

1 ILLINOIS FINANCE AUTHORITY  
2 REGULAR MEETING OF THE MEMBERS

3 July 9, 2019, at 9:30 a.m.

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5 REPORT OF PROCEEDINGS had at the Regular  
6 Meeting of the Illinois Finance Authority on July 9,  
7 2019, at the hour of 9:30 a.m., pursuant to notice,  
8 at 160 North LaSalle Street, Suite S-1000, Chicago,  
9 Illinois.

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1 APPEARANCES :

- 2 CHAIRMAN ERIC ANDERBERG
- MR. MIKE GOETZ
- 3 MS. ARLENE A. JURACEK
- MR. E. LYLE McCOY
- 4 MS. ROXANNE NAVA
- MR. WILL HOBERT
- 5 MR. GEORGE OBERNAGEL
- MS. BETH SMOOTS
- 6 MR. ROGER POOLE
- MR. JEFFREY WRIGHT
- 7 MR. RANDAL WEXLER
- MR. TERRENCE O'BRIEN

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ILLINOIS FINANCE AUTHORITY STAFF MEMBERS:

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- MR. CHRISTOPHER B. MEISTER, Executive Director
- 10 MR. JACOB STUCKEY, Deputy Executive Director
- MR. RICH FRAMPTON, Vice President
- 11 MS. SARA PERUGINI, Vice President
- MR. CHARLES MYART, JR., Vice President
- 12 MR. BRAD FLETCHER, Vice President
- MR. RYAN OECHSLER, Associate General Counsel
- 13 MS. ELIZABETH WEBER, General Counsel and Legal  
Adviser to the Board
- 14 MR. MALCOLM SIMMONS, Intern
- MR. RYAN BREACH, Intern
- 15 MR. CRAIG HOLLOWAY, Procurement Officer

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1 FLETCHER: The time is 9:38 a.m.  
2 Mr. Goetz?  
3 MR. GOETZ: Here.  
4 FLETCHER: Mr. Hobert?  
5 HOBERT: Here.  
6 FLETCHER: Miss Juracek?  
7 JURACEK: Here.  
8 FLETCHER: Mr. McCoy?  
9 McCOY: Here.  
10 FLETCHER: Miss Nava?  
11 NAVA: Here.  
12 FLETCHER: Mr. Obernagel?  
13 OBERNAGEL: Here.  
14 FLETCHER: Mr. O'Brien?  
15 O'BRIEN: Here.  
16 FLETCHER: Mr. Poole?  
17 POOLE: Here.  
18 FLETCHER: Miss Smoots?  
19 SMOOTS: Here.  
20 FLETCHER: Mr. Wexler?  
21 WEXLER: Here.  
22 FLETCHER: Mr. Wright?  
23 WRIGHT: Here.  
24 FLETCHER: And Mr. Chairman?

1 CHAIR ANDERBERG: Here.

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

5 CHAIR ANDERBERG: Thank you.

6 I'd like to note that we have been  
7 presented with a revised agenda. New Business Item 1  
8 on the agenda contained a Scribner's error. The  
9 township and county names had been switched. The  
10 revised agenda corrects that error.

11 Does anyone wish to make any  
12 additions, edits, or corrections to today's revised  
13 agenda?

14 (No response.)

15 CHAIR ANDERBERG: Hearing none, I'd like to  
16 request a motion to approve the revised agenda. Is  
17 there such a motion?

18 OBERNAGEL: I make a motion, Mr. Chairman.

19 CHAIR ANDERBERG: Motion by Mr. Obernagel.

20 Is there a second?

21 O'BRIEN: Second.

22 CHAIR ANDERBERG: Second by Mr. O'Brien.

23 CHAIR ANDERBERG: All those in favor?

24 (Chorus of ayes.)

1 CHAIR ANDERBERG: Opposed?

2 (No response.)

3 CHAIR ANDERBERG: The ayes have it.

4 Is there any public comment today for  
5 the Members?

6 (No response.)

7 CHAIR ANDERBERG: Okay. Remarks.

8 First off, you'll notice we had a  
9 little bit longer roll call here today. I'd like to  
10 welcome three new members to the Authority: Mr. Will  
11 Hobert, Ms. Roxanne Nava, and Randy Wexler.

12 Thank you for joining and choosing to  
13 serve and help the State of Illinois and the IFA  
14 further our economic purpose.

15 Also, I'd like to make note for all  
16 the Board Members, in your packets, the manila  
17 packets you have gotten on the table here today, are  
18 the committee assignments for the coming year.

