



BOARD MINUTES

**ILLINOIS FINANCE AUTHORITY
BOARD OF DIRECTORS
REGULAR MEETING
TUESDAY, MAY 13, 2014
10:44 A.M.**

I. Call to Order & Roll Call

At the regular meeting of the Board of Directors of the Illinois Finance Authority (the “Board”), begun and held at One Prudential Plaza, 130 East Randolph Avenue, Suite 750, Chicago, Illinois 60601, on the second Tuesday of May in the year 2014, pursuant to the provisions of Section 801-25 and Section 801-30 of the Illinois Finance Authority Act, 20 ILCS 3501/801-1 et seq. of the State of Illinois (the “Act”), William A. Brandt, Jr., Chairman of the Board, called the Board to order and presided over deliberations.

By direction of the Chairman, a roll call was taken to ascertain the attendance of Members, as follows: 10 Present.

On the question of a quorum of Members physically present at the location of this open meeting, the Assistant Secretary of the Board declared that a quorum had been constituted.

Having been absent when the Quorum Roll Call for Attendance was taken, Member Lonstein was recorded as present at the time of 10:56 a.m.

**ILLINOIS FINANCE AUTHORITY
BOARD OF DIRECTORS
BOARD ROLL CALL
QUORUM ROLL CALL FOR ATTENDANCE**

May 13, 2014

0 YEAS

0 NAYS

11 PRESENT

P Bronner
E Fuentes

P Goetz
P Gold
P Knox

E Leonard
P Lonstein
(VIA AUDIO CONFERENCE)
(ADDED)
P O’Brien
E Parish
P Pedersen

P Poole
E Tessler

P Vaught
P Zeller
P Mr. Chairman

E – Denotes Excused Absence

II. Chairman's Remarks

Chairman Brandt welcomed Members of the Board, Authority staff and all guests present.

Chairman Brandt, Chairman, from the Committee of the Whole to which all items of this meeting's agenda were referred, action taken earlier on May 13, 2014, reported the same back and that all items were thoroughly reviewed.

III. Adoption of the Minutes

Minutes of the regular meeting of the Board held on April 8, 2014 and the Financial Statements for the Month Ended April 30, 2014 were taken up for consideration.

Vice Chairman Goetz moved for the adoption of the Minutes and the Financial Statements.

Member Pedersen seconded the motion.

And on that motion, a vote was taken resulting as follows: 10 Yeas; 0 Nays; 0 Answering Present.

The motion prevailed and the Minutes and the Financial Statements were adopted and accepted, respectively.

IV. Acceptance of the Financial Statements

See Agenda Item III.

V. Approval of Project Reports and Resolutions

Chairman Brandt directed Mr. Frampton to present the projects and resolutions without guests or abstentions to the Board.

Mr. Frampton presented the following project:

Agriculture Projects

Item 1(A): Item 1(A) is a request for Beginning Farmer Revenue Bond financing.

Clinton R. and Sara B. Bergbower are requesting approval of a **Final** Bond Resolution in an amount not-to-exceed **Fifty-Two Thousand Five Hundred and Sixty-Nine Dollars** (\$52,569). This financing is being presented for one-time consideration.

Bond proceeds will be used to finance the acquisition of approximately 19.47 acres of farmland located in Fox Township in Jasper County.

Member Zeller moved for the adoption of the following project: Item 1(A).

Member Poole seconded the motion.

And on that motion, a vote was taken resulting as follows: 10 Yeas; 0 Nays; 0 Answering Present.

This project, having received the votes of a quorum of the Members of the Board, was declared passed.

Chairman Brandt directed Mr. Frampton to present the remaining projects and resolutions without guests or abstentions to the Board.

Mr. Frampton presented the following projects and resolutions:

Item 1(B): Item 1(B) is a request for Beginning Farmer Revenue Bond financing.

Austin L. Chandler is requesting approval of a **Final** Bond Resolution in an amount not-to-exceed **Two Hundred Thirty-Four Thousand Dollars** (\$234,000). This financing is being presented for one-time consideration.

