were large enough to rank Illinois  
22 fourth in national rankings from 2013 to present.  
23 This is clearly an upward trend which we hope to  
24 continue on a continual regular basis of SRF bond

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1 issues in the coming years. So, we expect to remain  
2 in the top rankings.

3 Next, I'm going to refer to Exhibit 2,  
4 which looks like this page here. This is the past  
5 spend down of 2016 SRF bond proceeds. According to  
6 IEPA, 100 percent of the 2016 net bond proceeds in  
7 the Clean Water Loan Fund were drawn as of  
8 June 30th, 2017, while approximately \$55,000,000 in  
9 the Drinking Water Loan Fund remain unspent as of  
10 August 18th.

11 I did receive an update on that number  
12 last night. They are down to roughly \$38,000,000.  
13 And according to the Executive Director, who spoke  
14 with IEPA also recently, they expect to terminate  
15 the remaining balance by October of this year.

16 So, another month, those funds will be  
17 depleted. Nevertheless, this rapid spend down has  
18 nearly met the three-year spend-down target under  
19 federal tax law, which is called TIPRA.

20 They've nearly met the three-year  
21 spend-down target of 95 percent in just over a year.  
22 In fact, according to IEPA, they expect to expend  
23 all these funds through October.

24 This accelerated expenditure of net bond  
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1 proceeds is expected to be replicated for the 2017  
2 bonds, which is now closed. That would be Exhibit 3  
3 in front of you, which looks like this, which has a  
4 graph chart on the bottom.

5 You can see from referring to the chart,  
6 that again they expect, once again, to meet the  
7 three-year spend-down requirements again in



8 approximately 12 months.

9 That is very rapid expenditure of net bond  
10 proceeds by IEPA, which speaks to the demand out  
11 there in the State of Illinois for water  
12 infrastructure financing.

13 Finally, I wanted to turn your attention  
14 to the closing book, which I referred to earlier.  
15 This has been provided to us by Bank of America  
16 Merrill Lynch. Specifically I'll be referring to  
17 tab 5 in the book. Tab 5 is the summary of orders  
18 and allotments.

19 First, on page 26, you'll see that of 22  
20 potential investors that viewed the Road Show, six  
21 firms ultimately participated in the 2017 SRF bond  
22 transaction. These six firms had participated in  
23 our prior SRF bond sales.

24 Turning to page 29, if you will, in  
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1 reviewing the left-hand column, which is highlighted  
2 in green, you'll see that these firms ultimately  
3 were allotted \$103,000,000 of the 2017 SRF bonds  
4 that were sold.

5 So this is a good active participation and  
6 good active marketing by IEPA, with respect to the  
7 Road Show; that is to say, the Road Show did pay  
8 off.

9 Also, on page 29, reviewing the same  
10 column, it shows that at least 14 new institutional  
11 investors were ultimately allotted \$145,000,000 of

12 the Series 2017 SRF bonds. These 14 new  
13 institutional investors accounted for over 25% of the  
14 aggregate principal amount of SRF bonds sold.

15 And, finally, as you're all aware, the 2017  
16 SRF bonds were not only sold to institutional  
17 investors, but also to retail investors. You will see  
18 that, if you review page 31, at final pricing  
19 institutional investors were allotted approximately  
20 70 percent of 2017 SRF bonds, while the retail  
21 investors were allotted approximately 28 percent of  
22 the SRF bonds.

23 The remaining 1.5 percent was allotted to  
24 the senior manager on the transaction, who is a  
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1 member of the underwriting syndicate. So, we did  
2 want to take the time to review this.

3 I should note, as a disclaimer, these  
4 books are confidential and are intended for your  
5 sole use and not to be distributed to anyone else.

6 We also wanted to thank the co-managers on  
7 this transaction, the senior manager, the co-senior  
8 manager, as well as IPEA. Carol Radwine is going to  
9 have a few comments.

10 First, I want to turn it over to the  
11 senior manager of the transaction, Bank of America  
12 Merrill Lynch, Eric Rockhold.

13 ROCKHOLD: Thanks, Brad, and, Mr. Chairman, and  
14 Members of the Board. Thank you very much for the  
15 opportunity to serve the lead manager on  
16 transaction.

17           On behalf of our syndicate, we're very,  
18 very pleased, and very, very pleased with the  
19 results. I mean, from your perspective, a few  
20 anecdotes, when you compare this transaction to what  
21 was done last year, last year went well. This year  
22 it was expedited. It was smooth.

23           It was easy, and that's really a credit to  
24 IEPA and IFA staff and the financial advisor team.

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1 I just think it was much easier, much better. Last  
2 year went well.

3           This year, we were on all cylinders from  
4 start to finish, and it was done in an aggressive  
5 time frame and done very, very well. A few  
6 anecdotes from the bond sale, itself.

7           As the Chairman alluded to, we started the  
8 first day with a retail order period at the end --  
9 towards the end of that day had a very good  
10 response. So, it slowed at the beginning of the  
11 day. I think we only got approximately \$200,000,000  
12 at the end of the day, but the market was feeling  
13 kind of soft, not feeling really well.

14           We gathered that night before heading out  
15 to dinner and, Chris, you know, comes in with his  
16 phone and says, "Hey, guess what? North Korean just  
17 sent a missile over Japan."

18           And all of us were, like, "Well, bad for  
19 Japan, but probably good for our bond deal." In all  
20 reality, that did help the following morning, and we

21 were able to go out into the market at what we felt  
22 were aggressive appropriate pricing levels, which  
23 were a little bit better than where it had gone up  
24 that day.

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1 And had a throughout the day a very  
2 sustained order period, very orderly, very  
3 thoughtful response to for our investors that was  
4 primarily because of the work, again, the Authority  
5 and staff performed.

6 One I think very significant anecdotal  
7 piece of information was the major investor in this  
8 transaction was an investor last year on the Road  
9 Show that had viewed it. There was a one-on-one  
10 investor call that we had with this major investor,  
11 which is a major bond fund, as you all know, based  
12 in Massachusetts. There are a few of them.