19 I'd also like to make -- the Members  
20 today are going to vote on, for I think the second  
21 time, but there's a number of PACE Resolutions and  
22 for the transformation mission that we've been on in  
23 the past year, we're going in the right direction.  
24 It's a lot of credit to the staff for what they have

1       been doing.

2                       And I'm pleased -- Six is not here  
3       today, so I'm going to steal her thunder since she's  
4       not here. We were projecting when we started last  
5       year this transformation initiative -- and for the  
6       three new Members, the IFA was in a near death  
7       experience with federal tax law eliminating our  
8       ability to do conduit financing. So we did a  
9       transformation of the IFA.

10                      We were projecting a million dollar  
11       loss for this year, and as of closing, June, we  
12       actually ended up in the black. So a tremendous  
13       effort by everyone here at the IFA, and I can't say  
14       enough about you all.

15                      All right. That's all I have to say.

16                      MEISTER: Thank you, Mr. Chairman.

17                      My Executive Director's remarks, I'll  
18       echo the Chairman's welcome to Roxanne, Randy, and  
19       Will, and I hope that you find your volunteer public  
20       service as productive and inspiring as I do and as  
21       the staff does.

22                      And I'd like to again thank Eric and  
23       the committee chairs and Mike for their leadership.  
24       It's been -- it's been a very unusual, but ultimately

1 very productive and impactful year, and thank the  
2 staff as well. Everybody really came together over  
3 the last 12-to-18 months to move the Authority  
4 forward.

5 Thank you.

6 CHAIR ANDERBERG: Thank you, Chris.

7 Now we turn to Committee Reports.

8 Mr. McCoy?

9 McCOY: Thank you, Mr. Chairman.

10 The Conduit Finance Committee met  
11 earlier this morning and voted to recommend for  
12 approval the following new business items on today's  
13 agenda:

14 One beginning farmer bond; Community  
15 Unit School District 205, DuPage and Cook Counties,  
16 Elmhurst; Greenworks Lending, LLC; Lever Capital  
17 Funding; and a resolution for Northwestern Memorial  
18 HealthCare and its affiliates, and finally, a  
19 resolution for Mayo Properties, LLC.

20 SMOOTS: The Governance, Personnel,  
21 Legislation, and Ethics Committee also met earlier  
22 this morning, and voted unanimously to recommend for  
23 approval the following new business item on today's  
24 agenda:

1                   1, the Fiscal Year 2020 personnel  
2       recommendations. The Committee also recommended Mike  
3       Goetz for the position of Vice Chair of the  
4       Authority.

5                   CHAIR ANDERBERG: Okay. Thank you.

6                   I'd like to ask for the general  
7       consent of the Members to consider New Business Item  
8       7 first and then consider the remaining new business  
9       items collectively and have a subsequent recorded  
10      vote applied to each respective individual item  
11      unless there's any new business items that a Member  
12      would like to consider separately.

13                  GOETZ: Mr. Chairman, I'd like to recuse  
14      myself from any deliberations and voting with  
15      respect to Item 5, Northwestern Memorial HealthCare,  
16      of the new business item, because I have a family  
17      member who works for the financial advisor in the  
18      transaction.

19                  CHAIR ANDERBERG: Thank you, Mike.

20                  I'd first like to consider New  
21      Business Item Number 7 and take a roll call vote and  
22      then consider Item 5 relating to Northwestern and  
23      take a separate roll call vote. Then we will  
24      consider New Business Items 1, 2, 3, 4, and 6 under a

1 consent agenda and take a vote. Please note that  
2 Item 8 pertains to Fiscal Year 2020 personnel  
3 recommendations.

4 If any Members would like to discuss  
5 Item 8 in closed session, please let me know now.  
6 Otherwise, we'll consider Item 8 with the other items  
7 under the Consent Agenda.

8 Anybody want a closed session?

9 (No response.)

10 CHAIR ANDERBERG: Thank you.

11 Mr. Meister?

12 MEISTER: As the Members may recall, Mike  
13 Goetz was elected Vice Chair of the Authority in  
14 February 2019 following the departure of former  
15 Member and Vice Chair Gila Bronner  
16 partway through her one-year term as Vice Chair to  
17 the Authority.

18 Per the by-laws of the Authority,  
19 that one-year term is now completed, and it is time  
20 to elect a member as Vice Chair for a new one year  
21 term.