Bond proceeds will be used to finance the acquisition of approximately 90.22 acres of farmland located in Rozetta Township in Henderson County.

Business and Industry Projects

Item 2: Item 2 is a request for Industrial Revenue Bond financing.

Sterling Lumber Company and SLC – Phoenix, LLC are requesting approval of a **Final** Bond Resolution in an amount not-to-exceed **Ten Million Dollars** (\$10,000,000).

Bond proceeds will be used by **Sterling Lumber Company**, an Illinois corporation (“**Sterling**”), and its affiliate, **SLC-Phoenix, LLC**, an Illinois limited liability company (“**SLC**” and together with Sterling, the “**Borrower**”), to finance a portion of the costs of acquisition of land and a 514,000 square feet building located at 501 East 151st Street, Phoenix, Illinois, the renovation of such building and the acquisition of machinery and equipment to be installed therein, all to be used as a wood products manufacturing facility to be owned and operated by the Borrower (the “**Project**”).

Item 3: Item 3 is a request for Industrial Revenue Bond financing.

Freedman Seating Company, Inc. and its affiliates are requesting approval of a **Preliminary** Bond Resolution in an amount not-to-exceed **Five Million Dollars** (\$5,000,000).

Bond proceeds will be used for the purpose of providing **Freedman Seating Company, Inc. and its Affiliates** (collectively, the “**Borrowers**”) all or a portion of the funds for the purpose of (i) assisting in the substantial rehabilitation and equipping of all or a portion of its existing manufacturing building located at 4501 W. Augusta Blvd., in Chicago (Cook County), Illinois, 60651 for use in expanding the Company’s seat manufacturing production facilities, (ii) paying capitalized interest, if deemed necessary or desirable by the Borrower, and (iii) paying bond issuance costs, all as permitted by the Act (collectively, the “**Project**”).

Mr. Frampton noted that the combined aggregate principal amount of the Company’s outstanding IFA Series 2012 Bonds and the proposed IFA Series 2014 Bonds will not exceed \$10 million as of the issuance date of the Series 2014 Bonds, as applicable to Small Issue Industrial Development Revenue Bond project borrowers under existing Internal Revenue Code provisions.

Healthcare Projects

Item 4: Item 4 is a request for 501(c)(3) Revenue Bond financing.

Freeport Regional Health Care Foundation is requesting approval of a **Final Bond Resolution** in an amount not-to-exceed **Forty-Five Million Dollars** (\$45,000,000) of revenue bonds consisting of (i) Revenue Bonds, Series 2014A (the “Series 2014A Bonds”) and (ii) Revenue Bonds, Series 2014B (the “Series 2014B Bonds” and, together with the Series 2014A Bonds, the “Series 2014 Bonds”). This financing is being presented for one-time consideration.

Bond proceeds will be used by **Freeport Regional Health Care Foundation** (“**FHN**”, the “**Corporation**” or the “**Borrower**”) to provide Freeport Memorial Hospital (the “**Hospital**” and together with the Corporation, the “**Users**”) and the Corporation, with all or a portion of the funds necessary to (i) pay or reimburse the Users for the costs of acquiring, constructing, remodeling, renovating and equipping certain health care facilities owned by the Users, including renovating the emergency department and outpatient services facilities; (ii) refund all or a portion of the \$10,000,000 original principal amount County of Stephenson, Illinois Health Care Facilities Revenue Bonds (Freeport Regional Health Care Foundation) Series 2008 (the “**2008 County Bonds**”); (iii) refund all or a portion of the \$8,000,000 original principal amount City of Freeport, Illinois Health Care Facilities Revenue Bonds (Freeport Regional Health Care Foundation) Series 2008 (the “**2008 City Bonds**”); (iv) refund all or a portion of the \$13,330,000 original principal amount City of Freeport, Illinois Variable Rate Demand Revenue Bonds, Series 2001A (Freeport Regional Health Care Foundation) (the “**2001 City Bonds**” and, together with the 2008 County Bonds and the 2008 City Bonds, the “**Prior Bonds**”); (v) provide working capital to the Users, if deemed necessary or advisable by the Corporation; (vi) pay a portion of the interest on the Series 2014 Bonds, if deemed necessary or advisable by the Corporation; and (vii) pay certain expenses incurred in connection with the issuance of the Series 2014 Bonds and the refunding of the Prior Bonds, all as permitted by the Act (collectively, the “**Financing Purposes**”).