13 So, from our perspective, the investment  
14 that was made last year with this client, they  
15 didn't put in any orders last year. This year they  
16 put in \$300,000,000 worth of orders, which is, you  
17 know, significant and were allotted a significant  
18 portion of the transaction based on that.

19 We also have -- I think it was probably  
20 kind of eye opening for the Chairman. We had  
21 probably about a 45- to 50-minute investor call with  
22 one other institutional investor for pricing that  
23 went from the gamut of details to the financing to  
24 just getting it to how is the board organized? How

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1 are appointments made? Is there politics that goes  
2 into the transaction, itself, from IEPA and IFA?

3 And I think just having the Chair and  
4 staff be able to address these things was really  
5 important. The investor also stepped up and put in  
6 orders and was awarded some of the bonds. You know,  
7 really, from our perspective, this was a great honor  
8 to be part of.

9 It's always fun to work for an energetic  
10 and thoughtful group; and on behalf of our team, we  
11 thank you and happy to answer any questions.

12 YONOVER: Eric, great presentation. Well done.  
13 I'm not a bond guy, so I'm not sure I completely  
14 understand.

15 So just a quick education, the  
16 \$660,000,000 came into the account, but 560 goes  
17 into water, and it cost \$1,000,000 to issue. Where  
18 is the other \$99,000,000?

19 ROCKHOLD: The bonds were sold at an interest  
20 rate of 5 percent. So, when they're sold, the  
21 interest rate the investors receive is at 5, but the  
22 market for those bonds today, actually the yield,  
23 the effective yield for what the investor receives,  
24 is, say, 3.

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1 So that difference between 3 and 5 percent  
2 they have to pay. Today, you know, say, you get a

3 bond for \$120, you have to pay \$120 today to get  
4 that bond because it's only going to yield 3  
5 percent.

6 So they have to pay more today so that the  
7 premium of the transaction represents the hundred  
8 and some odd million that goes into the premium the  
9 bondholders pay at closing, in order to receive that  
10 5 interest rate over the 5, 10, 20 years that it's  
11 there, because that's an above-market interest rate  
12 that they will receive over the life of their  
13 holding of that bond.

14 YONOVER: So \$100,000,000 is then used to pay  
15 that interest back, is that what I'm hearing?

16 ROCKHOLD: No, that goes into the account of  
17 the IFA to put into loans. They just receive that 5  
18 interest. Today, if they were to buy a bond, it  
19 would yield only 3. So, they're actually getting an  
20 above-market interest rate in return.

21 So, they have to pay more for that today,  
22 in order to get that above-market interest rate over  
23 the 5, 10, 20 years. That's the rationale they  
24 employ.

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1 MEISTER: John, did that answer your question?

2 YONOVER: I don't know. I'm sorry, I'm not  
3 getting it. There is \$99,000,000. I don't know  
4 where it went.

5 ROCKHOLD: That extra \$100,000,000 is going  
6 into the loan fund for IEPA to pass along to its  
7 purchase funds.

8 KNOX: Page 65 of the book, there's a sources  
9 and uses.

10 YONOVER: I know the bond guy will know. Thank  
11 you, Lerry.

12 KNOX: Sort of the use is there. You'll see  
13 the Clean Water Loan Fund, the Drinking Water Loan  
14 Fund.

15 YONOVER: I do.

16 KNOX: That totals \$661,000,000. That is where  
17 the extra proceeds go.

18 YONOVER: Okay.

19 KNOX: So, as Eric was saying, basically  
20 they're paying more money because they are getting a  
21 higher return than what they should get in the  
22 market today for what that actually priced they're  
23 getting a mortgage for. Rather than paying 6  
24 percent on the mortgage, the fair market is 3. You

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1 have to pay more. So, very similar.

2 YONOVER: Got it.

3 KNOX: The money is in the fund. It goes to  
4 the state.

5 YONOVER: I've learned what I need to learn  
6 today.

7 ROCKHOLD: Good. Any other questions? Thank  
8 you. We appreciate it.

9 CHAIRMAN ANDERBERG: Thank you, Eric.

10 FLETCHER: We also have from IEPA Carol Radwine  
11 who wants to offer a few comments to the Members of

12 the Board.

13 RADWINE: Good morning. I think it's been  
14 pretty well covered. What I would like to add, when  
15 IEPA approached IFA with the timeline that was  
16 needed, which was an accelerated pace.

17 The term "It takes a village," I'm glad I  
18 was a member of that village because everybody  
19 jumped in and made our timeline, which has to be  
20 commended.

21 Because, I think, originally, we thought  
22 we would have money to take us a little farther into  
23 the fall, but because of the success of this  
24 program, and the incredible interest rate to the

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1 municipalities, we just have people contacting as word  
2 gets around.

3 So that everybody worked together to meet  
4 the accelerated pace. Thank you. Thank you. Thank  
5 you. That we remain AAA rated throughout. With all  
6 the problems that the State of Illinois has gone  
7 through, as a whole, is extremely commendable and  
8 speaks to the strength of this program and the  
9 strength of the people involved all the way around,  
10 not just IEPA and IFA, but the financial advisors,  
11 the bond team.

12 I think it's something that I know, as CFO  
13 of a state agency, I'm extremely proud of, and I had  
14 hoped to make it to New York one of these times at  
15 the bond sale. I think as many of you know, I am  
16 moving on to another venture in my state career.



17                   So, this was my last bond sale. I didn't  
18 know it at the time it was happening. So, I think I  
19 leave IEPA in very good hands. Kevin Bryant  
20 couldn't be on the phone today, but he leads IEPA in  
21 these bond sale efforts, and he is the true heart of  
22 our team, and he will still be here.

23                   And I know that we will be successful in  
24 the future, as we go back to market. So, I just

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1 want to say thank you to everybody.

