

1 ILLINOIS FINANCE AUTHORITY
2 REGULAR MEETING
3 May 11, 2017, at 9:30 a.m.
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7 Report of Proceedings had at the Regular Meeting of the
8 Illinois Finance Authority on May 11, 2017, at the hour of
9 9:30 a.m., pursuant to notice, at 160 North LaSalle Street,
10 Suite S1000, Chicago, Illinois.
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1 APPEARANCE:
2 ILLINOIS FINANCE AUTHORITY MEMBERS

- 3 MR. ERIC ANDERBERG, Chairman
- MR. JAMES J. FUENTES
- 4 MR. ROBERT HORNE
- MS. ARLENE JURACEK (Via audio conference)
- 5 MR. LERRY KNOX
- MS. GILA J. BRONNER
- 6 MR. MICHAEL W. GOETZ (Via audio conference)
- MR. ROGER POOLE (Via audio conference)
- 7 MR. BRADLEY A. ZELLER
- MR. LYLE McCOY
- 8 MS. BETH SMOOTS
- MR. GEORGE OBERNAGEL
- 9
- 10 ILLINOIS FINANCE AUTHORITY STAFF MEMBERS
- 11 MR. BRAD FLETCHER, Assistant Vice-President
- MR. RICH FRAMPTON, Vice-President
- 12 MS. PAMELA LENANE, Vice-President
- MS. ELIZABETH WEBER, General Counsel
- 13 MS. XIMENA GRANDA, Controller
- MR. CHRISTOPHER B. MEISTER, Executive Director
- 14 MR. PATRICK EVANS, Agricultural Banker (Via audio conference)
- 15 MS. DENISE BURN, Deputy General Counsel
- 16
- 17 GUESTS:
- 18 Tom McInerney, Loyola University Chicago
- Loyola Miroslava Krug, Vice-President for
- 19 administration
- and CFO, Benedictine
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- 1 CHAIRMAN ANDERBERG: I would like to call the
- 2 meeting to order. Assistant Secretary, please call
- 3 the roll.
- 4 FLETCHER: Certainly. The time is 9:30. I'll
- 5 call the roll of the Members physically present
- 6 first. Ms. Bronner?
- 7 BRONNER: Here.

8 FLETCHER: Mr. Fuentes?
9 FUENTES: Here.
10 FLETCHER: Mr. Horne?
11 HORNE: Here.
12 FLETCHER: Mr. Knox?
13 KNOX: Here.
14 FLETCHER: Mr. McCoy?
15 McCOY: Here.
16 FLETCHER: Mr. Obernagel ?
17 OBERNAGEL: Yes.
18 FLETCHER: Ms. Smoots?
19 SMOOTS: Here.
20 FLETCHER: Mr. Zeller?
21 ZELLER: Here.
22 FLETCHER: And Mr. Chairman?
23 CHAIRMAN ANDERBERG: Here.
24 FLETCHER: Mr. Chairman, a quorum of Members
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1 physically present in the room has been constituted.
2 At this time I would like to ask if any Members
3 would like to attend by audio conference?
4 GOETZ: Hi. This is Mike Goetz. I'm
5 requesting to attend via audio conference due to
6 employment purposes.
7 JURACEK: And this Arlene Juracek. I also am
8 requesting to attend the audio conference due to
9 employment purposes.
10 POOLE: Member Poole, I'm requesting to attend
11 via audio conference due to personal illness.

12 CHAIRMAN ANDERBERG: Okay. Is there a motion
13 to approve this request, pursuant to the bylaws and
14 policies of the Authority?

15 BRONNER: So moved.

16 FUENTES: Second.

17 CHAIRMAN ANDERBERG: All those in favor?

18 (A chorus of ayes.)

19 CHAIRMAN ANDERBERG: Opposed?

20 (No response.)

21 CHAIRMAN ANDERBERG: The ayes have it.

22 FLETCHER: Mr. Chairman, Members Goetz, Juracek
23 and Poole have been added to the initial quorum roll
24 call.

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1 CHAIRMAN ANDERBERG: Does anyone wish to make
2 any additions, edits or corrections to today's
3 agenda?

4 Hearing none, I would like to request a
5 motion to approve the agenda. Is there such a
6 motion?

7 McCOY: So moved.

8 HORNE: Second.

9 CHAIRMAN ANDERBERG: All those in favor?

10 (A chorus of ayes.)

11 CHAIRMAN ANDERBERG: The ayes have it.

12 Opposed?

13 (No response.)

