

ILLINOIS FINANCE AUTHORITY

August 14, 2018

9:30 a.m.

REGULAR MEETING

Michael A. Bilandic Building

160 North LaSalle Street

Suite S-1000

Chicago, Illinois 60601

- I. Call to Order & Roll Call
- II. Approval of Agenda
- III. Public Comment
- IV. Chairman's Remarks
- V. Message from the Executive Director
- VI. Committee Reports
- VII. Presentation and Consideration of New Business Items
- VIII. Presentation and Consideration of Financial Reports
- IX. Monthly Procurement Report
- X. Correction and Approval of Minutes
- XI. Other Business
- XII. Closed Session
- XIII. Adjournment

NEW BUSINESS

TAX-EXEMPT CONDUIT TRANSACTION PROJECTS

Tab	Project Name	Location	Amount	New Jobs	Const. Jobs	Staff
Private Activity Bonds - Revenue Bonds <i>Final (One-Time Consideration)</i>						
1	OSF Healthcare System	Urbana (Champaign County); Kewanee (Henry County); Galesburg (Knox County); Mendota and Ottawa (LaSalle County); Pontiac (Livingston County); Alton (Madison County); Bloomington and Normal (McLean County); Peoria and Peoria Heights (Peoria County); Morton, Pekin, and Washington (Tazewell County); Danville (Vermilion County); Monmouth (Warren County); and Loves Park and Rockford (Winnebago County)	\$550,000,000	N/A	N/A	PL
2	Perspectives Charter School	Chicago (Cook County)	\$35,000,000	20	165	RF/BF
3	A) Eric Collins	Orel N Township (Wayne County)	\$533,500	-	-	LK
	B) Tyler and Alisha Heyen	Zanesville Township (Montgomery County)	\$180,000	-	-	LK
TOTAL TAX-EXEMPT CONDUIT TRANSACTION PROJECTS			\$585,713,500	20	165	
GRAND TOTAL			\$585,713,500	20	165	

SUBJECT MATTER-ONLY

Tab	Action	Staff
Direct and Alternative Financings		
4	Fire Truck and Ambulance Revolving Loan Programs	CM

Date: August 14, 2018

To: Eric Anderberg, Chairman
Gila J. Bronner
James J. Fuentes
Michael W. Goetz
Neil Heller
Robert Horne
Mayor Arlene A. Juracek

Lerry Knox
Lyle McCoy
George Obernagel
Terrence M. O'Brien
Roger Poole
Beth Smoots
Bradley A. Zeller

From: Christopher B. Meister, Executive Director

Subject: ***Message from the Executive Director***

Dear Member of the Authority:

Healthcare in Central and Northern Illinois

The Authority is pleased to welcome ***OSF Healthcare System*** ("***OSF***") to our August 2018 agenda. Since its founding in the late 19th century, OSF has delivered healthcare to communities across Central and Northern Illinois. The Authority is grateful for the opportunity to continue its long and productive relationship with OSF. The transaction will have a not-to-exceed amount of \$550 million.

Charter School Elementary Education on Chicago's Southside

The Authority has long issued federally tax-exempt conduit bonds on behalf of charter schools. The Authority is pleased to work with ***Perspectives Charter School*** to issue bonds to support a variety of purposes, including and importantly the acquisition and construction of a new campus in Chicago's Auburn Gresham community. The project will have a not-to-exceed amount of \$35 million.

As always, I look forward to continuing to work with you in support of jobs and financing capital expansion projects throughout our state.

Respectfully,

Christopher B. Meister
Executive Director

August 14, 2018

\$550,000,000 OSF HEALTHCARE SYSTEM

REQUEST	Purpose: The Bond proceeds will be used by OSF Healthcare System (“OSF” or the “Corporation”) to (i) pay or reimburse the Corporation for, or refinance, the costs of acquiring, constructing, remodeling, renovating and equipping certain health care facilities (ii) refund the Series 2007E Bonds, (iii) to refund the Series 2007F Bonds, (iv) to refund the Series 2009B Bonds, (v) to refund the Series 2009C Bonds, (vi) to refund the Series 2009D Bonds, (vii) to refund the Series 2017A Bonds, (viii) to refund the Series 2017B Bonds, (ix) to refund the Series 2017C Bonds, (x) to provide working capital to the Corporation, if necessary, or advisable, (xi) pay a portion of the interest on the Bonds, if necessary, or advisable, (xii) fund a debt service reserve fund, if necessary, or advisable, and (xii) to pay certain expenses incurred in connection with the issuance of the Bonds and the refunding of the prior bonds. Program: Conduit 501(c)(3) Revenue Bonds Extraordinary Conditions: None.			
BOARD ACTIONS	Final Bond Resolution (<i>One-time consideration</i>)			
JOB DATA	18,014	Current jobs (IL)	N/A	New jobs projected
	N/A	Retained jobs	N/A	Construction jobs projected
DESCRIPTION	● Illinois locations: Peoria, Pekin, Peoria Heights, Washington, Morton, Loves Park, Rockford, Bloomington, Normal, Galesburg, Pontiac, Monmouth, Ottawa, Kewanee, Alton, Mendota, Urbana and Danville. ● OSF is an Illinois not-for-profit corporation, exempt from Federal income taxation under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended. OSF was incorporated in 1880 as The Sisters of the Third Order of St. Francis. The Corporation’s current name was adopted as part of a corporate restructuring in 1989. The sole corporate member of OSF is The Sisters of the Third Order of St. Francis, a religious congregation founded in 1877 in Peoria, Illinois. The Corporation operates its health care facilities as a single corporation, with each health care facility functioning as an operating division of the Corporation. Ottawa Regional Hospital & Healthcare Center d/b/a OSF Saint Elizabeth Medical Center (“Saint Elizabeth Medical Center”) and Mendota Community Hospital d/b/a OSF Saint Paul Medical Center (“Saint Paul Medical Center”) are separate from OSF Health Care System and each operates a hospital. Both will be members of the Obligated Group.			
CREDIT INDICATORS	● The Bonds will be issued in a public offering by JP Morgan Securities, LLC and Morgan Stanley & Co. LLC. ● OSF is currently rated ‘A2’/’A’ by Moody’s/S&P.			
SECURITY	● The Bonds will be secured by a Note issued under OSF’s Master Trust Indenture. No mortgage or debt service reserve fund is anticipated to be required.			
MATURITY	● The Bond will mature no later than November 15, 2047.			
SOURCES AND USES	Sources: IFA Bonds Total		Uses: Refunding Cost of Issuance Total	
	<u>\$550,000,000</u> <u>\$550,000,000</u>		\$546,500,000 <u>3,500,000</u> <u>\$550,000,000</u>	
RECOMMENDATION	Project Review Committee recommends approval.			

**ILLINOIS FINANCE AUTHORITY
PROJECT SUMMARY REPORT
August 14, 2018**

Project: OSF Healthcare System

STATISTICS

Project Number:	12435	Amount:	\$550,000,000 (Not to exceed)
Type:	501(c)(3) Bonds	IFA Staff:	Pam Lenane
Locations:	Peoria, Pekin, Peoria Heights, Washington, Morton, Loves Park, Rockford, Bloomington, Normal, Galesburg, Pontiac, Monmouth, Ottawa, Kewanee, Alton, Mendota, Urbana and Danville	Counties/ Regions:	Peoria/North Central; Tazewell/North Central; Winnebago/Northern Stateline; McLean/North Central; Knox/West Central; Livingston/North Central; Warren/West Central; LaSalle/Northwest; Henry/Northwest; Madison/Southwest Champaign/East Central; Vermilion/East Central

BOARD ACTION

Final Bond Resolution (<i>One-time consideration</i>)	No Extraordinary Conditions
Conduit 501(c)(3) Revenue Bonds	No IFA Funds at Risk

Project Review Committee recommends approval of the Final Bond Resolution presented for consideration in connection with this financing.

PURPOSE

The Bond proceeds will be used by **OSF Healthcare System** (“**OSF**” or the “**Corporation**”) to (i) pay or reimburse the Corporation for, or refinance, the costs of acquiring, constructing, remodeling, renovating and equipping certain health care facilities (ii) refund the Series 2007E Bonds, (iii) to refund the Series 2007F Bonds, (iv) to refund the Series 2009B Bonds, (v) to refund the Series 2009C Bonds, (vi) to refund the Series 2009D Bonds, (vii) to refund the Series 2017A Bonds, (viii) to refund the Series 2017B Bonds, (ix) to refund the Series 2017C Bonds, (x) to provide working capital to the Corporation, if necessary, or advisable, (xi) pay a portion of the interest on the Bonds, if necessary, or advisable, (xii) fund a debt service reserve fund, if necessary, or advisable, and (xii) to pay certain expenses incurred in connection with the issuance of the Bonds and the refunding of the prior bonds.

IFA PROGRAM AND CONTRIBUTION

501(c)(3) Bonds are a form of municipal bonds that 501(c)(3) corporations can use to finance capital projects that will be used to further their charitable mission. IFA’s issuance will convey federal income tax-exempt status on interest earned on the Bonds paid to bondholders and thereby reducing the borrower’s interest expense.

VOLUME CAP

501(c)(3) Bond issues do not require Volume Cap.

JOBS

Current employment:	18,014 FTE's (in Illinois)	New jobs projected:	N/A
Jobs retained:	N/A FTE's (in Illinois)	Construction jobs projected:	N/A

ESTIMATED SOURCES AND USES OF FUNDS

Sources:		Uses:	
IFA Bonds	<u>\$550,000,000</u>	Refunding	\$546,500,000
		Cost of Issuance	<u>3,500,000</u>
Total	<u>\$550,000,000</u>	Total	<u>\$550,000,000</u>

FINANCING SUMMARY

Security: The Bonds will be secured by a Master Indenture Note of the OSF Obligated Group.

Structure: The Bonds will be issued in a public offering by JP Morgan Securities, LLC and Morgan Stanley & Co. LLC.

Interest Rate: The rates will be determined at Closing.

Interest Mode: Fixed-Rate Bonds and Variable Rate Demand Bonds

Credit Enhancement: There will be letters of credit provided by JPMorgan Chase Bank, N.A. and PNC Bank, N.A. for the variable rate bonds.

Maturity: No later than November 15, 2047

Rating: OSF is currently rated 'A2'/'A' by Moody's/S&P.