2           MEISTER: And, Carol, on behalf of the IFA, I  
3 just want to thank you because your personal  
4 commitment and, again -- can I name your new public  
5 service assignment?

6           RADWINE: Yes.

7           MEISTER: So, Carol is going to be leaving IEPA  
8 as CFO and going to the State Lottery. And I think  
9 that the State Lottery, and all of us as Illinois  
10 residents, will benefit from your commitment, your  
11 effectiveness and your professionalism.

12                   But Carol really highlighted the breadth  
13 and the depth of the IEPA commitment. Kevin Bryant,  
14 Gary Bingenheimer, who actually interacts with the  
15 local governments to deploy the loans and his team,  
16 it was a village.

17                   It was a team effort, and you will be  
18 sorely missed, but I'm glad that the Lottery is  
19 getting the benefit of your effectiveness and  
20 experience, Carol.

21 RADWINE: Thank you very much.

22 CHAIRMAN ANDERBERG: Thank you. Consideration  
23 of the minutes. Does anyone wish to make any  
24 additions, edits or corrections to the minutes from  
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1 August 17th, 2017?

2 Hearing none, I would like to request a  
3 motion to approve the minutes. Is there such a  
4 motion?

5 BRONNER: So moved.

6 CHAIRMAN ANDERBERG: We have a motion. Do I  
7 have a second?

8 HORNE: Second.

9 CHAIRMAN ANDERBERG: We have a second. All  
10 those in favor?

11 (A chorus of ayes.)

12 CHAIRMAN ANDERBERG: Opposed?

13 (No response.)

14 CHAIRMAN ANDERBERG: The ayes have it.  
15 Financial reports. Ms. Granda?

16 GRANDA: Good morning, everyone. I will be  
17 presenting the financial statements for period  
18 ending August 31st, 2017. The financial statements,  
19 along with the financial analysis memo, is located  
20 in your Board books on the financial statements tab.

21 The Authority upgrading -- general  
22 operating fund is as follows: Our total annual  
23 revenue equals \$620,000, and are \$48,000 or  
24 7.3 percent lower than budget. This is primarily

1 due to lower closing fees.

2 In August, the Authority generated  
3 \$227,000 in closing fees, which is \$13,000 lower  
4 than the monthly budget of \$240,000.

5 Our total annual expense equals \$473, and  
6 are \$111 or 19 percent lower than budget, which was  
7 mostly driven by a reduction in spending on  
8 professional services.

9 In August, the Authority recorded  
10 operating expenses of \$220,000, which is lower by  
11 \$72,000 from our budgeted amount of \$292,000. The  
12 variance is between employee-related expenses and  
13 professional services.

14 Our total monthly net income is \$150,000,  
15 which -- I'm sorry, other total monthly net income  
16 is \$150,000, which is due to our reduction in  
17 spending and an increase in interest and investment  
18 income.

19 Our total annual net income is \$147,000,  
20 and the major driver of the annual positive bottom  
21 line continues to be the level of overall spending  
22 at 19 percent below budget, as well as an increase  
23 in interest and investment income.

24 At this point, I want to have -- I want to  
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1 discuss two main points. The first point is an  
2 increase in the interest and investment income. And

3 in July, the Authority worked with the investment  
4 manager under contract and updated the cash flows of  
5 the uncommitted cash balances.

6 Due to the investment manager investing  
7 more of the uncommitted cash balances, it directly  
8 increased the interest and investment income. Also,  
9 with the increase in the fed funds a few times over  
10 the last year, the investors are now earning more  
11 interest and combined with the investment manager  
12 invested the uncommitted cash balances, the more  
13 interest income the Authority is earning.

14 The second item that I want to discuss is  
15 the uncollectible debt. So, I'm going to provide an  
16 overview of the uncollectible debt.

17 From time to time, the Authority and its  
18 predecessors had loans and investments that actually  
19 did not work out. The Authority considers such  
20 loans or investments as uncollectible debt and  
21 writes them down to zero on the Authority's books.

22 But due to state law, in order to formally  
23 write off the uncollectible debt, the Office of the  
24 Attorney General must sign off on such write-offs on

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1 behalf of the state.

2 The majority of the uncollectible debt  
3 carried by the Authority dates back to the  
4 predecessor agency, and it was acquired before 2004,  
5 the date of the creation of the Authority.

6 What all this means, in August, the  
7 Authority received authorization from the Office of

8 the Attorney General to formally write off the  
9 balances of these various legacy uncollectible  
10 debts. The total amount authorized for write-off in  
11 August was \$350,000 for two loans.

12 The year-to-date authorized amount is  
13 \$1.092 million for 9 loans. In addition, the  
14 Authority received an authorization to write off the  
15 balances from our venture capital program. The  
16 total amount authorization to write off was  
17 \$2.9 million for seven companies.

18 With this authorization, the Authority  
19 anticipates the elimination of prior years findings.  
20 There is still two loans that are awaiting  
21 authorization from the Office of the Attorney  
22 General's Office.

23 At this point, the Authority would like to  
24 thank the Office of the Attorney General for their  
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1 cooperation and consideration of these legacy  
2 uncollectible debts.

3 There has been more progress made on  
4 resolving this issue since January of 2015 than the  
5 Authority's history in 2004 and 2015. The last  
6 thing, just a quick review, the financial audit for  
7 fiscal year 2017 started. This will be the second  
8 phase of the field work and the auditors are here in  
9 the Authority's premises.

10 So, just look ahead, in September, the  
11 Authority had closings from Southern Illinois

12 Healthcare Enterprises in the amount of \$48,000 and,  
13 of course, the State of Illinois Clean Water  
14 Initiative in the amount of \$250,000.

15 Coming up later in September, we have  
16 closings for Tabor Hills in the amount of \$19,000  
17 and Bradley University in the amount of \$65,000.