14 CHAIRMAN ANDERBERG: Remarks? Surprise. We
15 have a new Chairman after a surprise last month
16 after the meeting.

17 Mr. Funderburg wants to get back to his
18 family business and the banking, and I would just
19 like to thank, on behalf of the IFA and the State,
20 Rob's service to the state and the IFA. He did a
21 tremendous job.

22 And my message to the Board is we'll
23 continue business as usual and make this a seamless
24 and unnoticeable transition. So with that, I'll

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1 pass it on to the Executive Director.

2 MEISTER: Thanks, Eric. Again, I just want to,
3 on behalf of the staff, just congratulate you on
4 your new role as Chair and our commitment to proceed
5 with a seamless transition.

6 And, again, I'm very grateful to have
7 worked with both you and had the opportunity to work
8 with Rob and with all of the Members of the
9 Authority. I highlighted some of Rob's many
10 accomplishments in my message from the Executive
11 Director.

12 Also, we have some special guests this
13 morning. Tom McInerney. Tom, could you stand up?
14 He is a Scholar in Residence at Loyola University's
15 school in Rome, and with him is Odewale Oyanda.

16 McINERNEY: He's not here.

17 MEISTER: Oh, he's not here. He was Senior
18 Legal Officer with the African Union Commission, but
19 we have various mid-career legal professionals that
20 are attending Loyola University in Rome representing

21 Buri ndi Malawi , the Democrati c Republ ic of Congo,
22 Tanzani a and Sudan.

23 Did I cover everyone? Okay. Tom, why
24 don' t you quickl y i ntroduce everybody?

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1 McI NERNEY: Sure. So we have Gl ori ose Kanki ndi
2 here, Kevi n and, I' m sorry, Bright Mando, Hussei n
3 Mkumbi and Hamza Sahal .

4 So the students are from the Afri can
5 Uni on. They j ust completed a graduate degree in
6 law, focusing on law and economi c devel opment. So,
7 for that reason, we are visi ting Chi cago for the
8 graduati on and very i nterested in hearing about
9 economi c devel opment work here in Illi noi s. Thank
10 you.

11 MEI STER: So we thought that it will be a nice
12 opportuni ty for our guests to observe the working of
13 the Authori ty, and then we' re going to be having
14 some conversati ons wi th them after the Board
15 meeti ng.

16 And, of course, all of the Board Members
17 are wel come to attend, and we have some other
18 guests, too. So, wel come to the Authori ty.

19 CHAI RMAN ANDERBERG: Does anyone want to make
20 any addi ti ons, edi ts or correcti ons to the mi nutes
21 from Apri l 13th, 2017?

22 Heari ng none, I woul d l i ke to address a
23 moti on to approve the mi nutes. Is there such
24 moti on?

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1 FUENTES: So moved.

2 OBERNAGEL: Second.

3 CHAIRMAN ANDERBERG: All those in favor?

4 (A chorus of ayes.)

5 CHAIRMAN ANDERBERG: Opposed?

6 (No response.)

7 CHAIRMAN ANDERBERG: The ayes have it.

8 Ms. Granda?

9 GRANDA: Good morning, everyone. The
10 financial information for April is preliminary and
11 subject to change, and that is due to a short time
12 between April 30th and the printing of the Board
13 book.

14 If there's any material variance from the
15 preliminary report to the final report, it will be
16 communicated in the next Board meeting. The
17 Authority's general operating fund is as follows:
18 Our estimated total annual revenues equals
19 \$4.5 million and our \$385,000, or 9.3 percent higher
20 than budget, and that is due primarily to higher
21 closing fees.

22 In April, the Authority generated \$80,000
23 in closing fees, which is \$211,000 lower than the
24 monthly budget of \$291,000. Our estimated total

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1 annual expenses equals \$2.7 million, and our
2 \$1.4 million or 34.6 percent lower than budget,

3 which was mostly driven by our vacant budgeted staff
4 positions and our reduction in spending on
5 professional services.

6 In April, the Authority recorded operating
7 expenses of \$263,000, which is lower by \$149,000
8 from the budgeted amount of \$412,000. The variance
9 is due to employee-related expenses and professional
10 services. Our estimated total monthly net loss for
11 April is currently at \$82,000.

12 This is due to lower-than-expected closing
13 fees. Our estimated total monthly -- I'm sorry, our
14 total estimated total annual net income is at
15 \$2.4 million, and the major driver of the annual
16 profit and bottom line continues to be the level of
17 overall spending at 34.6 percent below budget, as
18 well as higher closing and administrative fees.