Closing Date: September 25, 2018

PROJECT SUMMARY

The Bond proceeds will be used by **OSF Healthcare System** ("OSF" or the "**Corporation**") to: (i) pay or reimburse the Corporation for, or refinance, the costs of acquiring, constructing, remodeling, renovating and equipping certain health care facilities (ii) refund the Series 2007E Bonds, (iii) to refund the Series 2007F Bonds, (iv) to refund the Series 2009B Bonds, (v) to refund the Series 2009C Bonds, (vi) to refund the Series 2009D Bonds, (vii) to refund the Series 2017A Bonds, (viii) to refund the Series 2017B Bonds, (ix) to refund the Series 2017C Bonds, (x) to provide working capital to the Corporation, if necessary, or advisable, (xi) pay a portion of the interest on the Bonds, if necessary, or advisable, (xii) fund a debt service reserve fund, if necessary, or advisable, and (xii) to pay certain expenses incurred in connection with the issuance of the Bonds and the refunding of the prior bonds.

BUSINESS SUMMARY

Description of Business:

OSF is an Illinois not-for-profit corporation, exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended. OSF was incorporated in 1880 as The Sisters of the Third Order of St. Francis. The Corporation's current name was adopted as part of a corporate restructuring in 1989. The sole corporate member of OSF is The Sisters of the Third Order of St. Francis, a religious congregation founded in 1877 in Peoria, Illinois. The Corporation operates its health care facilities as a single corporation, with each health care facility functioning as an operating division of the Corporation. Ottawa Regional Hospital & Healthcare Center d/b/a OSF Saint Elizabeth Medical Center ("Saint Elizabeth Medical Center") and Mendota Community Hospital d/b/a OSF Saint Paul Medical Center ("Saint Paul Medical Center") are separate from OSF Health Care System and each operates a hospital. Both will be members of the Obligated Group.

Description: OSF is headquartered in Peoria. Ten of the Corporation's hospitals are located in Illinois. One hospital is located in Michigan. OSF has approximately 1,800 licensed acute care beds. The Corporation's largest hospital, St. Francis Medical Center in Peoria, is a 629-licensed bed tertiary care teaching center providing numerous specialty services and extensive residency programs for physicians. The array of health services provided by OSF also includes 47 hospital-based outpatient facilities, approximately 276 physician office facilities of employed physicians, seven home health agencies and five hospices. Multi-institutional membership status has been conferred on the Corporation by the Illinois Hospital Association and the American Hospital Association. Similar membership status exists with the Catholic Health Association of the United States and the Illinois Catholic Health Association.

ECONOMIC DISCLOSURE STATEMENT

Applicant: OSF Healthcare System

Location: 800 North East Glen Oak Avenue, Peoria, Illinois 61603

Contact: Thomas M. Ott, Vice President, Treasury

Borrower: OSF Healthcare System

Organization: 501(c)(3) Not-for-Profit Corporation

State: Illinois

Board Members: Sister Judith Ann Duvall, O.S.F., Chairperson
Sister Diane Marie McGrew, O.S.F., President/Treasurer
Sister M. Mikela Meidl, F.S.G.M., Executive Vice President
Sister Theresa Ann Brazeau, O.S.F., Secretary
Sister Agnes Joseph Williams, O.S.F., Assistant Secretary
Sister Rose Therese Mann, O.S.F.
Robert C. Sehring, Chief Executive Officer
Gerald J. McShane, M.D.
Brian Silverstein, M.D.

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Foley & Lardner LLP	Chicago	Laura Bilas
Bond Counsel:	Chapman and Cutler LLP	Chicago	John Bibby, Megan Rudd
Underwriter:	JP Morgan Securities LLC	Chicago	Meghan O'Keefe
	Morgan Stanley & Co. LLC	New York	David Gallin
Underwriter Counsel:	Dentons	Chicago	Mary Wilson
LOC Banks:	PNC Bank, N.A.	Chicago	Michael Zeller
	JPMorgan Chase Bank, N.A.	Chicago	Sara May
Bank LOC Counsel:	Thompson Coburn for PNC	St. Louis	Deborah Rush
	Nixon Peabody for JPMorgan Chase	Chicago	Julie Seymour
OSF Financial Advisor:	Kaufman Hall	Chicago	Andrew J. Majka, Matt Robbins
Bond Trustee:	Wells Fargo Bank	Chicago	Gail Klewin
IFA's Counsel:	Katten Muchin Rosenman LLP	Chicago	Chad Doobay
IFA Financial Advisor:	Acacia Financial Group, Inc.	Chicago	Phoebe Selden Siamac Afshar

LEGISLATIVE DISTRICTS

Congressional:	12, 13, 15, 16, 17, 18
State Senate:	34, 37, 38, 44, 46, 47, 52, 53, 56
State House:	67, 68, 73, 74, 76, 88, 91, 92, 94, 103, 104, 105, 106, 111

SERVICE AREA

Service Area: OSF currently has facilities in the following locations in Illinois: Peoria (St. Francis Medical Center); Rockford (St. Anthony Medical Center); Alton (Saint Anthony's Health Center); Bloomington (St. Joseph Medical Center); Ottawa (Saint Elizabeth Medical Center); Galesburg (St. Mary Medical Center); Pontiac (St. James Hospital); Mendota (Saint Paul Medical Center); Kewanee (Saint Luke Medical Center); Monmouth (Holy Family Medical Center); Urbana (Heart of Mary Medical Center); Danville (Sacred Heart Medical Center). OSF's facility in Michigan, OSF St. Francis Hospital, is located in Escanaba.

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August 14, 2018

\$35,000,000 (not-to-exceed) Perspectives Charter School

REQUEST	Purpose: Bond proceeds will be loaned to Perspectives Charter School (the “Borrower”) to assist the Borrower in providing a portion of the funds necessary to finance or refinance, including through reimbursement, (i) the refinancing of (A) all of outstanding principal amount of the Illinois Development Finance Authority Adjustable Rate Demand Revenue Bonds, Series 2003 (Perspectives Charter School) (the "Prior Bonds"), and (B) all of the outstanding principal amount of a taxable loan incurred by the Borrower (the "Prior Loan"), (ii) the acquisition of approximately 115,000 square feet of an existing building, the land on which such portion of the building is situated and the acquisition of approximately six acres of adjacent land (the "New Auburn Gresham Campus Acquisition Project"), all located at 8522 South Lafayette Avenue, Chicago, Illinois 60620 (the "New Auburn Gresham Campus"), (iii) the renovation, improvement, installation and equipping of the facilities at the New Auburn Gresham Campus, and the construction and equipping of athletic facilities at the New Auburn Gresham Campus (the "New Auburn Gresham Campus Construction Project"), (iv) potentially, capital acquisitions, improvements, construction and renovations at the Joslin Campus, the MSA Campus and the Borrower's administrative headquarters located at 1530 South State Street (2d floor), Chicago, Illinois ("Miscellaneous Improvements," and, together with the New Auburn Gresham Campus Acquisition Project and the New Auburn Gresham Campus Construction Project the "Series 2018 Project"); (v) the funding of a debt service reserve fund for the Series 2018 Bonds, if any; (vi) the funding of capitalized interest on the Series 2018 Bonds, and (vii) the payment of certain costs of issuing the Series 2018 Bonds (collectively, the "Financing Purposes"). Program: Conduit 501(c)(3) Revenue Bonds Extraordinary Conditions: None.			
BOARD ACTION	Final Bond Resolution (<i>One-time consideration</i>)			
MATERIAL CHANGES	None. This is the first time this financing has been presented to the Board of Directors.			
JOB DATA	260	Current jobs	20-30	New jobs projected
	N/A	Retained jobs	165	Construction jobs projected (6-8 months)
BORROWER DESCRIPTION	● Location: Chicago / Cook County / Northeast ● Type of entity: Perspectives Charter School (“Perspectives”) is an Illinois not-for-profit corporation. ● Perspectives Charter School is a public charter high school (and middle school) system founded in in Chicago in 1997, currently with three campuses in the southern area of Chicago. ● Perspectives serves a predominantly African American student body with over 1,600 students in grades 6-12. The services provided include the full range of academic, athletic, artistic and altruistic programs. Perspectives is also distinguished by its proprietary “A Disciplined Life” program whose 26 tenets are used by all students and staff to create an ongoing program of personal and community improvement.			
STRUCTURE	● The plan of finance contemplates that Tax-Exempt and Taxable Bonds will be underwritten by BB&T Capital Markets (the “Senior Manager”) and Loop Capital Markets LLC (the “Co-Manager”) and sold through a limited public offering to Accredited Investors or Qualified Institutional Buyers in minimum denominations of \$100,000. ● Initially, bondholders will be represented by Rosemawr Capital III LP and its successors and assigns. ● Bonds will be subject to optional redemption prior to maturity approximately 8 years after issuance.			
CREDIT INDICATORS/ SECURITY	● The transaction will not be rated. ● Bondholders will be secured by (i) a mortgage on Perspectives properties, (ii) a gross revenue pledge, and (iii) the moneys on deposit in the funds and accounts under the Indenture. ● IFF’s Charter School Credit Enhancement Program (“CSCEP”) will provide credit enhancement in the form of a cash-funded debt reserve of approximately \$2.4 million to be accessed by the Trustee (for the benefit of bondholders) in the event of a payment default.			
INTEREST RATE	● Fixed rates on term bonds to be determined at pricing, estimated at between 5.25% and 6.50% (depending on maturity) under current market conditions.			
MATURITY	● For Bond Resolution parameter purposes, not to exceed 35 years; however, expected final maturity is 30 years.			
SOURCES AND USES (PRELIMINARY, SUBJECT TO CHANGE)	Sources: IFA Series 2018 Bonds \$32,250,000 IFF - CSCEP 2,410,700 Equity <u>1,000,000</u> Total <u>\$35,660,700</u>		Uses: Refund IDFA Series 2003 Bonds / \$5,200,000 Refinance BMO Harris Bank Loan Project Costs 25,000,000 Capitalized Interest 1,937,400 Debt Service Reserve Fund 2,410,700 Costs of Issuance/Legal Fees <u>1,112,600</u> Total <u>\$35,660,700</u>	
RECOMMENDATION	Project Review Committee recommends approval.			

**ILLINOIS FINANCE AUTHORITY
PROJECT SUMMARY REPORT
August 14, 2018**

INFORMATIONAL – PRELIMINARY, SUBJECT TO CHANGE

Project: Perspectives Charter School

STATISTICS

Project Number:	12431	Amount:	Not to exceed \$35,000,000
Type:	501(c)(3) Revenue Bonds	IFA Staff:	Rich Frampton and Brad R. Fletcher
Location:	Chicago	County/ Region:	Cook County/Northeast

BOARD ACTION

Final Bond Resolution (<i>One-Time Consideration</i>)	No Extraordinary Conditions
Conduit 501(c)(3) Revenue Bonds	No IFA Funds at Risk

Project Review Committee recommends approval of the Final Bond Resolution presented for consideration in connection with this financing.

