

1 ILLINOIS FINANCE AUTHORITY

2 REGULAR MEETING

3 June 12, 2018, at 9:30 a.m.

4
5 REPORT OF PROCEEDINGS had at the Regular
6 Meeting of the Illinois Finance Authority on June 12,
7 2018, at the hour of 9:30 a.m., pursuant to notice,
8 at 160 North LaSalle Street, Suite S-1000, Chicago,
9 Illinois.

10 APPEARANCES:

11 MR. ERIC ANDERBERG, Chairman

MS. GILA BRONNER

12 MR. NEIL HELLER

MS. ARLENE A. JURACEK

13 MR. LYLE McCOY

MR. GEORGE OBERNAGEL

14 MR. TERRENCE M. O'BRIEN

MR. ROGER POOLE

15 MS. BETH SMOOTS

MR. BRADLEY A. ZELLER

16 MR. LERRY KNOX (via audio conference)

17 ILLINOIS FINANCE AUTHORITY STAFF MEMBERS

18 MR. CHRISTOPHER B. MEISTER, Executive Director

MR. RICH FRAMPTON, Vice President

19 MS. PAMELA LENANE, Vice President

MR. BRAD FLETCHER, IFA Assistant Vice-President

20 MR. STANLEY LUBOFF, IFA VP, Loans and Guarantees

MR. RYAN OECHSLER, IFA Associate General Counsel

21 MR. TERRY FRANZEN, Procurement

22 GUESTS

23 MR. MICHAEL HORNE, CFO, Illinois Institute of Technology

MS. ERIN ARCHER, Treasurer, DePaul University

24 MR. DOUG STANFORD, Mgr. Banking, Liquidity & Capital Res., DePaul Univ.

1 CHAIRMAN ANDERBERG: Okay. Welcome to the June
2 meeting at IFA. I'd like to call the meeting to
3 order.

4 Will the Assistant Secretary please
5 call the roll.

6 FLETCHER: Certainly. The time is 9:30 a.m.

7 Ms. Bronner?

8 BRONNER: Here.

9 FLETCHER: Mr. Heller?

10 HELLER: Here.

11 FLETCHER: Ms. Juracek?

12 JURACEK: Here.

13 FLETCHER: Mr. McCoy?

14 MCCOY: Here.

15 FLETCHER: Mr. Obernagel?

16 OBERNAGEL: Here.

17 FLETCHER: Mr. O'Brien?

18 O'BRIEN: Here.

19 FLETCHER: Mr. Poole?

20 POOLE: Here.

21 FLETCHER: Ms. Smoots?

22 SMOOTS: Here.

23 FLETCHER: Mr. Zeller?

24 ZELLER: Here.

1 FLETCHER: Mr. Chairman?

2 CHAIRMAN ANDERBERG: Here.

3 Mr. Chairman, a quorum of Members
4 physically present in the room has been constituted.

5 At this time, I'd like to ask if any
6 members would like to attend via audio conference.

7 KNOX: Hi, this is Lerry Knox. I am requesting
8 to attend by audio conference due to work conflict.

9 CHAIRMAN ANDERBERG: Okay. Is there a motion
10 to approve this request pursuant to the bylaws and
11 policies of the Authority?

12 (Chorus of so moved.)

13 CHAIRMAN ANDERBERG: We have multiple,
14 multiple.

15 And a second?

16 O'BRIEN: Second.

17 CHAIRMAN ANDERBERG: And a second.

18 All those in favor?

19 (Chorus of ayes.)

20 CHAIRMAN ANDERBERG: Opposed?

21 (No response.)

22 CHAIRMAN ANDERBERG: The ayes have it.

23 FLETCHER: Mr. Chairman, Member Knox has been
24 added to the initial quorum roll call.

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

4 (No response.)

5 CHAIRMAN ANDERBERG: I'd like to request a
6 motion to approve the Agenda.

7 Is there such a motion?

8 OBERNAGEL: I'll make a motion, Mr. Chairman.

9 CHAIRMAN ANDERBERG: We have a motion.

10 Do I have a second?

11 O'BRIEN: Second.

12 CHAIRMAN ANDERBERG: We have a second.

13 All those in favor?

14 (Chorus of ayes.)

15 CHAIRMAN ANDERBERG: Opposed?

16 (No response.)

17 CHAIRMAN ANDERBERG: The ayes have it.

18 Is there any public comment for the
19 Members?

20 (No response.)