19 The Authority continues to maintain a
20 strong balance sheet. The general fund has a net
21 position of \$56.2 million. Total assets are
22 \$56.6 million, consisting of cash investments. Our
23 unrestricted cash and investments currently is at
24 \$41.5 million.

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1 Moving on to the State of Illinois
2 assigned/purchase receivables, the report can be
3 located under your financial statements tab. In
4 April, the Authority received \$8,000 in prompt
5 payment interest. The outstanding balance on these
6 receivables is still at \$94,000.

7 I am currently working with one of the
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8 vendors and the other state agencies to get these
9 balances paid. In April, the Illinois Medical
10 District Commission posted a notice of a conditional
11 optional redemption for Series 2006A and B bonds to
12 be redeemed on May 13 of 2017.

13 This decrease -- this will decrease the
14 moral obligation contingent taxpayer exposure by
15 \$19.4 million. This is a decline of about
16 58 percent.

17 The 2006A Series tax-exempt bond will be
18 redeemed in its entirety. After the redemption on
19 May 15th, the outstanding balance will be
20 \$14.1 million.

21 Also, in April, the Authority paid out
22 \$418,000 on an agricultural guarantee from our
23 Industrial Revenue Insurance Fund. The Authority
24 had reserved for this loss back in fiscal year 2016.

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1 The Authority in April also recognized a
2 recovery of bad debt of about \$24,000 as a result of
3 the payment being less than the reserved amount.

4 Moving on, in April, the entrance
5 conference for fiscal year for 2017 was held on
6 April 19th. RSM US, LLP, our external auditors,
7 will be on the Authority premises on May 30th to
8 begin the field work for fiscal year 2017 financial
9 audit and the two-year compliance examination.

10 Looking forward, in the month of May, the
11 Authority anticipates the following closing fees:

12 Montgomery Place in the amount of \$86,000;
13 Westminster Village in the amount of \$87,000; The
14 Lodge of Northbrook in the amount of about \$70,000;
15 Ann and Robert H. Lurie Children's Hospital in the
16 amount of \$138,000; Franciscan Community in the
17 amount of \$138,000.

18 Also, Benedictine University pricing has
19 not occurred, but estimated fee is to be roughly
20 about \$91,000. Also, Better Housing Foundation,
21 pricing has not occurred, but its estimated fee to
22 be about \$107,000.

23 We also anticipate receiving TEFRA hearing
24 from Black Ensemble Theater in about \$5,000 and one

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1 Last closing Pacific Oaks for roughly about \$67,000.

2 Is there any questions?

3 CHAIRMAN ANDERBERG: No more questions for
4 Ms. Granda? Hearing none, I would like to request a
5 motion to accept the financial reports.

6 BRONNER: So moved.

7 McCOY: Second.

8 CHAIRMAN ANDERBERG: A motion and a second.

9 All those in favor?

10 (A chorus of ayes.)

11 CHAIRMAN ANDERBERG: Opposed?

12 (No response.)

13 CHAIRMAN ANDERBERG: The ayes have it. Monthly
14 procurement report. That would be Deputy Counsel Burn.

15 BURN: Good morning, Mr. Chairman, Members of
16 the Board. You'll see from the procurement report

17 that we have executed contracts with respect to
18 certain small purchase housekeeping matters, but the
19 primary focus for the last couple of weeks, and also
20 continuing over the next month or so, will be
21 finalizing a request for qualifications with respect
22 to underwriters for the SRF fund and also finalizing
23 an extension -- an emergency extension for ADP with
24 respect to the Authority's employee benefits.

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1 This is being sought and actually, you
2 know, has been granted with respect to the benefits
3 because we are in the process of formulating a
4 request for proposals with respect to those
5 services, which will go out on the street in the
6 next couple of months. Any questions?

7 CHAIRMAN ANDERBERG: Committee reports?
8 Mr. Horne?

9 HORNE: Sure. The Tax-Exempt Conduit
10 Transactions Committee met this morning, and we
11 unanimously voted on the following items: We had
12 two beginning farmer bonds. We had a proposal from
13 Benedictine University, Three Crowns Park, Museum of
14 Science and Industry; Toyal America, Inc., and
15 Kuusakoski U.S., LLC.

16 CHAIRMAN ANDERBERG: Thank you. On to
17 presentation and consideration of Project Reports
18 and Resolutions, I would like to ask for a general
19 consent of the Members to consider the Project
20 Reports and Resolutions collectively and have the

21 subsequent recorded vote apply to each respective
22 individual Project and Resolution, unless there are
23 any specific Project Reports and Resolutions that a
24 member would like to consider separately.