IFA PROGRAM AND CONTRIBUTION

501(c)(3) Bonds are a form of municipal bond financing that 501(c)(3) corporations can use to finance capital projects that will be used to further their charitable mission. IFA's issuance will convey federal income tax-exempt status on interest earned on the Bonds paid to bondholders, thereby reducing the Borrower's interest expense.

VOLUME CAP

501(c)(3) Bonds do not require Volume Cap.

BUSINESS SUMMARY

Description: **Perspectives Charter School**, an Illinois not-for-profit corporation ("**Perspectives**" or the "**Borrower**") was established in 1997 and is incorporated under State of Illinois law. The Borrower is a 501(c)(3) not-for-profit corporation exempt from federal income taxes under the Internal Revenue Code.

Perspectives is governed by a 22-member Board of Directors and Executive Team (see pp. 5-6).

Perspective is subject to a "Charter Agreement" with the Chicago Public Schools. The Charter Agreement was for an original term of five years ending June 30, 2002 and was renewed through June 30, 2007, again through June 30, 2012, again through June 30, 2017, and again through June 30, 2022.

Additionally, Perspectives has been certified as a charter school by the Illinois State Board of Education.

Background: Perspectives was launched in 1993 by two Chicago Public School teachers who believed that character development and academic achievement are interrelated. Believing that character development and academic achievement are interdependent, Perspectives co-Founders Diana Shulla-Cose and Kim Day began brainstorming ideas for creating a school culture of both personal and academic excellence. They knew that providing their students with instruction in life skills, such as self-discipline, perseverance and good communication, would help them succeed. Together, they identified a set of principles that would guide Perspectives and called them "A Disciplined Life", starting a "school within a school" at Dyett Middle School on Chicago's South Side.

In 1997, Perspectives Charter School became one of the first charter schools in Illinois. By 2004, Perspectives had attracted enough attention and supporters to move into an award-winning new building designed by Perkins + Will, now known as Perspectives Rodney D. Joslin Campus (the “**Joslin Campus**”).

In 2005, after 8 years of steady expansion of enrollment and with Joslin students reaching ever higher rates of academic growth each year, Perspectives assumed management of a 350,000 square foot former high school campus at 81st and May Street serving the Auburn Gresham community. Perspectives opened three schools: Perspectives Middle Academy, Perspectives Leadership Academy, and Perspectives High School of Technology (collectively, the “**Old AG Campus**”). With their first graduating classes in 2010, these schools more than doubled the graduation rate of the high school that had previously served the community.

As the transformation in Auburn Gresham was just beginning, Perspectives partnered with the Illinois Institute of Technology to open Perspectives/IIT Math & Science Academy in 2008 (the “**MSA Campus**”). In the spring of 2012, this school celebrated its first graduating class, with 95% of graduates going on to college.

Today, Perspectives Charter School serves a predominantly African American student population of approximately 1,600 students in grades six through twelve at five schools on three campuses. 89% of Perspectives students receive free/reduced lunch. Perspectives students typically do not qualify for selective or magnet schools because they enter Perspectives testing below grade level but exit Perspectives with academic achievement exceeding the typical CPS graduate and graduate high school at higher percentages than their CPS peers.

Perspectives delivers strong academic results relative to its peers. According to the Borrower, Perspectives enjoys a 100% college acceptance rate for graduated students and 41% of its students are accepted into selective or highly selective colleges. These graduates earned \$35 million in college scholarships in the 2017 school year.

Rationale: As proposed, Perspectives will vacate the Old AG Campus as the leased decades-old facility is difficult to get to, hard to find, unsafe, and expensive to maintain and operate. Perspectives will relocate the three schools at this campus to 8522 S. Lafayette (the “**New AG Facility**”). The New AG Facility is located along the Dan Ryan Expressway and thus, is easy to see, sits adjacent to a major L Stop, and is accessible to bus transportation. The New AG Facility is also adjacent to a variety of shopping and food service amenities.

The existing 225,000 sq. ft. building located on 14.5 acres at 8522 S. Lafayette was previously used as the L'Oreal/Soft Sheen facility whose L shape and dimensions lay out almost perfectly for the size needed for new classrooms and administrative offices. Perspectives seeks to purchase the southern 115,000 sq. ft. portion of the building, the adjacent parking area, and six acres of vacant land adjacent to the west side of the building. The New AG Facility may ultimately be owned by a single member limited liability company (whose sole member would be Perspectives) – the new limited liability company would then lease the property back to Perspectives.

Renovations include brand new classrooms, fine arts facilities, administrative spaces, gymnasiums and an outdoor footballs/soccer/baseball field that should be among the best in south Chicago. Another area of the facility has high ceilings, which work well for gymnasiums. An open field behind the facility is the correct size for the football/soccer/baseball facility. Finally, the building has ample onsite parking and enjoys easy access from the Dan Ryan Expressway and other local streets.

Estimated Projects costs associated with the New AG Facility include:

Acquisition	\$4,000,000
Renovations	20,000,000
New Construction	<u>1,000,000</u>
Total:	<u>\$25,000,000</u>

While overall enrollment has declined in recent years, the Borrower's Financial Advisor, Coughlin & Company, Inc., anticipates overall enrollment will begin to increase during the first year of operations at the New AG Facility, which is mostly attributable to one additional section of 6th graders and two additional sections of 9th graders that can be accommodated at the New AG Facility.

Perspectives will also use Bond proceeds to pay off a construction loan originated in 2014 with BMO Harris Bank N.A. which had an outstanding balance of \$1,572,067 as of June 30, 2017. Loan proceeds from BMO Harris Bank N.A. were used to fund the renovation of the Perspectives Leadership Academy, Perspectives Middle Academy, Perspectives High School of Technology and the Perspectives/IIT Math & Science Academy which, as proposed, will be vacated.

Finally, Perspectives will use Bond proceeds to refund its Illinois Development Finance Authority Series 2003 Bonds, which had an outstanding balance of \$3,900,000 as of June 30, 2017. All payments relating to the Series 2003 Bonds are current and have been paid as scheduled.

IFF Credit
Enhancement
Program:

Administered through the U.S. Department of Education's budget, the **Charter School Credit Enhancement Program ("CSCEP")** promotes public/private partnership by assisting public and nonprofit entities in leveraging non-Federal funds that help charter schools obtain facilities through purchase, lease, renovation, and construction.

IFF's CSCEP provides credit enhancement in the form of a debt reserve (and/or common reserve) of up to 10% of the financed amount to be accessed by the lender (or bond investor) in the event of a default to make debt payments. This CSCEP credit enhancement pledge will be held in a trustee account that must be invested in funds that meet certain criteria and any interest earnings on the account must be returned to IFF.

As proposed, the IFA Series 2018 Bonds will be credit enhanced by an IFF-funded debt service reserve fund.

ECONOMIC DISCLOSURE STATEMENT

Applicant: Perspectives Charter School, 1530 S. State St., 2nd Floor, Chicago, IL 60605

Contact: Rhonda L. Hopps, CFA, Chief Executive Officer: (T) 312-604-2147; email: rhopps@pcsedu.org

Website: www.pcsedu.org

Project name: IFA Educational Facilities Revenue Bonds (Perspectives Charter School Project), Series 2018

Site Locations: Rodney D. Joslin Campus (land leased from Chicago Public Schools)
1930 South Archer Avenue (which address in 2003 was 1915 South Federal Street), Chicago, Illinois 60616

IIT Math and Science Academy Campus (leased from Chicago Public Schools)
3663 South Wabash Avenue, Chicago, Illinois, 60653

Old AG Facility (leased from Chicago Public Schools)
8131 South May Street, Chicago, Illinois 60620

New AG Facility
8522 South Lafayette Avenue, Chicago, Illinois 60620

Seller Disclosure: The New AG Facility property to be acquired is currently owned by Farpoint Development, a for-profit developer who purchased the property during the summer of 2017.

Farpoint Development, LLC
120 N. Racine, Suite 200
Chicago, IL 60607

Members of Farpoint Development, LLC include Scott Goodman, Regina Stilp, Patrick O'Connor, and Eric Helfand.

Board of
Directors:

Board Chairman

Anthony (Tony) Anderson retired from Ernst & Young in 2012, after serving the firm for 35 years. His most recent role was Vice Chair and Area Managing Partner for the Midwest region (2006 – 2012). This region consists of 4,000 partners and staff with \$1.2 billion in annual revenue. Mr. Anderson is the driving force behind Perspectives Charter Schools in Chicago. Over the past several years he successfully created programming and volunteer activities that foster a positive and long-lasting impact on the students' success. His focus is on ensuring every student graduates and attends college. He currently serves on the Boards of Directors of Exelon Corporation, Avery Dennison Corporation, First American Financial, AAR Corporation and the Regional Transportation Authority. Tony is also a member of the Board of Directors of The Chicago Council on Global Affairs. He previously served on the Board of Directors of the Federal Reserve Bank of Chicago. Mr. Anderson serves on the Executive committees of World Business Chicago and is the Chairman of the Board of The Chicago Urban League. He earned a bachelor's degree in Accounting from Chicago State University.

Board Vice Chairman

Hall Adams, in addition to serving as the Vice Chairman of the Perspectives Board, also serves on the Executive and External Affairs Committees. For more than 20 years, Mr. Adams has been involved in law. Prior to entering private practice he served as a Marine Corps Officer and Judge Advocate, during which time he prosecuted and defended service members charged with criminal misconduct at court martials. This early experience included acquittal of two clients charged with capital murder.

Board Treasurer

Deborah Stevens serves as United Way of Metropolitan Chicago's Chief Financial Officer. A skilled financial professional with significant fiscal management and leadership experience in both the for-profit and non-profit sectors, Ms. Stevens joined United Way of Metropolitan Chicago in 2016 to oversee the organization's accounting, finance, donor services and administration functions. Ms. Stevens' prior financial management experience includes Footprint Retail Services where she most recently served as the Chief Executive Officer and previously as the Chief Financial Officer. Previously, she was tapped to be the Executive Vice President and Chief Financial Officer for the YMCA of Metropolitan Chicago and assist the CEO with the organization's turnaround. Ms. Stevens received her undergraduate degree from Miami University in Ohio and an MBA, with concentration in Finance and Accounting, from the University of Texas in Austin. She is a licensed Certified Public Accountant.

A complete list of the Board of Directors follows below:

Tony Anderson, Chairman

Cara Hughes

Baldwin Richardson Foods

Larry Ashkin, Chairman Emeritus

Centrum Properties

Cheryle Jackson

AAR CORP

Deborah Stevens, Treasurer

United Way

DeEtta Jones

DeEtta Jones and Associates

Loren Weil, Secretary

Jones Day

Hall Adams III, Vice Chairman
Law Offices of Hall Adams

Andrew Killion
Akuna Capital, LLC

Rick Fezell
Ernst & Young LLP

Holly Copeland
Horizon Pharma

Amber Bobin
American Program Bureau, Inc.