21 CHAIRMAN ANDERBERG: Okay. I have no remarks
22 today. We want to get the meeting moving.

23 Executive Director Meister?

24 MEISTER: Thank you, Mr. Chairman.

1 First, I would like to recognize the
2 service of a couple of members of our team.
3 Mr. Fletcher, Mr. Luboff were involved with the
4 spring session of the Illinois General Ses- --
5 General Assembly on two bills: Senate Bill 2773 and
6 Senate Bill 43.

7 I'll address Senate Bill 2773. This
8 bill, which passed both chambers of the General
9 Assembly on a bipartisan roll calls allows the
10 Illinois Finance Authority a place at the table for
11 Property Assessed Clean Energy financing. This --
12 after a pregnancy of about nine years, this passed
13 the General Assembly in 2017 and was signed into law
14 by Governor Rauner. This is a trailer bill; it was
15 complex; it dealt with multiple groups of outside
16 counsel and multiple stakeholders. I'd like to
17 recognize Brad Fletcher for his leadership and
18 stewardship of this particular initiative, which I
19 believe will become an integral part of the
20 Authority's transformation initiative in the future.

21 The second bill, which actually passed
22 first, Senate Bill 43, again, passed on a bipartisan
23 roll call and is under consideration by the governor,
24 and was sponsored by a long-time friend of the

1 Authority, Senator Bertino-Tarrant.

2 This effort was led by Mr. Stan
3 Luboff, and what it does is that it allows funds to
4 the Authority to be used for bridge financing for the
5 PACE program as well as freeing up some longstanding
6 restricted funds of the Authority, two funds held by
7 the state treasurer, one held locally, for the
8 Authority's rejuvenated Participation Loan Program
9 that Mr. Luboff has led.

10 Again, the rejuvenated Participation
11 Loan Program will allow us to meet our public mission
12 and provide a diversified stream of revenue, and we
13 are grateful for Mr. Luboff's service and his
14 leadership in both remaking the program and in
15 helping to develop Senate Bill 43 with the help of
16 Mr. Fletcher and General Counsel Weber. So thank
17 you, both, Mr. Fletcher and Mr. Luboff.

18 Second matter is that on Item 14, and
19 we've discussed -- I've discussed this with many of
20 you and it was the subject of a rather lengthy and
21 detailed discussion at yesterday's Audit Plus
22 meeting, is the Authority's Fiscal Year '19 Budget.
23 And while there's a great deal of detail found in the
24 Member's red folders, the status quo that has

1 supported the business model and the mission of the
2 Authority over the past several years is simply no
3 longer sustainable. We have seen a steady erosion of
4 revenues from multiple sectors of the Authority, and
5 I can predict with certainty that in the coming years
6 this will no longer be a sustainable business model.
7 It requires new endeavors and new investment to
8 address the challenge of lower revenue and higher
9 expenses.

10 The budget, the Transformation
11 Initiative Budget, which was approved by
12 Ms. Bronner's committee yesterday morning, and which
13 Six and I and the rest of the team are presenting to
14 the Board is a game changer, and it is necessary to
15 implement the strategic vision of the Authority.

16 Finally, and when that member com- --
17 when that matter comes up, Item 14, I can take any
18 questions. But finally, I would like to share with
19 the members of the Authority a statement that has
20 been distributed.

21 "Over the past several weeks, the
22 Authority has had communications with a major
23 Illinois news organization regarding allegations of
24 life safety and management issues with respect to

1 facilities owned and operated by a conduit borrower
2 of the Authority. And the Authority has been in
3 communication with representatives of the conduit
4 borrower.

5 "The Authority takes these allegations
6 very seriously. Under the financing documents, the
7 borrower is obligated to address these allegations.
8 The trustee for the bonds, and in certain respects
9 the Authority, retain rights with respect to the
10 borrower.

11 "Given the regulatory and contractual
12 framework that applies to conduit bonds, the
13 Authority's role is limited, but we are actively
14 engaged in addressing these issues. I will update
15 Members of the Authority as matters develop."

16 I'll take any questions.

17 (No response.)

18 MEISTER: Thank you.

19 CHAIRMAN ANDERBERG: Thank you, Chris. Before
20 I go to Committee Reports, I'll make one note. This
21 morning, the Direct and Alternative Financing
22 Committee was chaired by Member Poole.