22 As Member Smoots has already shared,  
23 the Governance Plus Committee met and recommended  
24 Mike Goetz for the position of Vice Chair.

1           CHAIR ANDERBERG: I'd like to request a  
2 motion to nominate a Member for the election of Vice  
3 Chair of the Authority. Is there such a nomination  
4 and motion?

5           POOLE: So moved, Mr. Chairman.

6           O'BRIEN: Second.

7           POOLE: I'd like to nominate Mike Goetz.

8           MEISTER: Motion by Mr. Poole and second by  
9 Mr. O'Brien.

10          CHAIR ANDERBERG: Thank you.

11                   Will the Assistant Secretary please  
12 call the role?

13          FLETCHER: On the motion and second to  
14 nominate Mike Goetz as Vice Chair, I'll call the  
15 roll.

16                   Mr. Goetz?

17          GOETZ: Abstain.

18          FLETCHER: Pursuant to the by-laws, is  
19 it true you are abstaining because you're the  
20 nominee?

21          GOETZ: Yes.

22          FLETCHER: Thank you.

23                   Mr. Hobert?

24          HOBERT: Yes.

1 FLETCHER: Miss Juracek?  
2 JURACEK: Yes.  
3 FLETCHER: Mr. McCoy?  
4 McCOY: Yes.  
5 FLETCHER: Miss Nava?  
6 NAVA: Yes.  
7 FLETCHER: Mr. Obernagel?  
8 OBERNAGEL: Yes.  
9 FLETCHER: Mr. O'Brien?  
10 O'BRIEN: Yes.  
11 FLETCHER: Mr. Poole?  
12 POOLE: Yes.  
13 FLETCHER: Miss Smoots?  
14 SMOOTS: Yes.  
15 FLETCHER: Mr. Wexler?  
16 WEXLER: Yes.  
17 FLETCHER: Mr. Wright?  
18 WRIGHT: Yes.  
19 FLETCHER: Mr. Chairman?  
20 CHAIR ANDERBERG: Yes.  
21 FLETCHER: Mr. Chairman, the motion  
22 carries.  
23 GOETZ: Thank you.  
24 CHAIR ANDERBERG: Thank you, Mike.

1 (Member Goetz exits the room.)

2 FLETCHER: Please let the record reflect  
3 Vice Chair Goetz has exited the room.

4 At this time, I'd like to note for  
5 each new conduit -- each conduit new business item  
6 presented on today's agenda, including Items 1, 2, 3,  
7 and 4, the Members are considering approval only of  
8 the Resolution and the not-to-exceed amount contained  
9 therein.

10 First is Item Number 5, Northwestern  
11 Memorial HealthCare. Item 5 is a Resolution  
12 authorizing the execution and delivery of amendments  
13 and supplements to various documents pertaining to  
14 the Series 2007 A, 2008 A, 2011 A, 2011 B, and 2011 C  
15 bonds previously issued by the Authority on behalf of  
16 Northwestern Memorial HealthCare or one of its  
17 affiliates.

18 In particular, this Resolution  
19 authorizes the execution and delivery of amendments  
20 to the Bond Trust Indentures and Loan Agreements  
21 related to the Series 2007 A and Series 2008 A Bonds  
22 and any other required action related to the  
23 liquidity facility substitutions and terminations and  
24 changes in remarketing agents as well as the

1 execution and delivery of any necessary amendments to  
2 the bond trust indentures for the Series 2011 A,  
3 2011 B, and 2011 C Bonds and the loan agreement for  
4 the Series 2011 C Bonds.

5           These amendments will facilitate the  
6 nine changes described in the Project Report. These  
7 changes include the maintenance of short-term ratings  
8 on certain of the bonds; certain liquidity facility  
9 extensions, substitutions, and terminations, changes  
10 of remarketing agents; setting certain new interest  
11 rate periods; and on the Series 2011 C bonds changing  
12 the borrower from Northwestern affiliate to  
13 Northwestern Memorial HealthCare.

14           Does any Member have any questions or  
15 comments?

16                           (No response.)

17           CHAIR ANDERBERG: Miss Nava?

18           NAVA: No, I said no.

19           MEISTER: And again, because we do have new  
20 Members, and Mr. Fletcher made this point, in your  
21 manila folders, we do have the actual copies of the  
22 Bond Resolutions that are contained before the --  
23 that are provided to the Members, and the substance  
24 of this transaction and the summary that's contained

1 in the board book was discussed in some detail as is  
2 our practice in Conduit Committee.