18 Is there any questions? Thank you.

19 CHAIRMAN ANDERBERG: No further questions for  
20 Ms. Granda?

21 Hearing none, I would like to request a  
22 motion to accept the financial reports. Is there  
23 such motion?

24 BRONNER: So moved.

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1 JURACEK: Second.

2 CHAIRMAN ANDERBERG: Motion and a second. All  
3 those in favor?

4 (A chorus of ayes.)

5 CHAIRMAN ANDERBERG: Opposed?

6 (No response.)

7 CHAIRMAN ANDERBERG: The ayes have it. Monthly  
8 procurement report?

9 FRANZEN: Good morning, Mr. Chairman, Members  
10 of the Board.

11 CHAIRMAN ANDERBERG: Good morning.

12 FRANZEN: From the procurement report, you will  
13 see we executed just four orders related to small  
14 purchases for the Authority. Bloomberg was executed  
15 after the publication of the report. So, it was in  
16 process. The remainder of the list is the expiring

17 contracts through the 2018 fiscal year.

18 Are there any questions? Thank you.

19 CHAIRMAN ANDERBERG: Thank you.

20 YONOVER: Who is using the stand-up desks?

21 FRANZEN: Say again?

22 YONOVER: Who is using the stand-up desks?

23 FRANZEN: Mari is. Mari has one.

24 MEISTER: And Six and Pam.

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1 YONOVER: Well done, everyone.

2 MEISTER: We're hoping to reduce health  
3 insurance issues.

4 YONOVER: Treadmill next.

5 MEISTER: Yes. I also want to just highlight  
6 an item here. I've been working with our IT  
7 manager, Rob Ritchfield, and we're working through a  
8 rather methodical replacement and identification of  
9 IT hardware and software and updates.

10 And the goal of this is to protect the  
11 Authority's systems and information to the highest  
12 extent possible from any third-party invasion.

13 And, so, there was, despite, frankly,  
14 tremendous efforts over the last two years, at the  
15 state level, there was a state agency that was hit  
16 in July, and their systems were brought down for a  
17 number of weeks.

18 So, Rob Ritchfield and I have been  
19 working, and you'll see more items in the coming  
20 months. The -- basically, the general -- the best

21 protection is updating the hardware and the  
22 software, rather than leaving it open for exposure  
23 to the third parties.

24 So, we're working on that, and you'll see  
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1 more of this in the coming months.

2 CHAIRMAN ANDERBERG: Okay. Thank you.  
3 Committee reports? Mr. Horne?

4 HORNE: Yes. The Conduit Committee, I think  
5 that is our official name, met this morning, and we  
6 had several items of business before us. I guess I  
7 should rattle off the names.

8 We had a farmer bond. We had a -- there  
9 we go. Okay. Cantigny Foundation, the Chicago  
10 Charter School Foundation, Blessing Hospital,  
11 Advocate Healthcare Network, Tabor Hills Supportive  
12 Living community, Iowa Health System.

13 There were resolutions on Navy Pier and  
14 Sacred Heart. All were presented and all were  
15 unanimously approved by our Committee.

16 CHAIRMAN ANDERBERG: Okay.

17 HORNE: For recommendation to the Board.

18 CHAIRMAN ANDERBERG: Thank you, Bob. All  
19 right. Presentation and Consideration of the  
20 Progress Reports and Resolutions. I would like to  
21 ask for a general consent of the Members to consider  
22 the Project Reports and Resolutions collectively.

23 We have one, No. 5, the subsequent  
24 recorded vote applied to each respective individual



1 Project and Resolutions, unless there are any  
2 specific Project Reports and Resolutions that a  
3 Member would like to consider secondly.

4 GOETZ: And, Mr. Chairman, I need to abstain on  
5 item No. 5, Advocate Health Systems. I have a son  
6 that works for their financial advisor.

7 CHAIRMAN ANDERBERG: Very good. So, we'll do  
8 No. 5 at the end. I guess we'll hear them now.  
9 Mr. Evans?

10 EVANS: Yes. Good morning, everybody. Today  
11 there's one beginning farmer bond. This bond will  
12 have a first mortgage position relating to it. The  
13 borrowers are Matthew L. and Janet L. Roark, who is  
14 purchasing 95.58 acres of bare farm real estate.

15 The total cost of this purchase is  
16 \$620,000, or \$6,487 per acre. People's State Bank  
17 of Newton will finance 51.61 percent of the purchase  
18 price or \$320,000.

19 The bank would utilize the FSA beginning  
20 farmer loan program, which maximum loan amount is  
21 \$300,000. As stated, IFA bonds will be first  
22 mortgage position on the property being purchased.

23 FSA would have a second position relating  
24 to their 48.39 percent guarantee, and the property

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1 is located in the southeast corner of Lawrence  
2 County with the terms of the bonds identified in the

3 write-up.

4 If there's no questions, I'll give the  
5 floor back to you, Mr. Chairman.

6 CHAIRMAN ANDERBERG: Okay. Thank you, Pat.  
7 Mr. Frampton?

8 FRAMPTON: Thank you, Mr. Chairman. Next we'll  
9 move on to item 2, which is a Final Bond Resolution  
10 for the Cantigny Foundation. This is being  
11 presented for one-time consideration.

12 The Cantigny Foundation has requested  
13 approval of a Final Bond Resolution in an amount not  
14 to exceed \$60,000,000, that will be purchased  
15 directly by MB Financial Bank. The not-to-exceed  
16 parameter on the maturity date will be set at 40  
17 years, consistent with most IFA parameter  
18 resolutions.

19 The initial interest rate period that will  
20 be provided for MB Financial Bank will be 15 years;  
21 and during that time, the bonds will be on an  
22 interest-only basis.

23 As security for MB, the bonds will be a  
24 general obligation of Cantigny Foundation and will

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1 also be guaranteed by the Robert M. McCormick  
2 Foundation. Additionally, the foundation will also  
3 be providing MB with a active pledge on real and  
4 personal property assets of Cantigny Foundation.