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1 FUENTES: Yes. I would like to recuse myself
2 from any deliberations and voting with respect to
3 item No. 4 in the Project Reports and Resolutions
4 because I am a board member of the Museum of Science
5 and Industry.

6 CHAIRMAN ANDERBERG: Very good.

7 McCOY: Mr. Chairman, I would like to recuse
8 myself from deliberations in voting with respect to
9 item No. 6, contracts with various legal firms in
10 the State Revolving Fund debt.

11 Counsel on the Project Reports and
12 Resolution, my daughter works for one of the law
13 firms in consideration.

14 CHAIRMAN ANDERBERG: Okay. Anyone else? I
15 would like to ask the staff now to present the
16 Project Reports and Resolutions, which will be
17 considered collectively in item No. 4, and 6 will be
18 considered separately at the end. Mr. Evans on the
19 phone?

20 MEISTER: Pat?

21 EVANS: Thank you, Mr. Anderberg. Today there
22 are two beginning farmer bonds. Both bonds will
23 have a first mortgage position related to them.

24 The first borrowers are Zachary D and

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1 Erika J. Schlechte. They are purchasing 57 acres of
2 bare farm real estate. Total cost of this purchase
3 is \$620,000 or \$10,877 per acre.

4 First National Bank of Raymond would
5 finance 50 percent of the purchase for \$310,000.
6 The bank will utilize the FSA 5/45/50 beginning
7 farmer bonds. And as stated, IFA bonds will have a
8 first-mortgage position relating to the
9 57 acres.

10 FSA will have a second position relating
11 to their 45 percent guarantee. The project is
12 located on the northwest corner of Montgomery
13 County. The terms on the bonds are identified in
14 the writeup.

15 The second borrower is Jacob A. Von Bokel.
16 He is purchasing 62 acres of bare farm real estate.
17 The total cost of this project is \$384,000 or
18 \$6200 per acre. German Town Trust and Savings Bank
19 will finance 50 percent of the purchase price or
20 \$192,000.

21 The bank will utilize the FSA 5/45/50
22 beginning farmer bond program. As stated, the IFA
23 bonds will have a first mortgage position of
24 62 acres related to it.

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1 FSA will have a second position relating
2 to the 45 percent guaranteed bonds. The property is

3 located in the southeast corner of Shelby County,
4 and the terms of the bonds are identified in the
5 writeup.

6 I'll turn it over to Rich now for his
7 comments.

8 CHAIRMAN ANDERBERG: Okay, Rich.

9 FRAMPTON: If there are no other questions or
10 discussion, I'm ready to move on to tab 2.

11 CHAIRMAN ANDERBERG: Okay.

12 FRAMPTON: Tab 2 is a Final Bond Resolution
13 being requested by Benedictine University. The
14 not-to-exceed amount is \$45,000,000.

15 This is being presented for one-time
16 approval. Bond proceeds will be used for a number
17 of purposes. The uses of funds table on the first
18 page of the report, lower right-hand side, runs
19 through the uses. The uses include refunding the
20 university Series 2013B bonds.

21 Those bonds are currently bank held by RBS
22 Citizens and First Midwest Bank. What this
23 refunding will do will be to sell these bonds into
24 the market based on Benedictine's rating.

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1 The current bank bonds have a term
2 provision that comes due in 2020. By undertaking
3 this refunding, the bonds will be priced to maturity
4 in 2043 at a fixed rate. The current bank purchase
5 bonds are currently bare interest in a variable rate
6 that has been swapped to fix.

7 The existing swap terminates in 2020. A
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8 portion of the proceeds, the \$900,000, will be used
9 to pay swap termination fees. At the time the 2013B
10 bonds were sold, there was an integrated swap, which
11 the Authority signed at that time.

12 Just running through the other uses of
13 funds, in addition to refunding the 2013 bonds, and
14 paying the swap termination fees, in connection with
15 the 2013B bonds, the university will also be
16 refinancing a bridge loan.

17 The proceeds which -- or the amount
18 outstanding of which is approximately \$1,400,000,
19 that loan has principal repayment provisions equal
20 amounts of \$454,000 each year from 2016 to 2021.
21 Those principal payments of \$454,000 will go away as
22 a result of this refunding.

23 Additionally, to satisfy rating agency
24 requirements, a debt service reserve fund will be
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1 necessary. That will be capitalized in an estimated
2 amount of up to \$3,200,000. Additional proceeds
3 will be used to fund costs of issuance.