Item 5: Item 5 is a request for 501(c)(3) Revenue Bond financing.

Rosecrance, Inc. is requesting approval of a **Final Bond Resolution** in an amount not-to-exceed **Fifteen Million Dollars** (\$15,000,000) of revenue bonds consisting of (i) Revenue Bonds, Series 2014A (the “**Series 2014A Bonds**”) and (ii) Revenue Bonds, Series 2014B (the “**Series 2014B Bonds**” and, together with the Series 2014A Bonds, the “**Series 2014 Bonds**”). This financing is being presented for one-time consideration.

Bond proceeds will be used by **Rosecrance, Inc.** (“**Rosecrance**” or the “**Corporation**”) and **Rosecrance Health Network** (the “**User**”) to (i) pay or reimburse the Corporation and the User for the costs of acquiring, constructing, remodeling, renovating and equipping certain health care facilities owned by the Corporation and the User; (ii) provide working capital to the Corporation and/or the User, if deemed necessary or advisable by the Corporation; (iii) pay a portion of the interest on the Bonds if deemed necessary or advisable by the Corporation; and (iv) pay certain expenses incurred in connection with the issuance of the Series 2014 Bonds, all as permitted by the Act (collectively, the “**Financing Purposes**”).

Resolutions

Item 8: Item 8 is a Resolution Authorizing the Execution and Delivery of a First Supplemental Loan Agreement in Connection with Illinois Finance Authority Midwestern Disaster Area Revenue Bonds, Series 2012 (P.O.B. Development, LLC Project); and Related Matters.

Item 10: Item 10 is a Resolution Approving the Terms of Financial Advisory Contracts.

- Item 11:** Item 11 is a Resolution Authorizing the Executive Director to Appoint the Chief Internal Auditor for IFA and the Terms of the Internal Auditing Services Contract.
- Item 12:** Item 12 is a Resolution Approving the Award of a Sole Source Contract with ADP TotalSource, Inc.
- Item 13:** Item 13 is a Resolution Authorizing the Executive Director to Renew Existing Contracts with MABSCO Capital, Inc., Mesirow Insurance Services, Inc., and Howard Kenner Government Consulting.

Chairman Brandt asked for and, by unanimous consent, obtained leave to apply the results of the vote for Item 1(A) to the following projects and resolutions: Items 1(B), 2, 3, 4, 5, 8, 10, 11, 12 and 13.

These projects and resolutions, having received the votes of a quorum of the Members of the Board, were declared passed and adopted, respectively.

Chairman Brandt directed Mr. Frampton to present the project and resolutions which may have an abstention to the Board.

Mr. Frampton will present the following project:

Healthcare Projects

- Item 6:** Item 6 is a request for 501(c)(3) Revenue Bond financing.

Centegra Health System is requesting approval of a **Final** Bond Resolution in an amount not-to-exceed **Sixty Million Dollars** (\$60,000,000).