23 So, Ms. Bronner?

24 BRONNER: Thank you.

1 Good morning. The Audit, Budget,
2 Finance, Investment, and Procurement Committee met
3 yesterday, June 11th, 2018, and voted unanimously,
4 after considerable amount of discussion, to recommend
5 for approval the Version 1 Budget for Fiscal Year
6 2019 on today's Agenda.

7 CHAIRMAN ANDERBERG: Thank you.

8 Member McCoy?

9 McCOY: Thank you.

10 The Tax-Exempt Conduit Transaction
11 Committee met earlier this morning and voted
12 unanimously to recommend for approval the following
13 New Business items on today's Agenda: Illinois
14 Institute of Technology, DePaul University, four
15 Beginning Farmer Bonds, Concordia University,
16 Rosalind Franklin University, Southern Illinois
17 Healthcare Enterprises, Silver Cross Hospital Medical
18 Centers, and O'Fallon Apartments.

19 CHAIRMAN ANDERBERG: Thank you, Lyle.

20 McCOY: Thank you.

21 CHAIRMAN ANDERBERG: Mr. Poole?

22 POOLE: Thank you, Mr. Chairman.

23 The Direct and Alternative Financing
24 Committee met earlier this morning, also, and voted

1 unanimously to recommend for approval the following

2 New Business items on today's Agenda:

3 Number one would be J&L Food Services,
4 Incorporated, and Venue West, LLC; number two will be
5 Intermediary Relending Program Loan Fund; number
6 three, Renewable Energy Development Fund; and number
7 four, DACA Loan Program.

8 And those were (inaudible.)

9 CHAIRMAN ANDERBERG: Thank you, Roger.

10 Okay. I'd like to ask for the general
11 consent of the Members to consider the New Business
12 items collectively, and have the subsequent recorded
13 vote applied to each respective, individual item
14 unless there are any specific New Business items that
15 a Member would like to consider separately.

16 (No response.)

17 O'BRIEN: Oh. Item No. 11. I need to abstain.

18 CHAIRMAN ANDERBERG: Okay. I'd like to
19 consider New Business Item No. 11 first.

20 WEBER: Mr. Chairman?

21 CHAIRMAN ANDERBERG: Yes.

22 WEBER: Could we state on the record the reason
23 for the abstention?

24 O'BRIEN: Yes. I have a relative who's an

1 employee there at the Clean Energy Fund.

2 WEBER: Thank you.

3 CHAIRMAN ANDERBERG: Okay. Thank you.

4 All right. I'd like to consider New
5 Business Item No. 11 first and then take a roll call
6 vote, and then we'll consider the remaining items
7 under the consent agenda.

8 FLETCHER: Please note for the record, Member
9 O'Brien has exited the room from deliberations.

10 First is Resolution No. 11, Renewable
11 Energy Development Fund. Item 11 is a resolution
12 authorizing the return of a grant, in its original
13 principal amount, back to the Illinois Clean Energy
14 Community Foundation now that the loan for the
15 community-scale wind project it capitalized has been
16 repaid in full. This Resolution further provides for
17 the termination of the Authority's Renewable Energy
18 Loan Fund as a result.

19 Does any Member have any questions or
20 comments?

21 (No response.)