3 FLETCHER: And for Northwestern, the  
4 Resolution is contained in the actual board book.

5 CHAIR ANDERBERG: Can I get a motion for  
6 Item Number 5?

7 McCOY: So moved.

8 CHAIR ANDERBERG: There's a motion. And a  
9 second?

10 POOLE: Second, Mr. Chairman.

11 CHAIR ANDERBERG: Will the Assistant  
12 Secretary please call the roll?

13 FLETCHER: On the motion and second, I will  
14 call the roll.

15 Mr. Hobert?

16 HOBERT: Yes.

17 FLETCHER: Miss Juracek?

18 JURACEK: Yes.

19 FLETCHER: Mr. McCoy?

20 McCOY: Yes.

21 FLETCHER: Miss Nava?

22 NAVA: Yes.

23 FLETCHER: Mr. Obernagel?

24 OBERNAGEL: Yes.

1 FLETCHER: Mr. O'Brien?

2 O'BRIEN: Yes.

3 FLETCHER: Mr. Poole?

4 POOLE: Yes.

5 FLETCHER: Miss Smoots?

6 SMOOTS: Yes.

7 FLETCHER: Mr. Wexler?

8 WEXLER: Yes.

9 FLETCHER: Mr. Wright?

10 WRIGHT: Yes.

11 FLETCHER: Mr. Chairman?

12 CHAIR ANDERBERG: Yes.

13 FLETCHER: Mr. Chairman, the motion  
14 carries.

15 (Member Goetz returns to the  
16 room.)

17 FLETCHER: Please let the record reflect  
18 that Vice Chair Goetz has returned to the room.

19 Next on the agenda is Item 1, Kevin  
20 M. Hinds.

21 Item Number 1 is a one-time Final  
22 Bond Resolution requesting approval for a Beginning  
23 Farmer Bond for Kevin M. Hinds, who is purchasing  
24 32.29 acres of farmland located in Coles County in

1 the not-to-exceed amount of \$180,000. First Mid Bank  
2 & Trust is the purchasing bank for this conduit  
3 transaction.

4 Does any Member have any questions or  
5 comments?

6 (No response.)

7 FLETCHER: Item 2, Community Unit School  
8 District 205, DuPage and Cook Counties.

9 Item 2 is a Local Government Revenue  
10 Bond request. Staff requests approval of a one-time  
11 final bond Resolution for Community Unit School  
12 District 205, DuPage and Cook Counties, in the  
13 not-to-exceed amount of \$60 million.

14 Bond proceeds will be used to  
15 purchase General Obligation School Bonds issued by  
16 the district in order to pay certain costs of  
17 building and equipping two school buildings to  
18 replace the Field and Lincoln Elementary School  
19 buildings; make additions, alterations, and repairs  
20 to existing buildings, including by improving  
21 security, providing STEM facilities, approving  
22 energy efficiency and technology infrastructure and  
23 adding full-day kindergarten classrooms; acquire,  
24 improve, and equip a building for educational

1 purposes and improve sites. Proceeds will also be  
2 used to pay capitalized interest and certain costs of  
3 issuance.

4 The Series 2019 Bonds will finance a  
5 portion of the total \$168.50 million project.

6 The Series 2019 Bonds are expected to  
7 bear fixed interest rates and will be publicly  
8 offered by Raymond James & Associates. The District  
9 expects that S&P will affirm the AA-plus rating it  
10 holds on its outstanding bonds and to assign the same  
11 rating to the contemplated Series 2019 Bonds.

12 Does any Member have any questions or  
13 comments?

14 (No response.)

15 FLETCHER: Next is Item 3, Greenworks  
16 Lending, LLC.

17 Item 3 is Property Assessed Clean  
18 Energy, or PACE Bond Resolution authorizing the  
19 issuance from time to time of one or more series  
20 and/or subseries of PACE Bonds to be purchased by  
21 Greenworks Lending, LLC, in an aggregate amount  
22 not to exceed \$125 million for a period of three  
23 years.

24 This PACE Bond Resolution approves

1 the substantially final form of Master Indenture and  
2 related form of Issuance Certificate by which  
3 Greenworks Lending, LLC, as a bond purchaser may  
4 obtain any of the Authority's PACE Bonds subject to  
5 the stated interest rate and maturity limitations and  
6 further delegates to authorize officers as defined  
7 therein the capacity to execute and deliver such  
8 Issuance Certificates for qualifying projects  
9 hereafter.

