

Date: June 14, 2022

To: William Hobert, Chair
Peter Amaro
Drew L. Beres
James J. Fuentes
Arlene A. Juracek
Roxanne Nava
George Obernagel
Roger Poole

Timothy Ryan
Michael Strautmanis
Eduardo Tobon
Jennifer Watson
Randal Wexler
Jeffrey Wright
Bradley A. Zeller

From: Christopher B. Meister, Executive Director

Subject: *Message from the Executive Director*

Dear Member of the Authority:

Proposed Fiscal Year 2023 Authority Budget

Today, we will present the Members with a tentative budget for the upcoming fiscal year (“FY”) that begins July 1, 2022 and ends June 30, 2023 (the “FY23 Budget”). The FY23 Budget, as proposed, is reflective of market conditions with forecast annual operating revenues estimated to decline approximately 5.41% from \$2.74 million to \$2.59 million compared to estimated actual operating revenues for this past fiscal year as of June 30, 2022. This approximate decline of \$148 thousand is mostly attributable to estimated reductions in closing fees of \$176 thousand and reductions in administrative service fees of \$127 thousand. Such estimated reductions are offset, in part, by an estimated \$219 thousand for federal reimbursement of programmatic costs as the Authority seeks the resources necessary to realize the goals of Governor JB Pritzker and the General Assembly through their collective designation of the Authority as the State’s Climate Bank.

Furthermore, the FY23 Budget makes necessary tough choices in the reduction of operating expenses while maintaining a significantly reduced headcount. As proposed, forecast annual operating expenses are estimated to decline approximately 3.16% from \$3.36 million to \$3.25 million compared to estimated actual operating expenses for this past fiscal year as of June 30, 2022. This approximate decline of \$106 thousand is mostly attributable to estimated reductions in professional services of \$103 thousand.

Taking together, Authority staff estimates an operating Net Loss of approximately \$658 thousand for the FY23 Budget which will be approximately \$42 thousand less than the estimated actual operating Net Loss of \$615 thousand for this past fiscal year as of June 30, 2022. However, the estimated operating Net Loss for the FY23 Budget is expected to be offset by interest and investment income of \$746 thousand given the rising interest rate environment and

flight-to-quality by general investors that will increase demand on assets the Authority is otherwise restricted to investing in per State law and the Authority's related Investment Policy Statement. Accordingly, the tentative FY23 Budget estimates total Net Income to be approximately \$88 thousand.

Dominican University

Glena Temple, Ph.D., took office recently as Dominican University's 11th president. Dr. Temple previously served as president of Viterbo University, a veteran of higher education leadership, and a scholar in botany and plant sciences. Dominican University's student body is majority-minority, and currently, 43% of Dominican's students are the first in their families to attend college. Despite the challenges related to the COVID-19 pandemic, the University welcomed one of its largest and academically most robust first-year classes in the fall of 2021, with an average high school GPA of 3.74.

DeKalb SLF LP

DeKalb SLF LP was created to construct and own a supportive living facility in booming DeKalb County, Illinois. All of the 76 units in the facility are designated as "affordable" and exist to serve qualified low- and moderate-income senior residents. Facilities like that owned by DeKalb SLF LP allow residents to stay in the communities they helped build even as property values and cost of living rise.

Beginning Farmer Bonds

Today's agenda features three bank-purchased bond issues totaling approximately \$643,300 that will enable farmers to acquire farmland in Effingham and Wayne County.

Resolutions Supporting Past Borrowers

Also on today's agenda are three resolutions related to bonds previously issued by the Authority. The Joint Commission on Accreditation of Healthcare Organizations seeks to continuously improve the quality of health care for the public by evaluating health care organizations and inspiring them to excel in providing safe and effective care. Blessing Hospital is a 327-bed acute-care hospital in Quincy "Gem City," Illinois. The Authority will also consider a resolution approving amendments to and/or the replacement of certain documents related to a beginning farmer bond.

Going Forward

Future meeting format and schedule adoption for Fiscal Year 2023 will be discussed during the meeting.

Respectfully,

A handwritten signature in black ink, appearing to read 'C. Meister', followed by a long horizontal line extending to the right.

Christopher B. Meister
Executive Director