5 In terms of the anticipated issuance  
6 amount of the proposed bond issue, the not-to-exceed  
7 amount is \$60,000,000. The anticipated issuance

8 amount will be \$58,000,000, as pointed out in the  
9 sources and uses table at the bottom of page 1.

10 The proposed Series 2017 bonds will also  
11 be issued as drawdown bonds and the proceeds will be  
12 used to finance a Series of capital improvement  
13 projects to be undertaken by Cantigny over the next  
14 six years, at it's Cantigny Park.

15 There are three primary elements, or three  
16 key components to the project, including the First  
17 Division Museum. In your press clippings for the  
18 month, there is an article regarding the reopening  
19 of the First Division Museum, which opened on  
20 Saturday -- reopened on Saturday, August the 26th.

21 The second component will be the Robert R.  
22 McCormick House Museum. There will be a series of  
23 improvements there. Additionally, there will be  
24 improvements on the grounds and to other facilities

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1 at Cantigny Park.

2 In terms of the financials, if you turn to  
3 pages 8 and 12, the two foundations are actually  
4 reported for auditing purposes as a consolidated  
5 entity, but I have broken out the individual results  
6 for each foundation based on their consolidating  
7 statements, and the key thing to look at are -- is  
8 the balance sheet.

9 Cantigy, page 8, current assets and other  
10 non-current assets, those two items are almost  
11 exclusively comprised of cash and investments. Same

12 thing for the Cantigny Foundation on page 12.

13 Current assets and non-current assets are  
14 essentially all comprised of cash and investments.  
15 So, on a combined basis, there is low ten figures of  
16 combined liquid balance sheet strength.

17 So, just in terms of project impact, the  
18 2017 bonds will enable the foundation to finance or  
19 reimburse for eligible project purposes, capital  
20 improvements at the First Division Museum, McCormick  
21 House Museum and Cantigny Park and a single bond  
22 issue.

23 It will enable improvements to be financed  
24 over the next six years. The tax-exempt financing

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1 will enable Cantigny to finance these improvements at  
2 the lowest possible cost, thereby enabling Cantigny  
3 to expand their programming, potentially including  
4 educational programming, based on their revenue  
5 base.

6 And before I conclude my remarks, I would  
7 like to introduce and acknowledge Mr. Lou Marsico,  
8 and Ms. Sheau-Mi Ross. Lou is the senior VP of  
9 operations at Cantigny. Sheau-Mi is the CFO and  
10 treasurer.

11 MARSICO: Good morning. Thank you very much  
12 for the consideration. We really enjoyed working  
13 with Rich and his staff. The IFA has made this a  
14 very interesting process and one we look forward to  
15 completing. So thank you for your consideration.

16 CHAIRMAN ANDERBERG: Thank you.

17 FRAMPTON: And little did I know, based on our  
18 first contact, I had sent an E-mail to Lou saying --  
19 back in March of 2010, and what I said was, "I look  
20 forward to working with you to finance your capital  
21 improvement projects over the next several years."

22 Little did I know how prophetic that was  
23 going to be. So, I'll turn things back over to the  
24 Chair.

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1 CHAIRMAN ANDERBERG: Thank you, Rich.

2 MEISTER: I would also just like to thank you,  
3 personally. It's a beautiful location. It's an  
4 extraordinary museum and it's great grounds.

5 So, if anybody has not been to the Cantigy  
6 facility, please go, because it's really incredible,  
7 and it's a tribute to obviously our military  
8 veterans, and the museum about The Big Red One is  
9 really well done and effective. Thank you.

10 MARSICO: Thank you.

11 JURACEK: Mr. Chairman, just to add on to --  
12 pile on to the compliment. I'm the Mayor of Mount  
13 Prospect, Illinois, and our sister city is France,  
14 and they are sending a delegation over in  
15 mid-October, and we've been working with your  
16 organization.

17 They will be visiting Cantigy, and it  
18 holds -- you know, The Big Red One holds an  
19 important connection to France, and we're looking  
20 forward to sharing your new museum and your improved

21 grounds with them in October.

22 MARSICO: Thank you very much.

23 FRAMPTON: Okay. Thank you.

24 FLETCHER: Mr. Chair, Members, next is tab 3 in  
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1 your Board books, which is a Final Bond Resolution  
2 on behalf of Chicago Charter School Foundation,  
3 which does business as Chicago International Charter  
4 School.

5 The resolution is a not-to-exceed amount  
6 of \$62,000,000. This is being presented for a  
7 one-time consideration. Chicago International  
8 Charter School is a public charter school here for  
9 Chicago that operates a network of 14 campuses  
10 citywide that provides education to over 8600  
11 students in grades kindergarten through 12.

12 Chicago Charter School Foundation has had  
13 a charter agreement with Chicago Public Schools,  
14 CPS, since 1997; and, most recently, a charter was  
15 renewed through June 30th, 2024, last month for a  
16 period of seven years.

17 The borrower uses four different education  
18 management organizations to run day-to-day  
19 operations of its charter school network, while  
20 operating under yearly performance-based contracts  
21 with the borrower.

22 If you turn to page 5 of the report, you  
23 will note the table I provided near the bottom of  
24 the page provides the list of the education

1 management organizations for each campus and its  
2 network. With the exception of Charter Schools  
3 U. S. A. , each education manager organization is a  
4 501(c)(3) not-for-profit entity.

5 To the transaction before you, the plan to  
6 finance seeks to refund the outstanding 2007 bonds  
7 issued previously by the Illinois Finance Authority  
8 in the amount of approximately \$42,000,000, as well  
9 as finance on a tax-exempt basis of approximately  
10 \$9,000,000 of various capital improvements at  
11 several campuses in their network.

12 The estimated project costs are provided  
13 on the bottom of page 3 of the report, with respect  
14 to the new capital expenditures. The fixed rate and  
15 tax exempt and the potentially taxable bonds will be  
16 sold based on the direct underlying rating of the  
17 borrower.