4 The not-to-exceed amount is \$45,000,000.
5 The anticipated issuance amount is around
6 \$35,500,000. And, again, S&P -- Benedictine applied
7 to S&P for ratings. S&P awarded these new 2017
8 bonds, a BBB rating on April the 25th. At the same
9 time S&P also affirmed the ratings on the
10 University's 2013A bonds, which will remain
11 outstanding.

12 In addition to that, S&P also revised the
13 outlook on the Series 2013A bonds from negative to
14 stable. So they see operations improving. That is
15 also evidenced by what's presented in the financial
16 presentation on pages 9 -- 7 through 9 of the
17 report.

18 We don't always get the ratings report in
19 advance of the Board meeting. This time we had, so
20 we can report to you what is in the public domain.

21 So, with that, I will conclude my remarks,
22 but first I would like to introduce Ms. Miroslava
23 Krug, who is the chief financial officer with
24 Benedictine University.

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1 Additionally, John Stevenson from Goldman
2 Sachs, the underwriter, is here, as well as Nancy
3 Burke from Chapman & Cutler. They are counsel to
4 Goldman on this financing.

5 MS. KRUG: Good morning, Members of the Board.
6 Thank you so much for your willingness to issue
7 bonds on behalf of Benedictine University. It's
8 been a pleasure to work with Rich and his staff.

9 We have a very tight timeline. We
10 appreciate all this Board and agency have given us.

11 MEISTER: We again thank you for issuing
12 through us. We know that you, as the borrower, that
13 you have choices, and we're grateful that you
14 chose the Authority. We look forward to continuing
15 to work with Benedictine University. Thank you.

16 CHAIRMAN ANDERBERG: Okay. Thank you.

17 Ms. Lenane.

18 LENANE: Yes, Mr. Chairman. Three Crowns Park
19 came in February for a preliminary resolution for
20 financing not-to-exceed -- an amount not to exceed
21 \$45,000,000, which the Board approved today. They
22 are here for a final resolution in an amount not to
23 exceed \$45,000,000 to approve the refunding of their
24 2006A and 2006B bonds.

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1 Three Crowns Park is requesting a waiver
2 of the policy, Authority policy, that non-rated
3 bonds are to be sold in the denominations of
4 \$100,000 or more.

5 Since these bonds are being refunding
6 bonds for savings, they are entitled to an
7 exception. There is an exception, if you approve
8 it, for them to just reissue the bonds in the same
9 amount.

10 There are present value savings of this
11 refunding of \$4.5 million. There are two changes to
12 the reports, since you voted on it in February.
13 They eliminated the new money portion of the
14 financing, the bank private placement; and the bank
15 wasn't moving fast enough, and they wanted to make
16 sure they caught the current market.

17 They've also added their unaudited
18 nine-month financials, which show a debt service
19 coverage of 1.55 times and 261 days cash on hand.

20 Three Crowns Park is located in Evanston.

21 It is a not-for-profit corporation organized by the
22 Swedish community, which owns -- which offers a full
23 continuum of service through its residential
24 programs and healthcare facilities.

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1 The campus includes 116 independent living
2 units, 37 assisted living units, 17 memory support
3 beds and 49 nursing care beds. This non-rated
4 fixed-rate debt for bond financing will be sold in a
5 public offering by Ziegler & Company.

6 Are there any questions? Do you want me
7 to remark on Children's or later?

8 MEISTER: Yes. If you could provide the Board
9 with a status of the Children's -- Lurie children's
10 transaction, that would be great.

11 LENANE: Yes. I provided this to the
12 Tax-Exempt Committee. Lurie Children's will refund
13 their 2008A bonds in the amount of \$130,000,000.

14 These bonds priced yesterday, and first
15 they upgraded Lurie by S&P to A+ positive, since
16 their last offering, and their all-in true interest
17 costs is 3.9 percent on the bonds.

18 They had very, very successful pricing.
19 Their net present value savings will be \$20,000,000,
20 annual cash flow will be -- annual cash flow savings
21 are \$2.2 million, and interest expense cash flow
22 savings are \$8.8 million.

23 So all in good savings for Children's, and
24 they will be doing other portions of their financing

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1 in February when the bonds are callable. So, thank
2 you.

3 CHAIRMAN ANDERBERG: Thank you, Pam.

4 LENANE: Any questions? Okay.

5 CHAIRMAN ANDERBERG: Thank you. Resolution?
6 Mr. Fletcher?

7 FLETCHER: So we are going to skip ahead to
8 item No. 5, which is a Final Bond Resolution on
9 behalf of Toyal America, Inc.