Terrence Mullen
Allstate Investments

Kimberlie Day
Perspectives Charter Schools

Diana Shulla-Cose
Perspectives Charter Schools

Ikram Goldman
Ikram

Sheree T. Speakman

Jess Goode
Illinois Institute of Technology

Sandra P. Sterling
Civic Leader

Rhonda Hopps
Perspectives Charter Schools

LaMarr C. Taylor
Goldman Sachs & Co.

Andrew Ward
Stout

Management: Chief Executive Officer

Rhonda L. Hopps joined Perspectives in 2010 and has extensive experience in finance, executive coaching and non-profit governance. Most recently, she was a Director in Red Mortgage Capital's Chicago, Illinois office where she was responsible for originating multi-family mortgages for Fannie Mae and FHA as well as tax credit equity. She has had exposure to both the equity side of the real estate business, through her work in Prudential Real Estate Investor's acquisitions and sales group and on the debt side as a Vice President in Continental Bank's real estate department. Ms. Hopps effectively utilized the extensive structuring and asset based financing skills she gained in those positions during her 11 years as a Senior Portfolio Manager with Allstate Insurance Company. At Allstate, she managed up to \$4 billion in private placement, project finance and non-rated municipal investments. Prior to joining Red Capital, Ms. Hopps was President of Hopps Capital Advisors, Inc., which provided consulting, training and coaching services to corporate clients. Ms. Hopps received her MBA from the Stanford University Graduate School of Business with a concentration in real estate and finance and her BA from Northwestern University with dual majors in math and economics. Ms. Hopps is a 1998 Leadership Greater Chicago Fellow and has earned the Chartered Financial Analyst designation. She currently serves on the board of the Illinois Network of Charter Schools, the statewide advocacy organization for charter schools. Ms. Hopps has served in the past as Board Chair for the Illinois Facilities Fund.

Ms. Hopps has responsibility for the overall operations of Perspectives Charter Schools. She reports to the Perspectives Board of Directors. Reporting to her are the Chief Education Officer, the President, and all operating functions (e.g., finance, human resources, IT, compliance, facilities, student recruiting, and business office).

Co-Founder & Chief Education Officer

Kimberly Day is the Co-founder and Chief Education Officer of Perspectives Charter Schools. Kim co-founded Perspectives as a school-within-a-school in 1993 on the South Side of Chicago; the school received its official charter in 1997. Together with Diana Shulla-Cose, she has spoken across the country on the "A Disciplined Life" Education Model, developing deliberate school culture, college completion work, and successful urban secondary education. Ms. Day is a Leadership Greater Chicago Fellow and was also a recipient of the Harvard Business School Club of Chicago Fellowship. Reporting to the CEO, Ms. Day is responsible for the overall academic performance of the PCS schools. All school principals report directly to Kim as well as network education support staff (e.g., culture, curriculum, athletics, programs and data analytics). Ms. Day earned her master's degree in Instructional Leadership from the University of Illinois at Chicago.

Co-Founder & President

After working as a teacher for Chicago Public Schools, Ms. Shulla-Cose co-founded Perspectives as a school-within-a-school in 1993. The key to Perspectives' exceptional academic results is a social-emotional learning curriculum and culture called "A Disciplined Life", which Ms. Shulla-Cose co-created. She is a contributing columnist for Smart Business, an online publication, and is the Executive Producer of the "I Am for Peace" documentary. She has spoken at local and national conferences and most recently led a Lab at Chicago Ideas Week 2014 on social emotional learning. Reporting to the CEO, Ms. Shulla-Cose is responsible for External Affairs at Perspectives Charter Schools. External affairs include fundraising, marketing and community relations efforts. In this role, she has successfully raised \$2.0 - \$2.4 million per year in donations for Perspectives. Ms. Shulla-Cose has a master's degree in Educational Leadership from Loyola University Chicago.

She has recently added Joan Claffey, a 20+ year seasoned fundraising executive to support not only annual fundraising efforts, but also the recently launched \$15 million Future Fund Campaign. Ms. Claffey's senior-level experience in development for several major Chicago non-profit institutions (Chicago Symphony Orchestra, University of Chicago Booth School of Business, DePaul University, Erickson Institute and Adler University) will complement Ms. Shulla-Cose's extensive network of funders to help Perspectives reach its annual and long-term fundraising goals.

PROFESSIONAL & FINANCIAL

Auditor:	Ostrow Reisin Berk & Abrams Ltd.	Chicago, IL	
Borrower's Advisor:	Coughlin & Company, Inc.	Denver, CO	Walter Coughlin
	Julius Capital	Chicago, IL	Michael Schierl
Borrower's Counsel:	Greenberg Traurig LLP	Chicago, IL	Matt Lewin
Bond/Disclosure Counsel:	Ice Miller LLP	Columbus, OH	Mike Melliore Ben Kitto Charles Miller
Senior Underwriter:	BB&T Capital Markets	Columbus, OH	Rich Harmon
		Houston, TX	Daniel Mooney
Co-Manager:	Loop Capital Markets	Chicago, IL	Jana Wesley Prakash Ramani David Geller
Underwriter's Counsel:	Charity & Associates	Chicago, IL	Alan Bell Timothy Hinchman
Bondholder Representative:	Rosemawr Management LLC	New York, NY	Julie Morrone Seth Klempner
Trustee:	Amalgamated Bank of Chicago		
IFA Counsel:	Quarles & Brady LLP	Chicago, IL	Mary Ann Murray
IFA Financial Advisor:	Sycamore Advisors LLC	Chicago, IL	Courtney Tobin Olyvia Jarmoszka

LEGISLATIVE DISTRICTS

Joslin Campus		New AG Facility	
Congressional:	7	Congressional:	1
State Senate:	1	State Senate:	17
State House:	2	State House:	34
MSA Campus			
Congressional:	7		
State Senate:	3		
State House:	5		

SERVICE AREA



ILLINOIS FINANCE AUTHORITY

Memorandum

To: IFA Board of Directors
From: Lorrie Karcher
Date: August 14, 2018
Re: Overview Memo for Beginning Farmer Bonds

- **Borrower/Project Name:** Beginning Farmer Bonds
- **Locations:** Throughout Illinois
- **Board Action Requested:** Final Bond Resolution for the attached projects
- **Amount:** Up to \$533,500 maximum of new money for each project
- **Project Type: Beginning Farmer Revenue Bonds**
- **Total Requested: \$713,500.00**
- **Calendar Year Summary:** (as of August 14, 2018)
 - Volume Cap: \$10,000,000
 - Volume Cap Committed: \$3,557,451
 - Volume Cap Remaining: \$6,442,549
 - Average Farm Acreage: 65
 - Number of Farms Financed: 15
- **IFA Benefits:**
 - **Conduit Tax-Exempt Bonds** – no direct IFA or State funds at risk
 - **New Money Bonds:**
 - IFA conveys tax-exempt, municipal bond status onto the financing
 - Will use dedicated 2018 IFA Volume Cap set-aside for Beginning Farmer Bond transactions
- **IFA Fees:**
 - One-time closing fee will total 1.50% of the bond amount for each project
- **Structure/Ratings:**
 - Bonds to be purchased directly as a nonrated investment held until maturity by the Borrower's bank (the "Bank")
 - The Bank will be secured by the Borrower's assets, as on a commercial loan (typically 1st Mortgage)
 - Interest rates, terms, and collateral are negotiated between the Borrower and the Bank, just as with any commercial loan
 - IFA assigns all of its rights to cash flows and security to the Bank
 - Workouts are negotiated directly between the Borrower and Bank, just as on any secured commercial loan
- **Bond Counsel:** **Burke, Burns & Pinelli, Ltd.**
Stephen F. Welcome, Esq.
Three First National Plaza, Suite 4300
Chicago, IL 60602

A. Project Number: 30411
Borrower(s): Collins, Eric
Borrower Benefit: First Time Land Buyer
Town: Wayne City, IL
IFA Bond Amount: \$533,500
Use of Funds: Farmland –280 acres of farmland
Purchase Price: \$841,500 / \$3,005 per acre
% Borrower Equity 0%
% IFA Bonds 65% (Bank Purchased Bond – Bank secured by 1st Mortgage)
% USDA Farm Service Agency (“FSA”) 35% (*Subordinate Financing – 2nd Mortgage*)
Township: Orel N
Counties/Regions: Wayne / Southern
Lender/Bond Purchase: Fairfield National Bank / Chris Simpson
Legislative Districts: Congressional: 15
State Senate: 55
State House: 109

Principal shall be paid annually in installments determined pursuant to a Thirty year amortization schedule, with the first principal payment date to begin on December 14, 2019. Accrued interest on the unpaid balance hereof shall be paid annually, with the first interest payment date to begin December 14, 2019 with the thirtieth and final payment of all outstanding balances due thirty years from the date of closing.

B. Project Number: 30412
Borrower(s): Heyen, Tyler and Alisha
Borrower Benefit: First Time Land Buyer
Town: Hillsboro, IL
IFA Bond Amount: \$180,000
Use of Funds: Farmland –40 acres of farmland
Purchase Price: \$360,000 / \$9,000 per acre
% Borrower Equity 5%
% IFA Bonds 50% (Bank Purchased Bond – Bank secured by 1st Mortgage)
% USDA Farm Service Agency (“FSA”) 45% (*Subordinate Financing – 2nd Mortgage*)
Township: Zanesville
Counties/Regions: Montgomery / Central
Lender/Bond Purchase: First National Bank of Litchfield / Kevin Niemann
Legislative Districts: Congressional: 13
State Senate: 48
State House: 95

Principal shall be paid annually in installments determined pursuant to a Twenty-year amortization schedule, with the first principal payment date to begin one year from the date of closing. Accrued interest on the unpaid balance thereof shall be paid annually, with the first interest payment date to begin one year from the date of closing with the twentieth and final payment of all outstanding balances due twenty years from the date of closing.

Date: August 14, 2018

To: Eric Anderberg, Chairman
Gila J. Bronner
James J. Fuentes
Michael W. Goetz
Neil Heller
Robert Horne
Mayor Arlene A. Juracek

Lerry Knox
Lyle McCoy
George Obernagel
Terrence M. O'Brien
Roger Poole
Beth Smoots
Bradley A. Zeller

From: Christopher B. Meister, Executive Director

Subject: ***Fire Truck and Ambulance Revolving Loan Programs***

Dear Member of the Authority:

As you know, the Authority operates a Fire Truck Revolving Loan Program and an Ambulance Revolving Loan Program (together, the "Programs") with the Office of the State Fire Marshal ("OSFM"). Under the Programs, the Authority has as recently as 2016 issued low and zero-interest loans to local units of government and other qualified borrowers to finance the purchase of certain vehicles, including fire trucks and ambulances.