10                   Proceeds of each Issuance Certificate  
11 will be loaned to record owners of commercial  
12 properties to fund energy efficiency, renewable  
13 energy, and water conservation projects located  
14 throughout the state.

15                   Does any Member have any questions or  
16 comments?

17                   (No response.)

18                   FLETCHER: Next is Item 4, Lever Capital  
19 Funding, LLC.

20                   Item 4 is a PACE Bond Resolution  
21 authorizing the issuance from time to time of one or  
22 more series and/or subseries of PACE Bonds to be  
23 purchased by Lever Capital Funding, LLC, in an  
24 aggregate amount not to exceed \$75 million for a

1 period of three years.

2 This PACE Bond Resolution approves  
3 the substantially final form of Master Indenture and  
4 related form of Issuance Certificate by which Lever  
5 Capital Funding, LLC, as the bond purchaser may  
6 obtain any of the Authority's PACE bonds subject to  
7 the stated interest rate and maturity limitations,  
8 and further delegates to Authorized Officers, as  
9 defined therein, the capacity to execute and deliver  
10 such Issuance Certificates for qualifying projects  
11 hereafter.

12 Proceeds of each Issuance Certificate  
13 will be loaned to record owners of commercial  
14 properties to fund energy efficiency, renewable  
15 energy, and water conservation projects located  
16 throughout the state.

17 Does any Member have any questions or  
18 comments?

19 (No response.)

20 FLETCHER: Next is Item 6, Mayo Properties,  
21 LLC.

22 Item 6 is a Resolution authorizing  
23 the execution and delivery of an Amended and Restated  
24 Bond and Loan Agreement and related documents to

1 effectuate the purchase of the Series 2010 Recovery  
2 Zone Facilities Bond previously issued by the  
3 Authority on behalf of Mayo Properties, LLC. Moran  
4 Transportation Corp. is the principal tenant of the  
5 project. Mayo Properties, LLC, and Moran  
6 Transportation Corp. are under common ownership.

7           The Series 2010 Bond was initially  
8 purchased and is currently held by First Midwest  
9 Bank. Adoption of the Resolution will enable the  
10 Borrower to switch to Byline Bank as its new  
11 secured lender on all credit facilities while  
12 resetting the interest rate and amending the  
13 amortization schedule.

14           As proposed, bond counsel has  
15 determined that a new TEFRA hearing will not be  
16 necessary.

17           Does any Member have any questions or  
18 comments?

19           (No response.)

20           FLETCHER: Moving along to Item 8 on the  
21 agenda, Fiscal Year 2020 Personnel Recommendations.

22           Item 8 is a Resolution adopting the  
23 Fiscal Year 2020 Personnel Recommendations of the  
24 Governance, Personnel, Legislation and Ethics

1 Committee, retroactive to July 1, 2019. These  
2 recommendations can be found in your blue folders.

3 Does any Member have any questions or  
4 comments?

5 (No response.)

6 CHAIR ANDERBERG: I'd just like to remind  
7 the Members to leave the blue folders on the desk so  
8 they can be collected after the meeting.

9 Thank you, Brad.

10 I'd like to request a motion to pass  
11 and adopt the New Business Items 1, 2, 3, 4, 6, and  
12 8.

13 Is there such a motion?

14 GOETZ: So moved.

15 CHAIR ANDERBERG: Motion by Mr. Goetz.

16 Second?

17 McCOY: Second.

18 CHAIR ANDERBERG: Second by Mr. McCoy.

19 Will the Assistant Secretary please  
20 call the roll?

21 FLETCHER: On the motion and second, I'll  
22 call the roll.

23 Mr. Goetz?

24 GOETZ: Yes.

1 FLETCHER: Mr. Hobert?  
2 HOBERT: Yes.  
3 FLETCHER: Miss Juracek?  
4 JURACEK: Yes.  
5 FLETCHER: Mr. McCoy?  
6 McCOY: Yes.  
7 FLETCHER: Miss Nava?  
8 NAVA: Yes.  
9 FLETCHER: Mr. Obernagel?  
10 OBERNAGEL: Yes.  
11 FLETCHER: Mr. O'Brien?  
12 O'BRIEN: Yes.  
13 FLETCHER: Mr. Poole?  
14 POOLE: Yes.  
15 FLETCHER: Miss Smoots?  
16 SMOOTS: Yes.  
17 FLETCHER: Mr. Wexler?  
18 WEXLER: Yes.  
19 FLETCHER: Mr. Wright?  
20 WRIGHT: Yes.  
21 FLETCHER: Mr. Chairman?  
22 CHAIR ANDERBERG: Yes.  
23 FLETCHER: Mr. Chairman, the motion  
24 carries.