10 Toyal America, Inc., was established in
11 1987 as a U.S. based joint venture dedicated to
12 manufacturing aluminum pigments for automotive and
13 other high value-added coating applications.

14 Toyal employs approximately 120 employees
15 in Illinois with its manufacturing facility financed
16 through bonds from IDFA, IFA's predecessor agency,
17 in 1997 in Lockport, and they also have a sales
18 office in Naperville.

19 As I mentioned, we issued bonds in 1997
20 for Toyal America to finance a manufacturing
21 facility. At the time the bonds were contemplated
22 to have a 10-year maturity date. They returned in
23 2007 to IFA to extend that maturity date another 10
24 years, which is now June 2017.

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1 So we're being asked for our consent to
2 again extend the maturity date another 10 years,

3 which will be 30 years in the aggregate, which is
4 par for the course for a real estate deal.

5 Concurrent with your approval, the Bank of
6 Tokyo Mitsubishi is also extending its letter of
7 credit for the duration of the period, which would
8 be another 10 years. We're recommending a minimum
9 of \$10,000 fee for this reissuance. Are there any
10 questions? Okay.

11 Moving on, skipping again, we're going to
12 item 7, which is in your manila folders. This
13 request was made just this Monday, so it is not
14 available to be inserted into your Board books we
15 mailed last week.

16 Tap 7 of your manila folders is a final
17 bond resolution on behalf of Kuusakoski U.S., LLC.
18 Kuusakoski is a wholly-owned subsidiary.

19 MEISTER: Excuse me, Brad. It's the last
20 document attached to the stack of resolutions in the
21 manila folders.

22 FLETCHER: Okay. It's a memo and resolution
23 that you'll find it. Kuusakoski is a wholly-owned
24 subsidiary of Kuusakoski Group, which is a

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1 privately-opened company based in Finland.

2 The subsidiary issued variable rate bonds
3 through IFA in 2013, which were secured by two
4 letters of credit, one with Fifth Third Bank and one
5 with Nordea Bank, a New York branch. Nordea Bank is
6 a financial service organization based in Finland.

7 Normally, when a transaction is seeking to

8 substitute a letter of credit provider, we can
9 manage that at the staff level through execution and
10 delivery of Chris' signature on various documents.

11 This is a little different. This is not
12 something I believe many of the Members here have
13 seen before, which is what is happening here. What
14 you are requested to do is not only substitute the
15 letter of credit; rather than Fifth Third Bank
16 providing a direct pay, it will be Nordea Bank, and the
17 standby letter of credit will be terminated.

18 So we are going from two letters of
19 credit, essentially, to one letter of credit. It's
20 that change in collateral, the bond counsel wanted
21 to err on the side of caution.

22 This potentially may be reissuance for tax
23 purposes. So we need to seek your approval. Just
24 for our time and efforts on this transaction, as
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1 well as your time in reviewing this, we're
2 recommending a minimal \$500 fee for this.

3 Are there any questions?

4 CHAIRMAN ANDERBERG: Thank you, Brad. I would
5 like to request a motion to pass and adopt the
6 following Project Reports and Resolutions: Items
7 1A, 1B, 2, 3, 5 and 7. Is there such a motion?

8 BRONNER: So moved.

9 KNOX: Second.

10 CHAIRMAN ANDERBERG: So moved by Ms. Bronner.
11 Seconded by Mr. Knox.

12 FLETCHER: On the motion and second, I will
13 call the roll. Ms. Bronner?
14 BRONNER: Yes.
15 FLETCHER: Mr. Fuentes?
16 FUENTES: Yes.
17 FLETCHER: Mr. Goetz on the line?
18 GOETZ: Yes.
19 FLETCHER: Mr. Horne?
20 HORNE: Yes.
21 FLETCHER: Ms. Juracek on the line?
22 JURACEK: Yes.
23 FLETCHER: Mr. Knox?
24 KNOX: Yes.

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1 FLETCHER: Mr. McCoy?
2 McCOY: Yes.
3 FLETCHER: Mr. Obernagel?
4 OBERNAGEL: Yes.
5 FLETCHER: Mr. Poole on the line?
6 POOLE: Yes.
7 FLETCHER: MS. Smoots?
8 SMOOTS: Yes.
9 FLETCHER: Mr. Zeller?
10 ZELLER: Yes.
11 FLETCHER: Mr. Chairman?
12 CHAIRMAN ANDERBERG: Yes.
13 FLETCHER: Mr. Chairman, the motion carries.
14 CHAIRMAN ANDERBERG: Thank you. Mr. Fletcher,
15 before you present item No. 4, I would like to ask
16 Member Fuentes to exit the room as previously

17 discussed.