22 CHAIRMAN ANDERBERG: Okay. I'd like to request
23 a motion to pass and adopt New Business Item No. 11.

24 Is there such a motion?

1 McCOY: So moved.

2 BRONNER: Second.

3 CHAIRMAN ANDERBERG: A motion and a second.

4 Will the Assistant Secretary please
5 call the roll.

6 FLETCHER: On the motion and second, I'll call
7 the roll.

8 Ms. Bronner?

9 BRONNER: Yes.

10 FLETCHER: Mr. Heller?

11 HELLER: Yes.

12 FLETCHER: Ms. Juracek?

13 JURACEK: Yes.

14 FLETCHER: Mr. Knox?

15 KNOX: Yes.

16 FLETCHER: Mr. McCoy?

17 McCOY: Yes.

18 FLETCHER: Mr. Obernagel?

19 OBERNAGEL: Yes.

20 FLETCHER: Mr. Poole?

21 POOLE: Yes.

22 FLETCHER: Ms. Smoots?

23 SMOOTS: Yes.

24 FLETCHER: Mr. Zeller?

1 ZELLER: Yes.

2 FLETCHER: Mr. Chairman?

3 CHAIRMAN ANDERBERG: Yes.

4 FLETCHER: Mr. Chairman, the motion carries.

5 CHAIRMAN ANDERBERG: Thank you.

6 Mr. O'Brien back in here?

7 GRANDA: I'll go get him.

8 CHAIRMAN ANDERBERG: Thanks.

9 FLETCHER: Please note for the record, Member
10 O'Brien has returned to the room.

11 We'll now move along on the agenda,
12 first, with Tax-Exempt Conduit Transaction projects.
13 I'd like to note that for each Tax-Exempt Conduit New
14 Business item presented on today's agenda, including
15 Items 1, 2, and 3A through 3D, the Members are
16 considering approval of the resolution and
17 not-to-exceed amount contained therein.

18 First, is Item 1: Illinois Institute
19 of Technology.

20 Item 1 is a 501(c)(3) Bond request.
21 Staff requests your one-time Final Bond Resolution
22 approval for Illinois Institute of Technology in an
23 amount not to exceed \$45 million. Bond proceeds will
24 be used by the borrower to current refund its

1 outstanding IFA Series 2009 Bonds and reimburse the
2 cost of its recent acquisition of a 367-bed,
3 4-building student housing facility located on the
4 main campus of Illinois Tech. Wintrust Bank is the
5 purchasing bank for this conduit transaction.

6 Although the Series 2018 Bonds will be
7 non-rated, Illinois Tech currently holds long-term
8 ratings of Baa3 by Moody's and BB by Fitch.

9 At this time, Mr. Frampton would like
10 to acknowledge some guests from Illinois Tech.

11 FRAMPTON: I'd like to introduce Mr. Michael
12 Horan who is the CFO for the university. Mr. Horan
13 joined the university last July.

14 MR. MICHAEL HORAN: Thank you, and thank you
15 for having us.

16 I would just like to say, you know,
17 I'm a little bit older, and so I've been through this
18 a number of times. And I have to say the Finance
19 Authority here, it's been -- this has been the
20 easiest team I've ever had to work with, and just an
21 incredible job on your part. And I appreciate all
22 your help in getting us through this.

23 FRAMPTON: Thank you very much.

24 CHAIRMAN ANDERBERG: Thank you.

1 FLETCHER: Thank you.

2 Does have any member have any
3 questions or any comments?

4 (No response.)

5 FLETCHER: Moving along. Item 2: DePaul
6 University.

7 Item 2 is a 501(c)(3) Bond request.
8 Staff requests your one-time Final Bond Resolution
9 approval for DePaul University in an amount not to
10 exceed \$30 million. Bond proceeds will be used by
11 the borrower to current refund its outstanding Series
12 2008 Bonds. Wintrust Bank, again, is the purchasing
13 bank for this conduit transaction.

14 Although the Series 2018 Bonds will be
15 non-rated, DePaul currently holds long-term ratings
16 of A2 by Moody's, A by S&P, and A by Fitch.

17 Again, I believe Mr. Frampton would
18 like to acknowledge some guests from DePaul.

19 FRAMPTON: Thank you.

20 I'd like to introduce Ms. Erin Archer
21 who is the treasurer of DePaul University. This is
22 her first financing with the Authority.

23 And also Mr. Doug Stanford, who is
24 Manager of Banking Liquidity and Capital Resources,

1 who has worked with us on DePaul financings going
2 back to 2004. So, welcome.

3 MS. ERIN ARCHER: Thank you.

4 Thank you for having us this morning.

5 I am very new, both to DePaul and to the IFA, but
6 certainly appreciate Rich's help and his team, and
7 Doug has been before you, I believe, before for many
8 deals.

9 So thank you for your consideration
10 this morning.

11 CHAIRMAN ANDERBERG: Thank you.

12 FLETCHER: Thank you.

13 Does any Member have any questions or
14 comments with respect to Item 2, DePaul University?

15 (No response.)

16 FLETCHER: Moving along. Item 3A: Johnathon
17 M. Deters.

18 Item 3A is a Beginning Farmer Bond
19 request. Staff requests your one-time Final Bond
20 Resolution approval for Johnathon M. Deters, who is
21 purchasing 30 acres of farmland located in Effingham
22 County, in the not-to-exceed amount of \$327,000.
23 State Bank of Teutopolis is the purchasing bank for
24 this conduit transaction.

1 Does any Member have any questions or
2 comments?

3 (No response.)