18 They are currently rated BBB by S&P, and  
19 they applied for a rating update potential for this  
20 transaction. The investors will be secured by a  
21 pledge of network revenues, as well as mortgages on  
22 the Basil Campus, Longwood Campus, Boone's Primary  
23 Campus, Northtown Academy Campus and Ralph Ellison  
24 High School Campus.

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1 A couple notes for the record. The  
2 updated resolution has been provided in your

3 folders. That is the resolution you are voting on.  
4 There have been material changes to the resolution  
5 since the printing of the Board book, among which a  
6 trustee has been he engaged.

7 It will be Amalgamated Bank of Chicago.  
8 That was not available at the time of the printing  
9 of the Board book. Finally, I want to note that we  
10 have Kathleen Clark, Chief of Network Operations  
11 here, along with borrower's counsel from Chapman &  
12 Cutler, Nancy Burke.

13 I wanted to thank them personally for  
14 coming to attend this meeting. If you're not aware,  
15 running a charter school network is very highly  
16 demanding. So, I appreciate their time, and I thank  
17 you for applying to the Authority.

18 Are there any questions? Thank you.

19 CHAIRMAN ANDERBERG: Thank you. Pam?

20 LENANE: No. 4 in your packet is Blessing  
21 Hospital. Blessing Hospital is located in Quincy,  
22 Illinois. They are seeking a final resolution in  
23 the amount of \$20,000,000 to refund their 2007 bonds  
24 that were issued by the City of Quincy, and to

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1 reimburse themselves for funds spent for certain  
2 healthcare facilities, including, but not limited  
3 to, food services facilities located at the  
4 hospital.

5 The only material change since the  
6 preliminary report that was sent in August, they've  
7 added a description of the new issuance of the new



8 money project. Also, they've added that there will  
9 be 35 construction jobs.

10 Blessing Hospital is currently rated A  
11 stable by S&P and A2 stable by Moody's. The  
12 estimated closing date is November 2017.

13 If you turn to their financials on page 6,  
14 yes, on page 6, they have good strong financials,  
15 5.32 debt service coverage and 207 days cash on  
16 hand. The net present value savings from this  
17 refunding is \$1.9 million.

18 Any questions? Now we've taken out --

19 CHAIRMAN ANDERBERG: Right.

20 LENANE: We'll go to 6. Six is Tabor Hills.  
21 Tabor Hills Supportive Living Community located in  
22 Naperville is seeking a one-time Final Bond  
23 Resolution in the amount of \$16,000,000.

24 The bond proceeds will be used to refund  
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1 their Series 2006 IFA bonds and pay cost of  
2 issuance. Just for information, Tabor Hills was  
3 originally the Bohemian Home for the Aged, and it  
4 was located at Foster and Pulaski.

5 They sold that facility and developed a  
6 new senior living facility consisting of 211 bed  
7 nursing facility and independent living patio homes  
8 in Naperville.

9 The bonds will be a direct bank purchase  
10 by Fifth Third Bank, and they will be a fixed rate  
11 with an interest rate of 3 percent. If you look at

12 the financials for Tabor Hills on page 6 -- 7, on  
13 page 7, they have good strong financials, showing  
14 good debt service coverage of 2.47 times and 371  
15 days cash on hand. The estimated net present value  
16 of savings from this refunding is \$6.9 million.

17 Any questions? Tab No. 7 is Iowa Health  
18 System, doing business as UnityPoint Health.  
19 UnityPoint Health is seeking a one-time Final Bond  
20 Resolution to finance the cost of acquisition of  
21 land and construction of a medical office building  
22 at 3591 Griffin Avenue in Pekin, Illinois, and to  
23 retire an existing loan that was entered into to  
24 finance -- the cost of financing a portion of this

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1 project.

2 They are seeking -- it's a \$20,000,000  
3 one-time Bond Resolution. They are projecting 200  
4 construction jobs in connection with the project.  
5 Pekin Hospital is 107 bed facility located in Pekin,  
6 Illinois, offering primary and specialty care, along  
7 with home healthcare services.

8 UnityPoint is currently rated A, AA3, AA-  
9 long term by Moody's and Fitch. The interest rate  
10 will be set at the time of pricing. The bonds will  
11 be purchased by Pekin Bank, which is a division of  
12 Morton Community Bank.

13 Financials on page 7 indicate strong debt  
14 service coverage of 3.8 times and 208 days cash on  
15 hand.

16 Any questions? Okay.  
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17 CHAIRMAN ANDERBERG: Thank you. Real quick, I  
18 would like to again recognize for Brad Kathleen  
19 Clark for being here today. I thank her for the  
20 work with charter schools.

21 We discussed it a little bit this morning  
22 in the Conduit, what challenging work it is in the  
23 current time. Again, from the IFA, thank you.

24 CLARK: We just also wanted to thank everyone  
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1 we worked with. The IFA has been absolutely  
2 amazing. We really just appreciate everyone's  
3 support. Thank you.

4 CHAIRMAN ANDERBERG: Thank you, Pam.

5 HORNE: I was just going to add I serve on a  
6 charter school Board. It is challenging at the  
7 moment. So, you guys are just doing great work. We  
8 really appreciate it.

9 CLARK: Thank you.

10 CHAIRMAN ANDERBERG: Okay, Brad.

11 FLETCHER: Next is tab No. 8. Tab No. 8 in  
12 your Board books is a Final Bond Resolution on  
13 behalf of Navy Pier, Incorporated, in a  
14 not-to-exceed amount of \$20,000,000. Navy Pier,  
15 Incorporated, is a 501(c)(3) entity.

16 It manages Navy Pier on Chicago's  
17 lakefront, pursuant to a long-term lease with the  
18 Metropolitan Pier and Exposition Authority, which is  
19 the owner of Navy Pier.