Following this memorandum is a press release issued on August 6, 2018 by OSFM which opens a new round of applications for loans under the Programs. There is a process involved with making these loans, which will begin on the Authority's end when OSFM reaches out with the applications it has received.

We will keep you apprised as this process progresses.

Very truly yours,



Christopher B. Meister
Executive Director



Office of the State Fire Marshal

FOR IMMEDIATE RELEASE
Monday, August 06, 2018

CONTACT: Teagan Shull
teagan.shull@illinois.gov

State Fire Marshal and the Illinois Finance Authority Opens Applications for Fire Truck and Ambulance Revolving Loan Programs

SPRINGFIELD – Fire departments in Illinois that need assistance purchasing emergency vehicles can now apply for a loan through the Fire Truck and Ambulance Revolving Loan Programs.

The Office of the State Fire Marshal (OSFM) and the Illinois Finance Authority (IFA) announced today that the application process is now open.

The Fire Truck and Ambulance Revolving Loan Programs are designed to assist emergency personnel purchase vehicles they otherwise couldn't afford. Under the programs, zero interest and low-interest loans are provided to fire departments, fire protection districts or non-profit ambulance services for the purchase of ambulances and fire trucks.

The ambulance loans are available for amounts up to \$200,000 and can be repaid over a 10-year period. Fire truck loans are available for amounts up to \$350,000 and can be repaid over a 20-year period.

Most Illinois fire departments, fire protection districts and township fire departments are eligible to apply. In addition, not-for-profit ambulance service providers are eligible to apply.

Since the inception of these programs more than \$33 million in loans for fire trucks and \$2.5 million in loans for ambulances have been given out to over 200 fire departments and not-for-profit ambulance services across the state.

Additional information including the application can be found here:
<https://www2.illinois.gov/sites/sfm/Iam/FireDepartment/Grants-and-Loans/Pages/default.aspx>

Completed applications should be submitted to:

Office of the State Fire Marshal
Revolving Loan Programs
1035 Stevenson Drive
Springfield, IL 62703

###

Financial Analysis Memo and Financial Statements will be distributed separately.

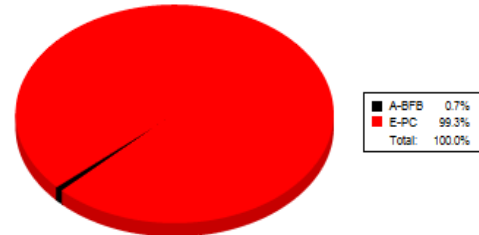
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Bonds Issued - Fiscal Year Comparison for the Period Ending July 31, 2018

Fiscal Year 2019

#	Market Sector	Principal Issued
1	Agriculture - Beginner Farmer	220,000
1	Education	29,420,000
<u>2</u>		<u>\$29,640,000</u>

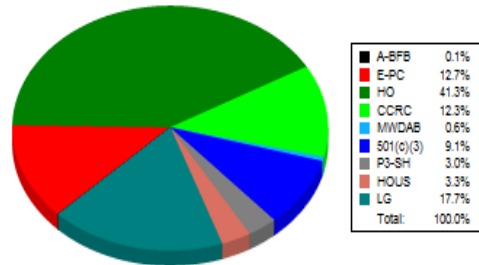
Bonds Issued in Fiscal Year 2019



Fiscal Year 2018

#	Market Sector	Principal Issued
15	Agriculture - Beginner Farmer	2,749,725
5	Education	403,755,000
7	Healthcare - Hospital	1,308,930,000
5	Healthcare - CCRC	388,700,000
1	Midwest Disaster Area Bonds	20,200,000
7	501(c)(3) Not-for-Profit	288,464,000
3	Multifamily/Senior/Not-for-Profit Housing	104,045,000
1	Local Government	560,025,000
1	P3 Student Housing	94,860,000
<u>45</u>		<u>\$3,171,728,725</u>

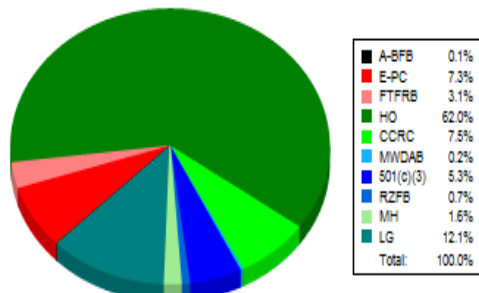
Bonds Issued in Fiscal Year 2018



Fiscal Year 2017

#	Market Sector	Principal Issued
18	Agriculture - Beginner Farmer	3,765,900
7	Education	304,222,000
1	Freight Transfer Facilities Bonds	130,000,000
12	Healthcare - Hospital	2,568,650,000
7	Healthcare - CCRC	310,364,967
1	Midwest Disaster Area Bonds	9,969,162
7	501(c)(3) Not-for-Profit	221,407,000
2	Recovery Zone Facilities Bonds	28,951,409
2	Multifamily/Senior/Not-for-Profit Housing	65,365,000
1	Local Government	500,000,000
<u>58</u>		<u>\$ 4,142,695,438</u>

Bonds Issued in Fiscal Year 2017





**Bonds Issued and Outstanding
as of
July 31, 2018**

Bonds Issued between July 01, 2018 and July 31, 2018

<u>Bond Issue</u>		<u>Date Issued</u>	<u>Initial Interest Rate</u>	<u>Principal Issued</u>	<u>Bonds Refunded</u>
A-BFB	Beginner Farmer Bond	07/01/2018	Variable	220,000	0
E-PC	DePaul University	07/11/2018	Variable	29,420,000	0
Total Bonds Issued as of July 31, 2018				<u>\$ 29,640,000</u>	<u>\$ 0</u>

Legend: Fixed Rate Bonds as shown
 DP-VRB = initial interest rate at the time of issuance on a Direct Purchase Bond
 VRB = initial interest rate at the time of issuance on a Variable Rate Bond that does not include the cost of the LOC arrangement.
 Beginner Farmer Bonds interest rates are shown in section below.

Beginner Farmer Bonds Funded between July 01, 2018 and July 31, 2018

<u>Date Funded</u>	<u>Initial Interest Rate</u>	<u>Loan Proceeds</u>	<u>Acres</u>	<u>County</u>
07/11/2018	4.0	220,000	40.00	Christian
Total Beginner Farmer Bonds Issued		<u>\$ 220,000</u>	<u>40.00</u>	

ILLINOIS FINANCE AUTHORITY

Schedule of Debt ^(a)

Conduit debt issued under the Illinois Finance Authority Act [20 ILCS 3501/845-5(a)] which does not constitute an indebtedness or an obligation, either general or moral, or a pledge of the full faith or a loan of the Authority, the State of Illinois or any Political Subdivision of the State within the purview of any constitutional or statutory limitation or provisions with special limited obligations of the Authority secured under provisions of the individual Bond Indentures and Loan Agreements with the exception of the bonds identified below in Section I (b) -- General Purpose Moral Obligation/State Component Parts -- which are subject to the \$28.15B cap in Section 845-5(a).

Section I (a)

Section I (a)	Principal Outstanding #		Program	
	June 30, 2018	July 31, 2018	Limitations	Remaining Capacity
Illinois Finance Authority "IFA" ^[b]				
Agriculture	\$ 49,472,651	\$ 50,242,351		
Education	\$ 4,477,897,202	4,496,399,843		
Healthcare	\$ 14,843,694,207	14,809,839,326		
Industrial Development [includes Recovery Zone/Midwest Disaster]	\$ 904,938,924	897,796,982		
Local Government	\$ 1,222,240,000	1,190,290,000		
Multifamily/Senior/Not-for Profit Housing	\$ 280,530,850	280,502,209		
501(c)(3) Not-for Profits	\$ 1,486,469,510	1,485,674,819		
Exempt Facilities Bonds	\$ 203,500,000	203,500,000		
Student Housing	\$ 320,275,000	319,955,000		
Total IFA Principal Outstanding	\$ 23,789,018,344	\$ 23,734,200,530		
Illinois Development Finance Authority "IDFA" ^[b]				
Education				
Healthcare	70,000,000	70,000,000		
Industrial Development	119,007,744	119,000,494		
Local Government	159,951,782	159,951,782		
Multifamily/Senior/Not-for Profit Housing	48,380,591	48,322,724		
501(c)(3) Not-for Profits	431,969,575	381,432,706		
Exempt Facilities Bonds				
Total IDFA Principal Outstanding	\$ 829,309,692	\$ 778,707,705		
Illinois Rural Bond Bank "IRBB" ^[b]				
Total IRBB Principal Outstanding	\$ -	\$ -		
Illinois Health Facilities Authority "IHFA"	\$ 133,470,000	\$ 132,025,000		
Illinois Educational Facilities Authority "IEFA"	\$ 369,618,000	\$ 367,452,000		
Illinois Farm Development Authority "IFDA" ^[f]	\$ 11,158,212	\$ 11,158,212		
Total Illinois Finance Authority Debt	\$ 25,132,574,248	\$ 25,023,543,446	\$ 28,150,000,000	\$ 3,126,456,554
Issued under the Illinois Finance Authority Act [20 ILCS 3501/845-5(a)]				

Section I (b)

Section I (b)	Principal Outstanding		Program Limitations	Remaining Capacity	
	June 30, 2018	July 31, 2018			
General Purpose Moral Obligations					
Illinois Finance Authority Act [20 ILCS 3501/801-40(w)]					
* Issued through IRBB - Local Government Pools					
*Issued through IFA - Local Government Pools					
Issued through IFA - Illinois Medical District Commission					
-					
Total General Moral Obligations					
\$	-	\$	-	\$ 150,000,000	\$ 150,000,000
* All the Local Government bonds were defeased as of August 1, 2014.					
Financially Distressed Cities Moral Obligations					
Illinois Finance Authority Act [20 ILCS 3501/825-60]					
Issued through IFA					
\$	-	\$	-		
Issued through IDFA					
	-		-		
Total Financially Distressed Cities					
\$	-	\$	-	\$ 50,000,000	\$ 50,000,000
State Component Unit Bonds ^(c)					
Issued through IDFA ⁽¹⁾					
	-		-		
Issued through IFA ⁽¹⁾					
	1,095,214,096		1,063,221,596		
Total State Component Unit Bonds					
\$	1,095,214,096	\$	1,063,221,596		

Designated exclusive Issuer by the Governor of the State of Illinois to issue Midwestern Disaster Area Bonds in Illinois. This Federal program expired as of December 31, 2012.