4 FLETCHER: Item 3B: Philip Hartman.

5 Item 3B is a Beginning Farmer Bond
6 request. Staff requests your one-time Final Bond
7 Resolution approval for Phillip Hartman, who is
8 purchasing 55.7 acres of farmland located in Ford
9 County, in the not-to-exceed amount of \$269,551.
10 Bank of Pontiac is the purchasing bank for this
11 conduit transaction.

12 Does any Member have any questions or
13 comments?

14 (No response.)

15 FLETCHER: Item 3C: Matthew Robert Grundy.

16 Item 3C is a Beginning Farmer Bond
17 request. Staff requests your one-time Final Bond
18 Resolution approval for Matthew Robert Grundy, who is
19 purchasing 40 acres of farmland located in Christian
20 County, in the not-to-exceed amount of \$220,000.
21 Bradford National Bank is the purchasing bank for
22 this conduit transaction.

23 Does any Member have any questions or
24 comments?

1 (No response.)

2 FLETCHER: Item 3D: Zachary Paul Knobloch.

3 Item 3D is a Beginning Farmer Bond
4 request. Staff requests your one-time Final Bond
5 Resolution approval for Zachary Paul Knobloch, who's
6 purchasing 40 acres of farmland located in Stark
7 County, in the not-to-exceed amount of \$195,000.
8 State Bank of Toulon is the purchasing bank for this
9 conduit transaction.

10 Does any Member have any questions or
11 comments?

12 (No response.)

13 FLETCHER: Moving along to Direct and
14 Alternative Financing Projects, Item 4 is a
15 Participation Loan Request.

16 Staff requests your one-time final
17 Resolution approval for J&L Food Services, Inc.
18 [sic], and Venue West, LLC, in the maximum loan
19 participation amount of \$232,000 thou- --
20 \$232,500- -- \$232,500. Loan proceeds will be used by
21 the borrower to finance a portion of the cost of
22 leasehold improvements at its new special events
23 sites located at 221 North Paulina in Chicago. The
24 Authority's participation is equal to 50 percent of a

1 \$465,000 loan being originated by MB Financial Bank.

2 Does any Member have any questions or
3 comments?

4 (No response.)

5 FLETCHER: Moving on to Resolutions, Item 5.

6 Item 5 is a Resolution authorizing the
7 execution and delivery of a First Amendment to the
8 Bond and Loan Agreement and approving related matters
9 for the Series 2013 Bond issued on behalf of
10 Concordia University.

11 This will enable the borrower to
12 effectuate an interest rate reset for the next five
13 years and -- under more favorable terms with a new
14 bank. Busey Bank is the purchasing bank for this
15 conduit transaction.

16 Does any Member have any questions or
17 comments?

18 (No response.)

19 FLETCHER: Next, is Item 6.

20 Item 6 is a Resolution on behalf of
21 Rosalind Franklin University. The Resolution will
22 authorize the execution and delivery of an amended
23 and restated documents necessary to authorize a New
24 Markets Tax Credit financing structure that was

1 contemplated in the original bond documents, and
2 Official Statement approved in connection with the
3 issuance of the University's Series 2017 Bonds in
4 August 2017.

5 The New Markets Tax Credit financing
6 structure will provide for an additional estimated
7 \$4.0 million to \$4.9 million of interest-only debt
8 over the next 7 years that will enable the University
9 to finance additional build-out of the Project.
10 After seven years, the New Market Tax Credit debt
11 will prospectively be forgivable.

12 As a precondition to closing a New
13 Markets Tax Credit financing, the Series 2017 Bond
14 documents require both S&P and Fitch to affirm the
15 University's existing BBB+ ratings following a review
16 of the amended and restated documents.

17 Does any Member have any questions or
18 comments?

19 (No response.)

20 FLETCHER: Next, is Item 7.

21 Item 7 is a Resolution authorizing the
22 execution and delivery of Supplemental Bond
23 Indentures for the Series 2014A Bonds and the Series
24 2014B Bonds issued on behalf of Southern Illinois

1 Healthcare Enterprises.

2 These will enable the borrower to
3 amend certain interest rate provisions and provide
4 flexibility in converting to other interest rate
5 modes in the future.

6 Does any Member have any questions or
7 comments?

8 (No response.)

9 FLETCHER: Next, is Item 8.

10 Item 8 is a Resolution authorizing the
11 execution and delivery of amendment to each of the
12 loan agreements for the Series 2010A Bonds and Series
13 2010B Bonds, and the Series 2015A Bonds issued on
14 behalf of Silver Cross Hospital and Medical Centers.