20 IFA issued bonds in 2014 to finance on a

21 tax-exempt basis the manufacturing and installation  
22 of a new ferris wheel, as well as construction to  
23 the new theater that replaced at the time the former  
24 Pepsi Skyline Stage, in addition to other

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1 renovations and improvements at the Crystal Gardens  
2 and the Polk Brothers Park.

3 The \$46.5 million 2014 bonds are issued in  
4 two different series. Series 2014A bond was issued  
5 in \$26.5 million, and a Series 2014B bond was issued  
6 as a drawn-down bond in the amount of \$20,000,000.

7 2014A bond was issued in connection with  
8 the ferris wheel, and the project is amortized over  
9 20 years, with Fifth Third Bank holding the bond for  
10 an initial term of ten years.

11 In contrast, the 2014B bonds was issued as  
12 drawdown bond maturing on January 1, 2032, or  
13 amortized over 15 years as principal repayment just  
14 began this past January. The 2014B bond is likewise  
15 held by Fifth Third Bank.

16 At this time Fifth Third Bank and the  
17 borrower have agreed to smooth their debt service  
18 schedule with respect to the 2014B bond by leveling  
19 debt service payments, as well as extending the  
20 final maturity by four years to 2036.

21 In exchange for this being provided to the  
22 borrower, Fifth Third Bank has requested 15 more  
23 basis points borne on the 2014B bond through  
24 maturity. So these are terms and conditions that

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1 Fifth Third Bank and the borrower have agreed to,  
2 and we are simply being asked for our consent at  
3 this time.

4 We did hold a federal TEFRA hearing as  
5 required by Federal Tax Law this past Friday, and we  
6 recommend approval. Any questions? Thank you.

7 FRAMPTON: Okay. Next we'll turn to item 9, a  
8 resolution for the Convent of the Sacred Heart of  
9 Chicago, Illinois, and the Sacred Heart Schools.

10 The convent of the Sacred Heart of  
11 Chicago, Illinois, and Wintrust Bank are requesting  
12 approval of a resolution to authorize the execution  
13 and delivery of a first amendment to the bond and  
14 loan agreement and to approve related documents to  
15 define and effectuate an interest rate reset with  
16 Wintrust Bank in connection with the outstanding  
17 \$15,000,000 balance for Sacred Heart School Series  
18 2012.

19 The Series 2012 bonds were issued in a  
20 principal amount of \$20,000,000 and enabled Sacred  
21 Heart School to exit their then-existing letter of  
22 credit enhanced bond structure that was with Fifth  
23 Third Bank originally. That had originally been  
24 issued in 2008.

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1 The 2012 bonds were refinanced as a bank  
2 direct purchase transaction with PNC, with an

3 initial term of five years through October 1, 2017.  
4 Sacred Heart has requested that effective October 1,  
5 2017, the Series 2012 bond will be remarketed to  
6 Wintrust Bank, or one of its affiliates, as the new  
7 purchaser. Wintrust will become the new  
8 relationship bank for Sacred Heart at that time.

9 In order to effectuate this remarketing to  
10 Wintrust, pursuant to which Wintrust will become the  
11 new lender and investor of the Series 2012 bonds,  
12 Sacred Heart has requested that the Authority  
13 authorize and approve certain amendments to the  
14 existing bond and loan agreement, including certain  
15 amendments relating to the determination of the  
16 interest rate on the bond.

17 All is set forth in a first amendment to  
18 the bond and loan agreement between IFA, Sacred  
19 Heart and Wintrust Bank as the new purchaser.

20 In order to carry out the remarketing of  
21 the bond to Wintrust as the new purchaser, and the  
22 effectiveness of the amendments to the bond and loan  
23 agreement, the Authority is being asked to authorize  
24 and execute a new amended bond to Wintrust Bank,

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1 reflecting the interest rates and terms approved by  
2 Wintrust Bank for the interest rate period effective  
3 October 1, 2017, and continuing for the next seven  
4 years through October 1, 2024.

5 The changes requested in connection with  
6 this proposed first amendment will result in a  
7 reissuance for tax purposes. There will, however,

8 be no change in the final maturity date originally  
9 established for the Series 2012 bond, which will  
10 remain at July 1, 2042; and, thus, no TEFRA hearing  
11 will be required in connection with these actions.

12 We recommend approval, and with that, I'll  
13 turn things back over to the Chairman.

14 CHAIRMAN ANDERBERG: Thank you, Rich. Okay.  
15 With that, I would like to request a motion to pass  
16 and adopt the following Project Reports and  
17 Resolutions numbers 1, 2, 3, 4, 6, 7, 8 and 9. Is  
18 there such a motion?

19 GOETZ: So moved.

20 FUENTES: Second.

21 CHAIRMAN ANDERBERG: We have a motion and a  
22 second. Will the Assistant Secretary please call  
23 the roll?

24 FLETCHER: On the motion and second, I'll call  
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1 the roll. Ms. Bronner?

2 BRONNER: Yes.

3 FLETCHER: Mr. Fuentes?

4 FUENTES: Yes.

5 FLETCHER: Mr. Goetz?

6 GOETZ: Yes.

7 FLETCHER: Mr. Horne?

8 HORNE: Yes.

9 FLETCHER: Ms. Juracek?

10 JURACEK: Yes.

11 FLETCHER: Mr. Knox?

12 KNOX: Yes.  
13 FLETCHER: Mr. McCoy?  
14 McCOY: Yes.  
15 FLETCHER: Mr. O' Bri en?  
16 O' BRI EN: Yes.  
17 FLETCHER: Ms. Smoots?  
18 SMOOTS: Yes.  
19 FLETCHER: Mr. Yonover?  
20 YONOVER: Yes.  
21 FLETCHER: Mr. Chai rman?  
22 CHAI RMAN ANDERBERG: Yes.  
23 FLETCHER: Mr. Chair man, the moti on carries.  
24 CHAIRMAN ANDERBERG: Okay, thank you. I have  
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1 to ask Mr. Goetz to leave the room. I will move to  
2 project report No. 5. Pam?  
3 Before you do, Pam, I would like to  
4 recognize today we have the vice-president of  
5 finance and corporate controller of Advocate here  
6 today, Mr. Jim Doheny.  
7 I would like to recognize Advocate is one  
8 of the most important, not only important, but the  
9 largest issuers through the IFA. And after today,  
10 since 2012, we will have exceeded over \$718,000,000 of  
11 issuance by the IFA. Thank you.  
12 DOHENY: Thank you. On behalf of Advocate  
13 Healthcare and its 37,000 associates, I would like  
14 to thank the Board, the Chairman for your support of  
15 the years of advocate Healthcare.  
16 I've been in this role at Advocate for a



17 little over a decade and have had a very wonderful  
18 outstanding relationship and support from the IFA  
19 staff, from Pam, Chris, and the entire team.