Section I (c)

	Principal Outstanding		Remaining MDAB Volume Cap
	June 30, 2018	July 31, 2018	
Midwestern Disaster Area Bonds [Flood Relief]	\$ 62,795,488	\$ 62,747,589	N/A
Designated by the Governor of the State of Illinois to manage and coordinate the re-allocation of Federal ARRA Volume Cap and the issuance of Recovery Zone Bonds in the State of Illinois to fully utilize RZBs before December 31, 2010.			

Section I (d)

	ARRA Act of 2009 Volume Cap Allocated ^(h)	City/Counties Ceded Voluntarily to/by IFA	Bonds issued as of December 31, 2014	Remaining ARRA Volume Cap for each Program as of December 31, 2014
Recovery Zone Economic Development Bonds**	\$ 666,972,000	\$ 16,940,000	\$ 12,900,000	N/A
Recovery Zone Facilities Bonds**	\$ 1,000,457,000	\$ 204,058,967	\$ 214,849,804	N/A
Qualified Energy Conservation Bonds***	\$ 133,846,000	\$ (17,865,000)	\$ 82,795,000	IFA Cap: \$4,755,783 Cities/Counties Cap: \$46,295,717

** Programs expired as of 12/31/2010. There have been no new issues subsequent to the expiration date of these Federal programs.

*** The IFA manages the QECB allocation for the entire State of Illinois. All QECB's to date have been issued by local governments or state universities. The QECB program currently has no set expiration date under Federal law. IFA's remaining QECB allocation of \$4,755,783 has been reserved for use by state universities.

ILLINOIS FINANCE AUTHORITY

Schedule of Debt ^[a]

Issued under the Illinois Finance Authority Act [20 ILCS 3501/845-5(b)]

Section II

	Principal Outstanding		Program Limitations	Remaining Capacity
	June 30, 2018	July 31, 2018		
Illinois Power Agency	\$ -	\$ -	\$ 4,000,000,000	\$ 4,000,000,000

Illinois Finance Authority Act [20 ILCS 3501 Section 825-65(f); 825-70 and 825-75] - see also P.A. 96-103 effective 01/01/2010

Section III

	Principal Outstanding		Program Limitations	Remaining Capacity
	June 30, 2018	July 31, 2018		
Clean Coal, Coal, Renewable Energy and Energy Efficiency Projects	\$ -	\$ -	\$ 3,000,000,000 ^[d]	\$ 3,000,000,000

Issued under the Illinois Finance Authority Act [20 ILCS 3501 Sections 830-25 (see also P.A.96-103); 830-30; 830-35; 830-45 and 830-50]

Section IV

	Principal Outstanding		Program Limitations	Remaining Capacity	State Exposure
	June 30, 2018	July 31, 2018			
Agri Debt Guarantees [Restructuring Existing Debt]					
Fund # 994 - Fund Balance \$10,277,223*	\$ 3,934,187	\$ 3,912,840	\$ 160,000,000	\$ 156,087,160	\$ 3,325,914
AG Loan Guarantee Program					
Fund # 205 - Fund Balance \$8,059,401*	\$ 2,551,473	\$ 2,551,473	\$ 225,000,000 ^[e]	\$ 222,448,527	\$ 2,168,752
Agri Industry Loan Guarantee Program	\$ -				
Farm Purchase Guarantee Program	846,314	846,314			719,367
Specialized Livestock Guarantee Program	1,143,256	1,143,256			971,768
Young Farmer Loan Guarantee Program	561,903	561,903			477,618
Total State Guarantees	\$ 6,485,660	\$ 6,464,313	\$ 385,000,000	\$ 378,535,687	\$ 5,494,666

Issued under the Illinois Finance Authority Act [20 ILCS 3501 Sections 825-80 and 825-85]

Section V

			Principal Outstanding		Cash and Investment Balance
			June 30, 2018	July 31, 2018	
155	Fire Truck Revolving Loan Program	Fund # 572	\$ 18,009,260	\$ 18,009,260 *	\$ 5,556,115 *
22	Ambulance Revolving Loan Program	Fund # 334	\$ 1,378,640	\$ 1,378,640 *	\$ 2,891,733 *

Note: Due to deposits in transit, the Fund Balance at the IOC may differ from the IFA General Ledger. In May, 2014 the OSF transferred the Fund Balance to a Locally Held Fund by the IFA.

Issued under the Illinois Environmental Facilities Financing Act [20 ILCS 3515/9]

Section VI

	Principal Outstanding		Program Limitations	Remaining Capacity
	June 30, 2018	July 31, 2018		
Environmental [Large Business]				
Issued through IFA	\$ 2,880,000	\$ 2,880,000		
Issued through IDFA	47,505,000	47,505,000		
Total Environmental [Large Business]	\$ 50,385,000	\$ 50,385,000	\$ 2,425,000,000	\$ 2,374,615,000
Environmental [Small Business]	\$ -	\$ -	\$ 75,000,000	\$ 75,000,000
Total Environment Bonds Issued under Act	\$ 50,385,000	\$ 50,385,000	\$ 2,500,000,000	\$ 2,449,615,000

Illinois Finance Authority Funds at Risk

Section VII

	Original Amount	Principal Outstanding	
		June 30, 2018	July 31, 2018
Participation Loans			
Business & Industry	23,020,158	89,384	108,481
Agriculture	6,079,859		
Participation Loans excluding Defaults & Allowances	29,100,017	89,384	108,481
Plus: Legacy IDFA Loans in Default		3,170	3,170
Less: Allowance for Doubtful Accounts		5,165	5,165
Total Participation Loans		87,389	106,486
Local Government Direct Loans	1,289,750	501,477	501,477
Rural Bond Bank Local Government Note Receivable		10,071,037	10,071,037 *
FmHA Loans	963,250	140,447	139,983
Renewable Energy [RED Fund]	2,000,000		
Total Loans Outstanding	34,353,017	10,800,350	10,818,983
IRBB funds were defeased and transferred into a note receivable with the IFA.			

Higher Education Loan Act (110 ILCS 945 or "HELA")

Section VIII

	Principal Outstanding		Statutory Debt Limitation	Remaining HELA Debt Limitation
	June 30, 2018	July 31, 2018		
Midwestern University Foundation - Student Loan Program Revenue Bonds	\$ 15,000,000	\$ 15,000,000	\$ 200,000,000 ^[d]	\$ 185,000,000

^[a] Total subject to change; late month payment data may not be included at issuance of report.^[b] State Component Unit Bonds included in balance.^[c] Does not include Unamortized issuance premium as reported in Audited Financials.^[d] Program Limitation reflects the increase to \$3 billion effective 01/01/2010 under P.A. 96-103.^[e] Program Limitation reflects the increase from \$75 million to \$225 million effective 01/01/2010 under P.A. 96-103.^[f] Beginner Farmer Bonds are currently updated annually; new bonds will be added under the Illinois Finance Authority when the bond closes.^[g] Midwestern Disaster Area Bonds - Illinois Counties eligible for Midwest Disaster Bonds included Adams, Calhoun, Clark, Coles, Crawford, Cumberland, Douglas, Edgar, Hancock, Henderson, Jasper, Jersey,^[h] Lake, Lawrence, Mercer, Rock Island, Whiteside and Winnebago.^[i] Recovery Zone Facility Revenue Bonds - Federal government allocated volume cap directly to all 102 Illinois counties and 8 municipalities with population of 100,000 or more. [Public Act 96-1020]^[j] Includes EPA Clean Water Revolving Fund

* Balances as of July 31, 2018 are estimated and subject to change.

**ILLINOIS FINANCE AUTHORITY
PROCUREMENT REPORT OF ACTIVITY SINCE PRIOR BOARD REPORT**

**BOARD MEETING
August 14, 2018**

CONTRACTS/AMENDMENTS EXECUTED					
	Vendor	Initial Term	Estimated Not to Exceed Value	Action/Proposed Method of Procurement	Products/Services Provided
<i>Illinois Procurement Code- Small Purchases</i>	East Bank Storage	09/01/18-08/31/19	\$6,718	BidBuy PO	Records Storage
	CDS Office Technologies	07/18/18	\$1,458	BidBuy PO	Laptops and Docking Station
	CDW-G	07/18/18	\$736	BidBuy PO	Monitors
	CDW-G	07/23/18	\$645	BidBuy PO	Power Supply backup
<i>Illinois Procurement Code – Competitive Bids</i>	TBD	09/2018-09/2023	TBD	Request for Proposals - Multiple Contracts (In Process)	Financial Advisory Services

**ILLINOIS FINANCE AUTHORITY
PROCUREMENT REPORT OF ACTIVITY SINCE PRIOR BOARD REPORT**

**BOARD MEETING
August 14, 2018**

EXPIRING CONTRACTS (cont'd)					
	Vendor	Expiration Date	Estimated Not to Exceed Value	Action/Proposed Method of Procurement	Products/Services Provided
<i>Illinois Procurement Code-Small Purchase</i>	United States Postal Service Prepaid Postage	08/08/2018	\$1,000	Purchase again via Small Purchase with incumbent.	Chicago and Mt. Vernon postage
	GoDaddy Web Hosting	08/10/2018	\$539	Purchase again via Small Purchase with incumbent.	Web Hosting Server
	GoDaddy 2018 SSL Cert	08/23/2018	\$299	Purchase again via Small Purchase with incumbent.	SSL Certificate
<i>Illinois Procurement Code-Order Against Master</i>	CDW Government LLC Cisco switches and support	09/10/2018	\$11,939	BidBuy PO with State Master.	Cisco switches, firewall, router and support
<i>Illinois Procurement Code-Exempt</i>	Acacia Financial Group, Inc.	03/16/2017-09/14/2018	\$225,000	TBD	Financial Advisors
	Sycamore Advisors, LLC	03/16/2017-09/14/2018	\$225,000	TBD	Financial Advisors
<i>Illinois Procurement Code-Small Purchases</i>	SHI International Corp	10/16/2018	\$4,560	BidBuy Bid	Enterprise Mobility Mgmt System
	WellSpring Software, Inc.	10/30/2018	\$100	Purchase again via Small Purchase with incumbent.	Annual support for software to print checks