15 These amendments will enable the
16 borrower to amend certain interest rate provisions,
17 and in the case of the Series 2010A and Series 2010B
18 Bonds, extend the current interest rate period in
19 which the purchasers will own the Bonds.

20 Does any Member have any questions or
21 comments?

22 (No response.)

23 FLETCHER: Next, is Item 9.

24 Item 9 is a Resolution authorizing the

1 execution and delivery of a First Amendment to
2 Financing Agreement and approving related documents
3 for the Series 2008 Bonds issued on behalf of
4 O'Fallon Preservation, NFP.

5 This Amendment and the related
6 documents will enable the borrower to effectuate a
7 one-month extension of the final maturity date of the
8 Bonds to facilitate a long-term permanent refinancing
9 of the Bonds.

10 Does any Member have any questions or
11 comments?

12 (No response.)

13 FLETCHER: Next, is Item 10.

14 Item 10 is a Resolution providing for
15 the termination of the Intermediary Relending Program
16 Loan Fund, a legacy fund established by IDFA, the
17 Illinois Development Finance Authority, in
18 partnership with the Farmers Home Administration, now
19 referred to as U.S. Department of Agricultural [sic],
20 Office of Rural Development.

21 Does any Member have any questions or
22 comments?

23 (No response.)

24 FLETCHER: Next, is Item 12.

1 Item 12 is a Resolution authorizing
2 the use of \$3 million of additional funds for the
3 Authority's Deferred Action for Childhood Arrivals
4 Loan Program. As reported in last month's meeting,
5 the DACA Loan Program recently saw six medical
6 students successfully complete their schooling and
7 match into residency programs. This Resolution will
8 provide the funding necessary for the Authority to
9 carry that momentum forward.

10 Does any Member have any questions or
11 comments?

12 (No response.)

13 FLETCHER: Next, is Item 13.

14 Item 13 is a Resolution providing for
15 the adoption of the Fiscal Year 2019 Budget. The
16 materials for Item 13 are no longer found in your
17 Board Books, but are located in a new red folder
18 provided to you at today's meeting. These materials
19 consist of a memorandum from the Executive Director,
20 an outline, and the supplemental material packet.

21 As developed more fully in those
22 materials, this will be the Authority's first deficit
23 budget, with the intention of advancing the expansion
24 of the Authority's mission and generating increased

1 revenues in the future. The Audit Plus Committee
2 recommended this budget for approval at its meeting
3 yesterday, June 11th, as noted earlier by Member
4 Bronner.

5 Does any Member have any questions or
6 comments?

7 (No response.)

8 FLETCHER: Moving on, Item 14 is a Resolution
9 providing for adoption of the Fiscal Year 2019
10 Schedule of Regular Meetings of the Members of the
11 Authority, setting meetings for the second Tuesday of
12 each month.

13 Does any Member have any questions or
14 comments?

15 (No response.)

16 CHAIRMAN ANDERBERG: Thank you, Brad.

17 Okay. I'd like to request a motion to
18 pass and adopt the following New Business items:
19 Items 1, 2, 3A, 3B, 3C, 3D, 4, 5, 6, 7, 8, 9, 10, 12,
20 13, and 14.

21 Is there such a motion?

22 O'BRIEN: So moved.

23 POOLE: Second.

24 CHAIRMAN ANDERBERG: We have a motion and a

1 second.

2 Will the Assistant Secretary please
3 call the roll?

4 FLETCHER: On the motion and second, I will
5 call the roll.

6 Ms. Bronner?

7 BRONNER: Yes.

8 FLETCHER: Mr. Heller?

9 HELLER: Yes.

10 FLETCHER: Ms. Juracek?

11 JURACEK: Yes.

12 FLETCHER: Mr. Knox on the line?

13 KNOX: Yes.

14 FLETCHER: Mr. McCoy?

15 McCOY: Yes.

16 FLETCHER: Mr. Obernagel?

17 OBERNAGEL: Yes.

18 FLETCHER: Mr. O'Brien?

19 O'BRIEN: Yes.

20 FLETCHER: Mr. Poole?

21 POOLE: Yes.

22 FLETCHER: Ms. Smoots?

23 SMOOTS: Yes.

24 FLETCHER: Mr. Zeller?

1 ZELLER: Yes.

2 FLETCHER: And Mr. Chairman?

3 CHAIRMAN ANDERBERG: Yes.

4 FLETCHER: Mr. Chairman, the motion carries.

5 CHAIRMAN ANDERBERG: Thank you.

6 Financial reports. Ms. Granda?

7 GRANDA: Good morning, everyone. I'm going to
8 be presenting the financial information as of May
9 31st of 2018. The financial highlights for our
10 General Operating Fund is as follows:

11 Our total annual revenues equals \$4.6
12 million and are \$929,000, or 25.3 percent, higher
13 than budget. That is due to higher closing and
14 administrative fees from November and December.