20 Over the years, it has been a very, very  
21 collaborative and professional and just overall  
22 excellent relationship. So, once again, I would  
23 like to thank you for consideration of our project  
24 today.

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1 CHAIRMAN ANDERBERG: Thank you.

2 DOHENY: Thank you.

3 CHAIRMAN ANDERBERG: Thank you, Pam.

4 FLETCHER: Let the record reflect Member Goetz  
5 exited the room prior to said discussion. Thank  
6 you.

7 LENANE: Okay, tab No. 5 in the book is  
8 Advocate Healthcare Network. Advocate Healthcare  
9 Network is seeking a one-time final bond resolution  
10 in the amount of \$100,000,000 for the conversion of  
11 their Series 2011C and D bonds.

12 The bonds were originally issued in an  
13 initial index interest rate period with PNC Bank and  
14 will be reissued in a new index interest rate period  
15 and will be purchased by U.S. Bank.

16 Advocate Healthcare Network is a continuum  
17 of care through ten of its acute care hospitals and  
18 Children's Hospital with approximately 36 -- 3,600  
19 licensed beds, primary and specialty physician  
20 services, outpatient centers, physician office

21 building, home healthcare and hospice. Advocate's  
22 underlying ratings are A2, AA plus, AA by Moody's  
23 S&P and Fitch.

24 If you would turn to page 7 in the  
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1 financials, you'll see that Advocate has very strong  
2 financials with their unaudited six months and the  
3 6-30-17 showing 9.2 times debt service coverage and  
4 342 days cash on hand. Thanks, Jim.

5 CHAIRMAN ANDERBERG: Thank you.

6 DOHENY: Thank you.

7 LENANE: Any questions? No?

8 CHAIRMAN ANDERBERG: I would like to request a  
9 motion to pass Project Report No. 5. Is there such  
10 motion?

11 GOETZ: So moved.

12 CHAIRMAN ANDERBERG: We have motion. Is there  
13 a second?

14 McCOY: Second.

15 CHAIRMAN ANDERBERG: Will the Assistant  
16 Secretary please call the roll?

17 FLETCHER: On the motion and second, Ms.  
18 Bronner?

19 BRONNER: Yes.

20 FLETCHER: Mr. Fuentes?

21 FUENTES: Yes.

22 FLETCHER: Mr. Horne?

23 HORNE: Yes.

24 FLETCHER: Ms. Juracek?

1 JURACEK: Yes.  
2 FLETCHER: Mr. Knox?  
3 KNOX: Yes.  
4 FLETCHER: Mr. McCoy?  
5 McCOY: Yes.  
6 FLETCHER: Mr. O' Bri en?  
7 O' BRI EN: Yes.  
8 FLETCHER: Ms. Smoots?  
9 SMOOTS: Yes.  
10 FLETCHER: Mr. Yonover?  
11 YONOVER: Yes.  
12 FLETCHER: And Mr. Chai rman?  
13 CHAI RMAN ANDERBERG: Yes.  
14 FLETCHER: Mr. Chair man, the moti on carries.  
15 CHAI RMAN ANDERBERG: Okay. Thank you. We' ll  
16 get Mr. Goetz back in the room.  
17 FLETCHER: Let the record reflect Member Goetz  
18 has returned to the room.  
19 CHAI RMAN ANDERBERG: Okay. Is there any other  
20 busi ness to come before the Members? Heari ng none,  
21 I would like to request a moti on to excuse the  
22 absences of Members unabl e to parti cipate today.  
23 Is there such a moti on?  
24 O' BRI EN: So moved.  
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1 CHAI RMAN ANDERBERG: We have a moti on. Do we  
2 have a second?

3 FUENTES: Second.

4 CHAIRMAN ANDERBERG: All those in favor?

5 (A chorus of ayes.)

6 CHAIRMAN ANDERBERG: The ayes have it. Is

7 there any public comment from Members today? Good.

8 The next regularly-scheduled meeting will

9 be October 12th. I would like to request a motion

10 to adjourn. Is there such a motion?

11 FUENTES: So moved.

12 CHAIRMAN ANDERBERG: Is there a second?

13 KNOX: Second.

14 CHAIRMAN ANDERBERG: All those in favor?

15 (A chorus of ayes.)

16 CHAIRMAN ANDERBERG: Any opposed?

17 (No response.)

18 CHAIRMAN ANDERBERG: The ayes have it. Thank

19 you.

20 FLETCHER: The time is 10:29 a.m.

21 (WHICH WERE ALL THE PROCEEDINGS HAD AT 10:29 A.M.)

22

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24

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1 STATE OF ILLINOIS )  
 2 )SS:  
 3 COUNTY OF COOK )

4 PAMELA A. MARZULLO, C. S. R., being first duly sworn,  
 5 says that she is a court reporter doing business in the city  
 6 of Chicago; that she reported in shorthand the proceedings  
 7 had at the Proceedings of said cause; that the foregoing is

8 a true and correct transcript of her shorthand notes, so  
9 taken as aforesaid, and contains all the proceedings of said  
10 hearing.

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PAMELA A. MARZULLO  
License No. 084-001624

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