**ILLINOIS FINANCE AUTHORITY
PROCUREMENT REPORT OF ACTIVITY SINCE PRIOR BOARD REPORT**

**BOARD MEETING
August 14, 2018**

EXPIRING CONTRACTS (cont'd)					
	Vendor	Expiration Date	Estimated Not to Exceed Value	Action/Proposed Method of Procurement	Products/Services Provided
<i>Illinois Procurement Code-Small Purchases</i>	Sullivan Reporting	10/31/2018	\$15,500	Purchase again via Small Purchase with incumbent.	Transcription Services
	United Parcel Service	11/21/2018	\$4,000	BidBuy PO with State Master	Package Delivery
	Google Ad	12/3/2018	\$4,500	Purchase again via Small Purchase with incumbent.	IFA Ad Page
	Network Solutions IDFA	12/20/2018	\$39	Purchase again via Small Purchase with incumbent.	Renewal of www.idfa.com
<i>Illinois Procurement Code-Competitive Bids</i>	ClearArc Capital, Inc. Amend Invest	12/26/2018	\$900,000	RFP	Investment Management Services
<i>Illinois Procurement Code-Sole economically feasible Purchase</i>	Bloomberg Finance L.P. - Anywhere	12/30/2018	\$43,200	Sole economically feasible with incumbent.	Bloomberg Terminal License
<i>Illinois Procurement Code-Anticipation of Litigation</i>	G&R Public Law & Strategies	11/18/2018	\$100,000	Expire	Anticipation of Litigation
	Jenner & Block LLP	12/8/2018	\$250,000	Expire	Anticipation of Litigation
<i>Illinois Procurement Code-Order Against Master</i>	Enterprise Car Rental	12/31/2018	\$5,000	Continue with State Master. State in process with RFP	Car Rental

Date: August 14, 2018

Subject: ***Minutes of the July 10, 2018 Regular Meeting***

To:	Eric Anderberg, Chairman	Lerry Knox
	Gila J. Bronner	Lyle McCoy
	James J. Fuentes	George Obernagel
	Michael W. Goetz	Terrence M. O'Brien
	Neil Heller	Roger Poole
	Robert Horne	Beth Smoots
	Mayor Arlene A. Juracek	Bradley A. Zeller

Dear Members of the Authority:

Please find enclosed the Report of Proceedings prepared by Sullivan Reporting Co. (the “**Minutes**”) in connection with the regular meeting of the Members of the Illinois Finance Authority (the “**Authority**”), begun and held at the Michael A. Bilandic Building, 160 North LaSalle Street, Suite S-1000, Chicago, Illinois 60601, on the second Tuesday of July in the year 2018, 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**”).

To aid in your review of the Minutes, please reference the following pages and line numbers for corresponding sections of the respective meeting’s agenda:

ILLINOIS FINANCE AUTHORITY
REGULAR MEETING
Tuesday, July 10, 2018
9:30 AM

AGENDA:

- I. Call to Order & Roll Call
(page 2, line 1 through page 4, line 24)
- II. Approval of Agenda
(page 5, line 1 through page 5, line 16)
- III. Public Comment
(page 5, lines 17 through 19)
- IV. Presentation and Consideration of New Business Item No. 10
(page 5, line 20 through page 8, line 14)
- V. Chairman’s Remarks
(page 8, line 15 through page 9, line 3)
- VI. Message from the Executive Director
(page 9, line 4 through page 18, line 5)
- VII. Committee Reports
(page 18, line 6 through page 19, line 5)
- VIII. Presentation and Consideration of New Business Nos. 1-9 and 11

- (page 19, line 6 through page 36, line 11)
- IX. Presentation and Consideration of Financial Reports
(page 36, line 12 through page 40, line 2)
- X. Monthly Procurement Report
(page 40, lines 3 through 17)
- XI. Correction and Approval of Minutes
(page 40, line 18 through page 41, line 8)
- XII. Other Business
(page 41, lines 9 through 22)
- XIII. Closed Session
(page 41, line 23 through page 42, line 1)
- XIV. Adjournment
(page 42, lines 2 through 16)

The Minutes of the regular meeting of the Authority are further supplemented by a summary of the respective meeting's voting record prepared by Authority staff (the "**Voting Record**"), which is also enclosed.

Please contact an Assistant Secretary to report any substantive edits to the enclosures.

Respectfully submitted,

/s/ Ryan Oechsler
Associate General Counsel

- Enclosures:
1. Minutes of the July 10, 2018 Regular Meeting
 2. Voting Record of the July 10, 2018 Regular Meeting

1 ILLINOIS FINANCE AUTHORITY
2 REGULAR MEETING
3 July 10, 2018, at 9:42 a.m.
4 REPORT OF PROCEEDINGS had at the Regular
5 Meeting of the Illinois Finance Authority on July 10,
6 2018, at the hour of 9:30 a.m., pursuant to notice,
7 at 160 North LaSalle Street, Suite 8-1000, Chicago,
8 Illinois.
9 APPEARANCES:
10 VICE CHAIR GILA BRONNER
11 MR. JAMES J. FUENTES
12 MR. NEIL HELLER
13 MR. ROBERT HORNE
14 MS. ARLENE A. JURACEK
15 MR. LERRY KNOX
16 MR. E. LYLE MCCOY
17 MR. GEORGE OBERNAGEL
18 MS. BETH SMOOTS
19 MR. BRADLEY A. ZELLER
20 MR. MIKE GOETZ (via audio conference)
21 MR. ROGER POOLE (via audio conference)
22 CHAIR ERIC ANDERBERG (via audio conference,
23 non-voting)
24 ILLINOIS FINANCE AUTHORITY STAFF MEMBERS

25 MR. CHRISTOPHER B. MEISTER, Executive Director
26 MR. RICH FRAMPTON, Vice President
27 MS. PAMELA LENANE, Vice President
28 MR. BRAD FLETCHER, IFA Assistant Vice-President
29 MR. STANLEY LUBOFF, IFA VP, Loans and Guarantees
30 MR. RYAN OECHSLER, IFA Associate General Counsel
31 MR. TERRY FRANZEN, Procurement
32 MS. XIMENA GRANDA, Controller
33 SULLIVAN REPORTING COMPANY, by
34 Brad Benjamin, CSR
35 License No. 084-004805

1 CHAIRWOMAN BRONNER: Good morning. I'd like to
2 call the meeting to order.
3 Will the Assistant Secretary please
4 call the roll?
5 FLETCHER: Certainly.
6 The time is 9:42. I'll call the roll
7 of Members physically present in the room first.
8 Ms. Bronner?
9 CHAIRWOMAN BRONNER: Here.
10 FLETCHER: Mr. Fuentes?
11 FUENTES: Here.
12 FLETCHER: Mr. Heller?
13 HELLER: Here.
14 FLETCHER: Mr. Horne?
15 HORNE: Here.
16 FLETCHER: Ms. Juracek?
17 JURACEK: Here.
18 FLETCHER: Mr. Knox?
19 KNOX: Here.
20 FLETCHER: Mr. McCoy?
21 MCCOY: Here.
22 FLETCHER: Mr. Obernagel?
23 OBERNAGEL: Here.
24 FLETCHER: Ms. Smoots?

1 SMOOTS: Here.

2 FLETCHER: Mr. Zeller?

3 ZELLER: Here.

4 FLETCHER: Member Bronner, a quorum of Members

5 physically present in the room has been constituted.

6 At this time, I'd like to ask if any

7 Members would like to attend via audio conference.

8 GOETZ: Yeah. This is Mike Goetz. I'm

9 requesting to attend via audio conference due to

10 employment purposes.

11 POOLE: Roger Poole, and request to attend

12 audio conference for employment purposes.

13 FLETCHER: Are there any other Members on the

14 line?

15 ANDERBERG: Yes. This is Chair Anderberg.

16 Requesting to attend, but I'm on vacation.

17 FLETCHER: Is that okay?

18 CHAIRWOMAN BRONNER: Is there such a motion to

19 approve these requests pur- --

20 FLETCHER: Gila? Gila?

21 CHAIRWOMAN BRONNER: Oh, no. Sorry.

22 WEBER: What's the purpose?

23 FLETCHER: Is that okay?

24 WEBER: I didn't hear what the purpose was.

1 FLETCHER: Vacation.

2 WEBER: Oh. He can listen in, but he can't

3 vote.

4 MEISTER: Here, make -- make the statement.

5 WEBER: This is General Counsel Weber. Just to

6 clarify that Mr. -- Chairman Anderberg can listen in,

7 but since he doesn't meet one of the qualified

8 reasons for attendance via audio, he can't vote on

9 any matters, but he can listen in.

10 ANDERBERG: Understood. Understood.

11 WEBER: Thank you.

12 CHAIRWOMAN BRONNER: Thank you.

13 Is there a motion to approve these

14 requests pursuant to the bylaws and policies of the

15 Authority?

16 OBERNAGEL: I'll make that motion.

17 FUENTES: Second.

18 CHAIRWOMAN BRONNER: All those in favor?

19 (Chorus of ayes.)

20 CHAIRWOMAN BRONNER: Opposed?

21 (No response.)

22 CHAIRWOMAN BRONNER: The ayes have it.

23 FLETCHER: Members Goetz and Poole have been

24 added to the initial quorum roll call.

1 CHAIRWOMAN BRONNER: Thank you.

2 Does -- moving on to Item No. 2,

3 Approval of the Agenda.

4 Does anyone wish to make any

5 additions, edits or corrections to today's agenda?

6 (No response.)

7 CHAIRWOMAN BRONNER: Hearing none, I would like

8 to request a motion to approve the agenda.

9 Is there such a motion?

10 MCCOY: So moved.

11 JURACEK: Second.

12 CHAIRWOMAN BRONNER: All those in favor?

13 (Chorus of ayes.)

14 CHAIRWOMAN BRONNER: Opposed?

15 (No response.)

16 CHAIRWOMAN BRONNER: The ayes have it.

17 Is there any public comment for the

18 Members?

19 (No response.)

20 CHAIRWOMAN BRONNER: Okay. Hearing none, we

21 will move on to Item No. 4, Presentation and

22 Consideration of New Business Item No. 10.

23 So before moving on, I would like us

24 to consider Item No. 10, which is Election of the

1 Vice Chair. A little quirky.

2 MEISTER: Yeah.

3 CHAIRWOMAN BRONNER: Chris?

4 MEISTER: Yes, it is, and I would like -- the

5 bylaws provide for the nomination and election of a

6 vice chair of the Authority to preside over the

7 Authority in the absence of the Chair.

8 In your packets, Chairman Anderberg

9 has distributed a letter recommending Gila Bronner

10 for -- to serve as Vice Chair. And then, I think

11 what I would like to do is turn this over to

12 Governance Chair Smoots because this matter was

13 considered at this morning's meeting.

14 SMOOTS: The Governance, Personnel,

15 Legislation, and Ethics Committee met this morning

16 and considered, among other items, Item No. 10,

17 Election of the Vice Chair. The Committee

18 recommended Member Gila Bronner as Vice Chair.