18 FLETCHER: Let the record reflect Member
19 Fuentes has exited the room to recuse himself from
20 deliberations.

21 Next is tab 4, going back, this a Final
22 Bond Resolution on behalf of the Museum of Science
23 and Industry in a not-to-exceed amount of
24 \$60,000,000. Established in 1933 during the Century

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1 of Progress Exposition, the museum is located in
2 Jackson Park at 57th and Lake Shore Drive here in
3 Chicago. The museum is home to more than 400,000
4 square feet of hands-on exhibits designed to spark
5 scientific inquiry, as well as creativity.

6 As a nonprofit entity, the museum issued
7 four series of bonds through IFA in 2009 as
8 variable-rate bonds secured by letters of credit
9 with four different banks.

10 Those four banks were Bank of America,
11 Chase, PNC Bank, as well as the Northern Trust.
12 Those four letters of credit are otherwise scheduled
13 to expire this September.

14 As we've seen time and time again, the
15 borrower is seeking to exit its letter of credit
16 secured structure and enter into a bank direct
17 purchase structure. Accordingly, the museum and PNC
18 Bank, along with BMO Harris Bank, agreed to refund
19 the outstanding 2009 bonds and enter into this bank
20 direct purchase structure.

21 The total refunded principal amount will
22 be approximately \$60,000,000. PNC Bank will
23 purchase the 2017A bonds for \$35,000,000, while BMO
24 Harris Bank will purchase the 2017B bonds for
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1 \$25,000,000.

2 Both banks have agreed to a variable rate
3 of interest based on LIBOR, during an initial term
4 of seven years. The Authority is offering its
5 standard discounted fee for bonds exiting letter
6 credit of structure, which we currently estimate to
7 be approximately \$75,000.

8 This fee structure is consistent with what
9 we charged the Field Museum some time ago. Are
10 there any questions?

11 CHAIRMAN ANDERBERG: Thank you. I would like
12 to request a motion to pass and adopt the following
13 Project Report Resolution: Item No. 4. Is there
14 such a motion?

15 OBERNAGEL: I make the motion, Mr Chairman.

16 CHAIRMAN ANDERBERG: Mr. Obernagel makes the
17 motion. Is there a second?

18 McCOY: Second.

19 CHAIRMAN ANDERBERG: Seconded by Mr. McCoy.

20 FLETCHER: On the motion and second, I'll call
21 the roll. Mr. Bronner?

22 BRONNER: Yes.

23 FLETCHER: Mr. Goetz on the line?

24 GOETZ: Yes.

1 FLETCHER: Mr. Horne?
2 HORNE: Yes.
3 FLETCHER: Ms. Juracek on the line?
4 JURACEK: Yes.
5 FLETCHER: Mr. Knox?
6 KNOX: Yes.
7 FLETCHER: Mr. McCoy?
8 MCCOY: Yes.
9 FLETCHER: Mr. Obernagel ?
10 OBERNAGEL: Yes.
11 FLETCHER: Mr. Poole on the line?
12 POOLE: Yes.
13 FLETCHER: Ms. Smoots?
14 SMOOTS: Yes.
15 FLETCHER: Mr. Zeller?
16 ZELLER: Yes.
17 FLETCHER: And Mr. Chairman?
18 CHAIRMAN ANDERBERG: Yes.
19 FLETCHER: Mr. Chairman, the motion carries.
20 CHAIRMAN ANDERBERG: Thank you. We'll get Jim
21 back to return to the room. I'll ask Mr. McCoy to
22 exit the room as previously discussed.
23 FLETCHER: Let the record reflect that Member
24 Fuentes has returned and Member McCoy has recused
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1 himself from deliberations by exiting the room.
2 CHAIRMAN ANDERBERG: Okay. Elizabeth?

3 WEBER: As general counsel, I'm presenting
4 item 6, a Resolution Approving and Confirming
5 Contracts with Various Legal Firms and Appointing
6 Bond Counsel for the 2017 State Revolving Fund Bond
7 Issue.

8 In February, the Members preapproved
9 contracts with 35 legal firms and delegated to the
10 Executive Director the power to designate the
11 categories of legal services to be provided by these
12 counsel.