The Authority adopted Resolution 2014-0311-HC03 on March 11, 2014 (the “**Fixed Rate Bond Resolution**”) to authorize the issuance of the Fixed Rate Bonds to loan the proceeds thereof to Centegra for the purpose of financing a portion of the Fixed Rate Bonds Financing Purposes. The Fixed Rate Bond Resolution limits the principal amount of the Series 2014 Bonds to a maximum aggregate principal amount not in excess of \$193,000,000 (the “**Authorized Maximum Principal Amount**”). Centegra, on behalf of itself and Northern Illinois Medical Center (d/b/a Centegra Hospital – McHenry) (“**NIMC**”), Memorial Medical Center – Woodstock (d/b/a Centegra Hospital – Woodstock) (“**MMC**”), NIMED Corp. (“**NIMED**”) and Centegra Hospital – Huntley (“**CHH**” and, collectively with NIMC, MMC and NIMED, the “**Users**”), has requested that the Authority issue not to exceed \$60,000,000 in aggregate principal amount of Series 2014 Bonds consisting of one or more series of Variable Rate Revenue Bonds, Series 2014 (Centegra Health System) (the “**Variable Rate Bonds**”), the aggregate principal amount of which, when combined with the principal amount of the Fixed Rate Bonds, will not exceed the Authorized Maximum Principal Amount, and loan the proceeds thereof to Centegra in order to assist Centegra in providing a portion of the funds necessary to do any or all of the following: (i) pay or reimburse Centegra and one or more of the Users for the payment of certain costs related to the Project; (ii) provide working capital to Centegra or one or more of the Users, if deemed necessary or advisable by Centegra; (iii) pay a portion of the interest on the Variable Rate Bonds, if deemed necessary or advisable by Centegra; (iv) fund a debt service reserve fund, if deemed necessary or advisable by Centegra; and (v) pay certain expenses incurred in connection with the issuance of the Variable Rate Bonds, all as permitted by the Act (collectively, the “**Variable Rate Bonds Financing Purposes**”).

Member Pedersen moved for the adoption of the following project: Item 6.

Member Zeller seconded the motion.

And on that motion, a vote was taken resulting as follows: 10 Yeas; 0 Nays; 1 Abstention (Goetz); 0 Answering Present.

Vice Chairman Goetz desired to be recorded as abstaining from the vote due to a family member's contractual relationship with the Borrower.

This project, having received the votes of a quorum of the Members of the Board, was declared passed.

Mr. Frampton presented the following resolutions:

Resolutions

Item 7: Item 7 is a Resolution Authorizing the Issuance of an Illinois Finance Authority Revenue Refunding Bond, Series 2014 (Catholic Charities Housing Corporation) in an Aggregate Principal Amount Not to Exceed \$10,906,197, the Proceeds of which are to be Loaned to Catholic Charities Housing Development Corporation and Catholic Charities of the Archdiocese of Chicago.

The Assistant Secretary of the Board advised that an abstention was not expected.

Chairman Brandt asked for and, by unanimous consent, obtained leave to apply the results of the vote for Item 1(A) to the following resolution: Item 7.

This resolution, having received the votes of a quorum of the Members of the Board, was declared adopted.

Item 9: Item 9 is a Resolution Delegating to the Executive Director of the Illinois Finance Authority the Power to Fund and Administer a Loan Program for Deferred Action for Childhood Arrivals ("DACA") Applicants to Medical and Dental Schools in Illinois, (the "DACA Loan Program") in an Amount Not to Exceed \$2,900,000 and Ratifying Certain Matters Related Thereto.

Member O'Brien moved for the adoption of the following project: Item 9.

Member Pedersen seconded the motion.

And on that motion, a vote was taken resulting as follows: 10 Yeas; 0 Nays; 1 Abstention (Brandt); 0 Answering Present.

Chairman Brandt desired to be recorded as abstaining from the vote due to his service as a member of the Board of Trustees of Loyola University of Chicago.

This resolution, having received the votes of a quorum of the Members of the Board, was declared adopted.

VI. Other Business

None.

VII. Public Comment

None.

VIII. Adjournment

Chairman Brandt reminded Members of the Board, Authority staff and all guests present that the regular meeting of the Board in May will be held on June 10, 2014.

At the time of 11:00 a.m., Member Pedersen moved that the Board do now adjourn until June 10, 2014, at 10:30 a.m.

Vice Chairman Goetz seconded the motion.

The motion prevailed.

And the Board stood adjourned.

Minutes published by:
Brad R. Fletcher
Assistant Secretary of the Board