1 CHAIR ANDERBERG: Thank you, Brad.

2 MEISTER: Item Number 9 is the Temporary  
3 Delegation of Certain Delegated Powers Pursuant to  
4 Resolution 2019-0409-GP12.

5 The purpose of this item is to serve  
6 as a written notice required under IFA Resolution  
7 Number 2019-0409-GP12. I will be absent from  
8 Illinois from July 26, 2019, through August 9, 2019,  
9 due to vacation. I'll be backpacking in New Mexico,  
10 so I won't have any access to digital devices, and  
11 pursuant to that Resolution, I have delegated certain  
12 powers to Deputy Executive Director Jacob Stuckey for  
13 the duration of this period.

14 For the newer Members of the  
15 Authority, the Executive Director executes fairly  
16 regularly and a fairly large number of documents in  
17 connection with ongoing bond transactions and  
18 amendments thereto, so this is necessary to maintain  
19 the continued operation of the Authority.

20 Do any Members have any questions?

21 POOLE: I'd just like to know how you're  
22 going to get along without your phone?

23 MEISTER: Going cold turkey.

24 (Laughter.)

1 POOLE: It's like giving up cigarettes.

2 MEISTER: Yes, exactly.

3 CHAIR ANDERBERG: In case he encounters a  
4 mountain lion.

5 MEISTER: Yes.

6 (Laughter.)

7 CHAIR ANDERBERG: Thank you, Chris.

8 Financial reports. Mr. Stuckey?

9 STUCKEY: With Six gone, I'm going to  
10 present the financial reports you'll find in the back  
11 of the board book.

12 POOLE: Six, you've grown a little taller.

13 STUCKEY: Grew a little bit taller.

14 POOLE: And lost some hair.

15 STUCKEY: A little bit; right?

16 (Laughter.)

17 STUCKEY: This is the presentation and  
18 consideration of the financial reports as of June 30.  
19 You'll see in the top section, 1, that the total  
20 revenues for the fiscal year are 4.6 million, and  
21 that's 706,000 or 18.1 percent higher than budgeted.

22 This was primarily due to higher  
23 administrative service fees and interest and  
24 investment income.

1                   The Authority did underperform,  
2           though, in closing fees by about 377,000 or 14  
3           percent.

4                   Under Section B for total expenses,  
5           so far as of June 30th, we have total expenses for  
6           the fiscal year of 4.5 million, and that's about  
7           442,000 or 8.9 percent lower than budgeted.

8                   Since these numbers are as of June  
9           30th, there will be additional invoices that come in  
10          which will higher our expenditures for the fiscal  
11          year, and again, I just want to reemphasize the fact  
12          that these are preliminary and unaudited numbers and  
13          the numbers will change.

14                   So as of June 30th, we were -- had a  
15          total net income of about 88,000, which is about  
16          1.15 million higher than the budgeted loss. We had a  
17          budgeted loss of about \$1 million at the beginning of  
18          the fiscal year.

19                   Knowing that we'll receive additional  
20          invoices, as of right now, our current projection is  
21          we'll end the fiscal year with approximately  
22          \$20,000 of net income.

23                   So if you go down -- I just want to  
24          highlight Section 3. Our external auditors ended

1 their first phase of fieldwork at the end of June.  
2 They have momentarily left the premises. They will  
3 begin their second phase of field work in the  
4 beginning of September.

5 At this time, the auditors have not  
6 raised any issues or concerns.

7 Also, down below in Section 3, you'll  
8 also see that we had a productive 2019 with our CMS  
9 internal audit team. The internal audit team  
10 completed five audits. There were two findings,  
11 seven observations, and one immaterial finding. The  
12 Authority with the assistance of the CMS internal  
13 audit team have taken the steps to address the  
14 findings and observations.

15 In June, we met with the internal  
16 audit team to discuss the fiscal year '20 and '21  
17 audit plan. As a result, the internal auditors will  
18 perform five audits per each of the fiscal years.

19 If anybody has any questions?

20 (No response.)

21 CHAIR ANDERBERG: Thank you, Jacob.

22 I'd like to request a motion to  
23 accept the financial reports.

24 Is there such a motion?

1           OBERNAGEL:  So moved.

2           POOLE:  Second.

3           CHAIR ANDERBERG:  There's a motion and a second.

4   All those in favor?

5                         (Chorus of ayes.)