15 In May, the Authority generated
16 \$147,000 in closing fees, which are lower than our
17 monthly budgeted amount of \$241,000. Our total
18 annual expenses are at \$3.3 million and are \$308,000,
19 or 8.4 percent, lower than our budget -- I'm sorry.
20 I lost my place -- lower than our budget.

21 Our total - I'm sorry. In May, the
22 Authority recorded operating expenses of \$521,000,
23 which was higher than the monthly budgeted amount of
24 \$309,000. This was due to the payment in the amount

1 of \$234,000 for Fiscal Year 2017 financial audit and
2 for the two-year compliance examination for Fiscal
3 Year '16 and Fiscal Year '17.

4 Our total monthly net loss is
5 \$227,000, which was driven by lower than expected
6 closing fees, and again, the payment to our audit --
7 for our audit expense.

8 Our total annual net income is \$1.3
9 million. The major driver of our annual positive
10 bottom line is due to the complex bond project
11 closings activity in November and in December as well
12 as lower than expected expenses.

13 Our General Fund continues to maintain
14 a strong balance sheet with a total net position of
15 \$57.9 million unear- -- unrestricted cash and
16 investments of \$44.5 million.

17 Is there any question on the financial
18 highlights.

19 (No response.)

20 GRANDA: All right. We have one last item.
21 Moving on to our audit, the field work for our Fiscal
22 Year 2018 Financial Audit began on May 29th.

23 The auditors will be on the Authority
24 premises until probably June 30th of 2018, and they

1 will return to finalize their fieldwork back in
2 September. Our internal audit is going. Once they
3 have a final report, it will be presented to the
4 Board.

5 Any questions?

6 O'BRIEN: I had a question with regards to the
7 state audit.

8 How much did they charge us?

9 GRANDA: \$233,000.

10 O'BRIEN: What was it last year? Did it
11 increase?

12 GRANDA: The last year's?

13 O'BRIEN: Yeah. Do you recall what it was?

14 GRANDA: I think it was roughly about \$130,000,
15 and the difference is that the previous year, it was
16 only a financial audit, and then this two years it
17 was the financial audit plus the two years
18 compliance.

19 O'BRIEN: So that compliance is only every
20 other year?

21 GRANDA: Every other year, yes.

22 O'BRIEN: Okay. All right. Thank you.

23 CHAIRMAN ANDERBERG: Okay. Thank you,
24 Ms. Granda.

1 I'd like to request a motion to accept
2 the Financial Reports.

3 Is there such a motion?

4 BRONNER: So moved.

5 CHAIRMAN ANDERBERG: We have a motion.

6 Do I have a second?

7 O'BRIEN: Second.

8 CHAIRMAN ANDERBERG: We have a second.

9 All those in favor?

10 (Chorus of ayes.)

11 CHAIRMAN ANDERBERG: Opposed?

12 (No response.)

13 CHAIRMAN ANDERBERG: The ayes have it.

14 Monthly Procurement Report.

15 KNOX: Mr. Chairman, this is Member Knox. I
16 apologize, but I'm going have to drop off the call in
17 preparation for my flight.

18 CHAIRMAN ANDERBERG: Okay. Thank you, Lerry.
19 Thank you for making it today.

20 KNOX: Thank you. Take care.

21 FLETCHER: Please note for the record, Member
22 Knox has terminated his participation via audio
23 conference at 9:55 a.m.

24 FRANZEN: Good morning, Mr. Chairman, Members

1 of the Board.

2 We fully executed the Mesirov contract
3 related to liability coverage and employee benefits.
4 The remaining list of items that you see there on the
5 Procurement Report was executed to support the
6 Authority operations, and it also includes expiring
7 projects through the end of the calendar year.

8 Any questions?

9 (No response.)