13 The categories were issuer's counsel, bond
14 counsel for the beginning farmer bond program, bond
15 counsel for the local government program, bond
16 counsel for the State Revolving Fund, and counsel
17 for other legal services, such as public law matters
18 or employment matters.

19 Each firm that was approved in January was
20 offered a contract. The designation of categories
21 for which they were selected to provide services is
22 shown in an attachment to the resolution in your
23 books. It's the matrix at the back.

24 One firm was selected as counsel, bond
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1 counsel for the beginning farmer bond program, but
2 all other categories contained an approved list of
3 counsel, from which you can select for various
4 assignments. From the approved list from the State
5 Revolving Fund, we are recommending employment of
6 Katten Muchin Rosenman as bond counsel for the
7 planned 2017 bond issue.

8 This selection was based on various
9 factors, including experience, grading by three
10 evaluators and price. Are there any questions?
11 Thank you.

12 CHAIRMAN ANDERBERG: Thank you. Now I would
13 like to request a motion to pass and adopt the
14 following Project Report and Resolution item 6. Is
15 there a motion?

16 KNOX: So moved.

17 CHAIRMAN ANDERBERG: Motion Mr. Knox. Is there
18 a second?

19 HORNE: Second.

20 CHAIRMAN ANDERBERG: Seconded by Mr. Horne.

21 FLETCHER: On the motion and second, I'll come
22 the roll. Ms. Bronner?

23 BRONNER: Yes.

24 FLETCHER: Mr. Fuentes?

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1 FUENTES: Yes.

2 FLETCHER: Mr. Goetz on the line?

3 GOETZ: Yes.

4 FLETCHER: Mr. Horne?

5 HORNE: Yes.

6 FLETCHER: Ms. Juracek on the line?

7 JURACEK: Yes.

8 FLETCHER: Mr. Knox?

9 KNOX: Yes.

10 FLETCHER: Mr. Obernagel?

11 OBERNAGEL: Yes.

12 FLETCHER: Mr. Poole on the line?
13 POOLE: Yes.
14 FLETCHER: Ms. Smoots?
15 SMOOTS: Yes.
16 FLETCHER: Mr. Zeller?
17 ZELLER: Yes.
18 FLETCHER: Mr. Chairman?
19 CHAIRMAN ANDERBERG: Yes.
20 FLETCHER: Motion carries, Mr. Chairman.
21 CHAIRMAN ANDERBERG: Thank you. Let's get
22 Mr. McCoy back in the room.
23 FLETCHER: Let the record reflect, please, that
24 Member McCoy has returned to the room.

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1 CHAIRMAN ANDERBERG: Is there any other
2 business to come before the Members? Hearing none,
3 I'd like to request a motion to excuse the absences
4 of Members unable to participate today. Is there
5 such a motion?
6 FUENTES: So moved.
7 CHAIRMAN ANDERBERG: So moved by Mr. Fuentes.
8 Is there a second?
9 KNOX: Second.
10 CHAIRMAN ANDERBERG: Seconded by Mr. Knox. All
11 those in favor?
12 (A chorus of ayes.)
13 CHAIRMAN ANDERBERG: Opposed?
14 (No response.)
15 CHAIRMAN ANDERBERG: The ayes have it. Is
16 there any public comment for the Members today?

17 Okay.

18 The next regular scheduled meeting will be
19 June 8th, 2017. I would like to request motion to
20 adjourn the meeting. Is there such a motion?

21 BRONNER: So moved.

22 CHAIRMAN ANDERBERG: Ms. Bronner. And a
23 second?

24 FUENTES: Second.

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1 CHAIRMAN ANDERBERG: Seconded by Mr. Fuentes.

2 All those in favor?

3 (A chorus of ayes.)

4 CHAIRMAN ANDERBERG: Opposed?

5 (No response.)

6 CHAIRMAN ANDERBERG: The ayes have it. Thank
7 you.

8 FLETCHER: The time is 10:08 a.m.

9 (WHICH WERE ALL THE PROCEEDINGS HAD At 10:08 A.M.)

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STATE OF ILLINOIS)
)SS:
COUNTY OF C O O K)

PAMELA A. MARZULLO, C. S. R., being first duly sworn, says that she is a court reporter doing business in the city of Chicago; that she reported in shorthand the proceedings had at the Proceedings of said cause; that the foregoing is a true and correct transcript of her shorthand notes, so taken as aforesaid, and contains all the proceedings of said meeting.

PAMELA A. MARZULLO
License No. 084-001624

5-11-17-2. txt

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