6           CHAIR ANDERBERG:  Opposed?

7                         (No response.)

8           CHAIR ANDERBERG:  The ayes have it.

9                         Monthly procurement.

10           MEISTER:  If may, Mr. Chairman?  Craig  
11   Holloway has recently joined the Authority as our  
12   procurement officer from Central Management Services,  
13   and it's -- and the IT entity DoIT, and he is an  
14   experienced procurement professional.  We're lucky to  
15   have him.

16                         Mr. Franzen, our prior  
17   procurement lead, as Members know, has relocated to  
18   Texas with his wife.

19                         But welcome, Mr. Holloway.

20           HOLLOWAY:  Glad to be here.

21                         Good morning, Mr. Chairman and  
22   Members of the Board.

23                         The improvements are listed on Page 1  
24   of the report to support the Authority's operations.

1                   Page 2 through 5 of the current  
2 report are the expiring contracts through this  
3 calendar year.

4                   Any questions?

5                   McCOY: Just a quick one. On Page 2, when  
6 you talk about a credit card, and there's 300,000 in  
7 there. Is that a limit? What does that relate to?

8                   MR. HOLLOWAY: Yeah, it's a not-to-exceed  
9 amount. It's the limit.

10                  McCOY: It's a limit on the credit cards.

11                   And likewise, the bank account?

12                  HOLLOWAY: Yes.

13                  MEISTER: Craig, why don't you -- just  
14 because we're -- for the newer Board Members, we have  
15 three primary cost drivers at the Authority, the  
16 external audit process that is driven by a state  
17 constitutional officer that reports to the  
18 legislative branch of government, which I think as  
19 the newer Members get deeper into their service, they  
20 will understand that the cost of the external audit  
21 process is somewhat higher than they might be used to  
22 seeing in their professional lives.

23                   Now, you know, there is a plus side  
24 is that our sister agency, Central Management

1 Services, is not charging us for the internal audit  
2 services that they provide to us and are required by  
3 law.

4 But the second cost area is the  
5 regulations and the structure associated with hiring,  
6 which is broadly called the Rutan/Shackman system  
7 that the state collectively and the Authority as a  
8 body politic and corporate is under.

9 And the third is, of course, the  
10 procurement process, which is a very extensive  
11 regulatory process.

12 And maybe if you could just highlight  
13 a bit about the registrations, the portals, just to  
14 give people a sense of -- and in particular, you  
15 know, even though the members of the authority by law  
16 have the statutory power to approve contracts and to  
17 hire people, there is this intervening regulatory  
18 structure that is a separate structure. And so  
19 sometimes we have these not-to-exceed amounts that  
20 are really for regulatory convenience. But maybe you  
21 could --

22 HOLLOWAY: So in BidBuy, there is a 100,000  
23 limit.

24 MEISTER: What is BidBuy?

1           HOLLOWAY: BidBuy is the mechanism we use  
2 for online bids and for vendors to online their  
3 contracts. So it regulates us and the vendors. They  
4 submit their information to us, and it allows us --  
5 it stops us after you get to 100,000 saying you can't  
6 proceed if you're trying to purchase these items over  
7 100,000 without these documents.

8           So there are several stopgaps at  
9 \$10,000. Anything \$10,000 and under, you can  
10 purchase without BidBuy. But anything over 10 to  
11 100,000 has to go through BidBuy and anything above  
12 that. Anything above 100,000 requires that I have to  
13 be on RFP, so you have to go through that whole  
14 process in getting bids or getting proposals in and  
15 things like that. So there's stopgaps as you go up  
16 in dollar amounts.

17           MEISTER: Okay. Thank you.

18           CHAIR ANDERBERG: Thank you.

19           Does anyone wish to make any  
20 additions, edits, or corrections to the Open Session  
21 Minutes from June 11th?

22           (No response.)

23           CHAIR ANDERBERG: Hearing none, I'd like to  
24 request a motion to approve the Minutes. Is there

1 such a motion?

2 O'BRIEN: So moved.

3 GOETZ: Second.

4 CHAIR ANDERBERG: Motion by O'Brien, second by  
5 Mr. Goetz. All those in favor?

6 (Chorus of ayes.)

7 CHAIR ANDERBERG: Opposed?

8 (No response.)

9 CHAIR ANDERBERG: The ayes have it.

10 Miss Weber?

11 MS. WEBER: Yes, Mr. Chairman, as General  
12 Counsel, I'd like to make a few remarks regarding the  
13 Closed Session Minutes.