10 FRANZEN: Thank you.

11 CHAIRMAN ANDERBERG: Thank you.

12 Does anyone wish to make any
13 additions, edits or corrections to the Minutes from
14 May 8th?

15 (No response.)

16 CHAIRMAN ANDERBERG: Hearing none, I'd like to
17 request a motion to approve the Minutes.

18 Is there such a motion?

19 BRONNER: So moved.

20 CHAIRMAN ANDERBERG: We have a motion.

21 Do we have a second?

22 JURACEK: Second.

23 CHAIRMAN ANDERBERG: And a second.

24 All those in favor?

1 (Chorus of ayes.)

2 CHAIRMAN ANDERBERG: Opposed?

3 (No response.)

4 CHAIRMAN ANDERBERG: The ayes have it.

5 Is there any other business to come
6 before the Members?

7 WEBER: Yes, Mr. Chairman. I'd like to mention
8 the homework assignment. I'd like to note that it is
9 again time for the Members to complete the annual
10 ethics training, which can be found in the Board
11 folder, preceding the Press Packet. It looks like
12 this. Please complete and return by the next
13 meeting, which will be held on July 10th.

14 CHAIRMAN ANDERBERG: Thank you.

15 Mr. Meister?

16 MEISTER: Yes. Just a couple of quick notes of
17 other business. I would like to thank the Members of
18 the Authority for their support, your support of the
19 Transformation Initiative Budget, Agenda Item 14. We
20 really thank you for your support, as well for your
21 support on Agenda Items No. 10 and 11, giving back or
22 returning the money for the Clean Energy Foundation
23 and USDA Rural Development. This simplifies the
24 Authority's balance sheets.

1 And importantly, and on a note of good
2 news, in your packages there is a Crain's Chicago
3 Business article regarding the final payoff and
4 extinguishment of the Illinois Finance Authority's
5 2006 Contingent State Taxpayer Moral Obligation
6 Bonds, dated yesterday. So at long last, the
7 exposure to the Illinois taxpayer through those
8 Illinois Medical District Commission Bonds is gone.
9 It is in the rearview mirror. It's been eliminated.

10 And this would not have been possible
11 without the support of not just this Board, but
12 predecessor boards; not just Governor Rauner, but
13 Governor Quinn and a host of staffers. But probably
14 most importantly, the Illinois Medical District
15 themselves, recognizing that this was their
16 obligation even though the current management team
17 did not make it and the current executive director,
18 Suzet McKinney, made it her top priority to get these
19 bonds paid off and put in the rearview mirror, and I
20 thank her and her board.

21 CHAIRMAN ANDERBERG: Thank you, Chris.

22 All right. Thank you. I'd LIKE to
23 request a motion to excuse the absences of Members
24 unable to participate today.

1 Is there such a motion?

2 O'BRIEN: So moved.

3 OBERNAGEL: Second, Mr. Chairman.

4 CHAIRMAN ANDERBERG: We have a motion and a
5 second.

6 All those in favor?

7 (Chorus of ayes.)

8 CHAIRMAN ANDERBERG: Opposed?

9 (No response.)

10 CHAIRMAN ANDERBERG: The ayes have it.

11 The next regularly scheduled meeting
12 will be July 10th, 2018, and I'd like to request a
13 motion to adjourn today's meeting.

14 Is there such a motion?

15 BRONNER: So moved.

16 CHAIRMAN ANDERBERG: We have a motion.

17 Do I have a second?

18 O'BRIEN: Second.

19 CHAIRMAN ANDERBERG: And a second.

20 All those in favor?

21 (Chorus of ayes.)

22 CHAIRMAN ANDERBERG: Opposed?

23 (No response.)

24 CHAIRMAN ANDERBERG: The ayes have it.

1 Thank you, everybody.

2 Fletcher: The time is 10:00 a.m.

3 (Whereupon the above
4 matter was adjourned.)

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1 STATE OF ILLINOIS)

) SS:

2 COUNTY OF COOK)

3 Brad Benjamin, being first duly sworn on oath,
 4 says that he is a Certified Shorthand Reporter, that
 5 he reported in shorthand the proceedings given at the
 6 taking of said hearing, and that the foregoing is a
 7 true and correct transcript of his shorthand notes so
 8 taken as aforesaid and contains all the proceedings
 9 given at said Illinois Finance Authority Meeting.

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Certified Shorthand Reporter

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No. 084-004805

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