14 At the last regular meeting of the  
15 Authority, the Members entered into closed session  
16 pursuant to Section 2(c)(11) of the Illinois Open  
17 Meetings Act to discuss litigation involving the  
18 Authority.

19 Copies of those Closed Session  
20 Minutes can be found in your red folders.

21 If the Members so desire, you may  
22 enter into closed session pursuant to Section  
23 2(c)(21) of the Illinois Open Meetings Act to discuss  
24 any additions, edits, or corrections to the June 11,

1 2019, Closed Session Minutes and whether those  
2 Minutes should remain closed until the next periodic  
3 review required by the Open Meetings Act.

4 The litigation discussed in the  
5 closed session -- the June Closed Session remains  
6 ongoing. Accordingly, if no Member has any comments  
7 on the Minutes, I recommend voting to approve the  
8 Minutes and to keep them closed without discussing in  
9 closed session today.

10 CHAIR ANDERBERG: Thank you.

11 Does any Member desire to go into  
12 closed session to discuss the Closed Session Minutes?

13 (No response.)

14 CHAIR ANDERBERG: If not, we can proceed with the  
15 votes on the Minutes per General Counsel Weber's  
16 recommendation.

17 Hearing no comments, I'd like to  
18 request a motion to approve the Closed Session  
19 Minutes. Is there such a motion?

20 McCOY: So moved.

21 JURACEK: Second.

22 CHAIR ANDERBERG: Motion by Mr. McCoy; second by  
23 Miss Juracek.

24 All those in favor?

1 (Chorus of ayes.)

2 CHAIR ANDERBERG: Opposed?

3 (No response.)

4 CHAIR ANDERBERG: The ayes have it.

5 I would next like to request a motion

6 to keep these minutes closed until the next periodic

7 review required by the Open Meetings Act.

8 Is there such a motion?

9 McCOY: So moved.

10 JURACEK: Second.

11 CHAIR ANDERBERG: There's a motion and second.

12 Will the Assistant Secretary please call the roll.

13 FLETCHER: On the motion and second, I'll

14 call the roll.

15 Mr. Goetz?

16 GOETZ: Yes.

17 FLETCHER: Mr. Hobert?

18 HOBERT: Yes.

19 FLETCHER: Miss Juracek?

20 JURACEK: Yes.

21 FLETCHER: Mr. McCoy?

22 McCOY: Yes.

23 FLETCHER: Miss Nava?

24 NAVA: Yes.

1 FLETCHER: Mr. Obernagel?

2 OBERNAGEL: Yes.

3 FLETCHER: Mr. O'Brien?

4 O'BRIEN: Yes.

5 FLETCHER: Mr. Poole?

6 POOLE: Yes.

7 FLETCHER: Miss Smoots?

8 SMOOTS: Yes.

9 FLETCHER: Mr. Wexler?

10 WEXLER: Yes.

11 FLETCHER: Mr. Wright?

12 WRIGHT: Yes.

13 FLETCHER: Mr. Chairman?

14 CHAIR ANDERBERG: Yes.

15 FLETCHER: Mr. Chairman, the motion

16 carries.

17 CHAIR ANDERBERG: Okay. Thank you.

18 Is there any other business to come

19 before the Members today?

20 (No response.)

21 CHAIR ANDERBERG: Hearing none, I'd like to

22 request a motion to excuse the absences of Members

23 unable to participate today. Is there such a motion?

24 O'BRIEN: So moved.

1 POOLE: Second.

2 CHAIR ANDERBERG: We have a motion and a second.

3 All those in favor?

4 (Chorus of ayes.)

5 CHAIR ANDERBERG: Opposed?

6 (No response.)

7 CHAIR ANDERBERG: The ayes have it.

8 The next regularly scheduled meeting

9 will be August 13th.

10 I'd like to request a motion to

11 adjourn. Is there a motion?

12 McCOY: So moved.

13 CHAIR ANDERBERG: We have a motion. A second?

14 O'BRIEN: Second.

15 CHAIR ANDERBERG: A second by Mr. O'Brien.

16 All those in favor?

17 (Chorus of ayes.)

18 CHAIR ANDERBERG: Opposed?

19 (No response.)

20 CHAIR ANDERBERG: The ayes have it. Thank you,

21 everybody.

22 FLETCHER: The time is 10:06 a.m.

23 (WHEREUPON, the meeting was

24 adjourned.)