19 CHAIRWOMAN BRONNER: I would like to request a

20 motion to nominate a Member for the election of Vice

21 Chair of the Authority.

22 Is there such a nomination and motion?

23 SMOOTS: I move to nominate --

24 GOETZ: I move. This is Mike Goetz. I move to

1 nominate Member Bronner.
2 SMOOTS: That works too.
3 POOLE: Second, Roger Poole.
4 CHAIRWOMAN BRONNER: Thank you.
5 Will the Assistant Secretary please
6 call the roll.
7 FLETCHER: Yes. On the nomination of Gila
8 Bronner as Vice Chair, I will call the roll after the
9 motion and second.
10 Ms. Bronner?
11 CHAIRWOMAN BRONNER: I will abstain on this
12 vote.
13 FLETCHER: Thank you.
14 Mr. Fuentes?
15 FUENTES: Yes.
16 FLETCHER: Mr. Goetz?
17 GOETZ: Yes.
18 FLETCHER: Mr. Heller?
19 HELLER: Yes.
20 FLETCHER: Mr. Horne?
21 HORNE: Yes.
22 FLETCHER: Ms. Juracek?
23 JURACEK: Yes.
24 FLETCHER: Mr. Knox?

1 KNOX: Yes.
2 FLETCHER: Mr. McCoy?
3 Mccoy: Yes.
4 FLETCHER: Mr. Obernagel?
5 OBERNAGEL: Yes.
6 FLETCHER: Mr. Poole?
7 POOLE: Yes.
8 FLETCHER: Ms. Smoots?
9 SMOOTS: Yes.
10 FLETCHER: And Mr. Zeller?
11 ZELLER: Yes.
12 FLETCHER: Ms. Vice Chair, the motion carries.
13 CHAIRWOMAN BRONNER: Thank you, and thank you
14 all for your confidence.
15 May we ask the Chairman for his
16 remarks since Eric --
17 FLETCHER: Yes.
18 CHAIRWOMAN BRONNER: Yes.
19 Mr. Chairman, moving on to Item No. 5,
20 any Chairman's remarks?
21 ANDERBERG: I have none this morning.
22 CHAIRWOMAN BRONNER: Okay. Thank you.
23 ANDERBERG: Having a good time.
24 (laughter.)

1 ANDERBERG: The Tetons look beautiful this
2 morning.
3 CHAIRWOMAN BRONNER: Okay. Great. Thank you.
4 Item No. 6, Message from the Executive
5 Director.
6 Director Meister?
7 MEISTER: Thank you, Chair Bronner. Again,
8 Chris Meister, Executive Director of the Illinois
9 Finance Authority.
10 In your Board Books, there is a
11 statement as to progress on the Authority's
12 Transformation Initiative, and that speaks for
13 itself. However, I would like to make a statement to
14 the Members concerning five transactions that have
15 been considered, voted upon, and closed by the
16 Illinois Finance Authority over the last two years.
17 The names of these transactions
18 involve the Better Housing Foundation, a nonprofit
19 entity, and I will name them: Shoreline 2016, Windy
20 City 2017, Icarus 2017, and then Ernst and Blue
21 Island 2018.
22 At last month's Board Meeting, I
23 reported to all of you that we've been in
24 communication with a major Chicago news organization

1 regarding allegations of life safety and management
2 issues with respect to facilities owned and operated
3 by a certain conduit borrower of the Authority, in
4 this case, the Better Housing Foundation.
5 We will not tolerate borrowers who are
6 not good stewards of our tax-advantaged financing, so
7 we took these allegations very seriously and we have
8 spent the better part of a number of weeks getting
9 the facts behind these allegations.
10 I wanted to bring all of you up today
11 about what we have learned, what actions we have
12 taken, and how we have communicated with the news
13 reporter, the borrowers, and other parties.
14 The conduit borrowers in question are
15 affiliates of the Better Housing Foundation, or BHF,
16 a nonprofit corporation. The BHF financings, which
17 I've just mentioned, concerned 13 individual -- I'm
18 sorry. The initial issue, the 2016 Shoreline
19 properties that are the primary subject of these
20 allegations, sought financing to purchase 13
21 individual buildings comprised of 262 multifamily
22 rental units on the south side of the City of
23 Chicago. In purchasing these buildings from
24 for-profit owners who could tear these buildings down

1 or convert them to condos or to business property at
 2 will, BHF sought to preserve affordable housing
 3 rental units for hundreds of Chicago-area residents
 4 for decades to come.

5 I will also note that affordable
 6 housing has been in the Finance Authority's statute
 7 since our creation in January 2004. So the Board was
 8 acting on the recommendation of Staff, squarely
 9 within its longstanding statutory authority.

10 This news inquiry began with a Freedom
 11 of Information Act request, and in response we
 12 supplied dozens of documents and showed the reporter
 13 dozens more available online and through the public
 14 sources. We spent numerous hours in interviews with
 15 this reporter, and in addition, with BHF, the
 16 management company, and others. I will note that I
 17 received the most recent update from the Borrower
 18 from its management company moments before this
 19 meeting began.

20 And we learned more, but not
 21 everything, about the allegations being made, and we
 22 urged BHF to meet with the news reporter and directly
 23 respond to his questions. They have done so and they
 24 are continuing to do so on almost on a daily basis,

1 including the communication that I just referenced.
 2 Because a number of these allegations
 3 related to questions about the unique nature of a
 4 conduit bond issuer as opposed to a government lender
 5 of funds or a government issuer of grants, we
 6 informed the reporter about how conduit financing
 7 works; what the IFA's roles and responsibilities are;
 8 and almost as importantly, what our roles and
 9 responsibilities are not.
 10 The Authority issues federally
 11 tax-exempt conduit bonds to finance cate- -- projects
 12 and categories established by the U.S. Congress.
 13 Everything from hospitals and museum expansions to
 14 affordable housing, land for beginning farmers,
 15 student housing, senior living, and education. The
 16 bondholders carry the risk. There is no taxpayer
 17 backstop in the event that the borrower cannot repay
 18 their bonds or meet their other contractual
 19 obligations.

20 We informed the reporter that the
 21 Authority has no regulatory powers or inspectors
 22 unlike the Chicago Housing Authority, the Illinois
 23 Housing Development Authority, or the U.S. Department
 24 of Housing and Urban Development to investigate or

1 mitigate building or code violations. Our decisions
 2 to engage on a project are based upon representations
 3 made to us by borrowers, an analysis that is made by
 4 Bond Counsel, rating agencies, and other
 5 professionals involved in the transaction, including
 6 in this case, the underwriters and the underwriter's
 7 counsel.

8 In evaluating the proposed
 9 transactions, the Authority relied on a determination
 10 by the U.S. Internal Revenue Service that the BHF was
 11 a qualified nonprofit tax-exempt organization under
 12 federal law as well as representations made by BHF to
 13 the Authority, to the underwriter, to the investors,
 14 and to the rating agencies, as well as upon the
 15 opinions of Counsel to the BHF and of Bond Counsel.

16 We pointed out that these
 17 representations are not made lightly by these various
 18 professionals. Misrepresentations can result in
 19 significant liability for the borrower and/or
 20 specific counsel. And some of -- some of these
 21 outcomes in response to misrepresentations may
 22 include the exercise of the Authority's contractual
 23 indemnity rights.

24 In the initial and subsequent FOIA

1 inquiry, and in discussions with the reporter, the
 2 questions that have been raised center on BHF's
 3 nonprofit status and board members, the credit
 4 worthiness of the borrowers, the reasonableness of
 5 the fees charged by all parties to the transactions,
 6 and the management and the upkeep of the buildings.
 7 And these are reasonable questions to which
 8 reasonable answers were provided.

9 First, BHF informed the Authority that
 10 it is a nonprofit charitable organization based in
 11 Ohio. It is exempt from federal taxes under Section
 12 501(c)(3) of the Internal Revenue Code. The
 13 Financial Authority has no role in determining
 14 501(c)(3) not-for-profit status on this or any other
 15 organization. That is up to the Internal Revenue
 16 Service, and the IRS made that determination.

17 As for the membership of the BHF
 18 boards, directors have changed over the years,
 19 including in April of 2018. But that is within the
 20 sole discretion of the Foundation's board.

21 Second, as to the credit worthiness of
 22 the borrowers, each bond issues has received an
 23 investment grade rating from Standard & Poor's.
 24 Prior to the first issue, Standard & Poor's had

1 already established a methodology for rating
2 affordable housing trans- -- deals like this
3 transaction- -- or like these transactions. S&P has
4 rated scores of these affordable housing transactions
5 in the past and over past years.

6 And third, the fees charged to the
7 parties -- to the transaction, such as developer
8 fees, reimbursements made at closings, and other
9 costs of issuance -- the only fees that the IFA sets
10 or approves are fees payable to the IFA and its
11 issuer's counsel. And these fees -- and the fees
12 paid to other parties to the transactions are subject
13 an analysis by Bond Counsel for compliance with
14 restrictions under -- applicable to federal tax
15 exemption on the interest paid under federal tax
16 laws. These fees are not approved by the Illinois
17 Finance Authority. The fees approved by the IFA in
18 the BHF transaction were consistent with fees charged
19 to other nonprofit borrowers on other transactions
20 involving the issuance of approximately the same
21 amount of bonds.

22 Last, the management and upkeep of the
23 buildings were the allegations of most concern to the
24 Authority were raised. And following our inquiries,

1 we learned in April that BHF had discovered the
2 extent of the building code violations and other
3 problems at some the properties, specifically the
4 Shoreline properties, the first of the five
5 transactions that were approved and closed by the
6 Authority.

7 And then BHF, as what it -- was its
8 right under the bond documents, replaced the original
9 manager, who, incidentally, had come and spoken at
10 this -- at meetings of the Authority, and this former
11 manager was replaced by a new property management
12 firm.

13 BHF has admitted to us in writing and
14 to the reporter that the original property management
15 team fell short and failed to maintain the buildings
16 and units appropriately. BHF also acknowledged its
17 fault in not recognizing the misrepresentations made
18 by the previous, now former, management company.

19 Now, that's small consolation for the tenants who
20 have endured hardships, but it is the first and most
21 important step to remedying the situation.

22 The new management company has
23 presented, to BHF and the reporter, its timeline for
24 completing the necessary repairs and addressing

1 satisfactorily the majority of the building code
2 violations within the next two months. It has also
3 established an on-premises office in one of the
4 buildings to more closely monitor the repairs of the
5 buildings and the concerns of the tenants.

6 In our years of operations at the
7 Authority, this is the only time that allegations
8 have been raised with respect- -- of this type have
9 been raised with respect to one of our finance
10 projects. I intend for it to be the last, and I will
11 continue to keep you apprised of the situation as at
12 it develops.

13 I will take any questions.

14 CHAIRWOMAN BRONNER: Any questions from any
15 Board Members?

16 (No response.)

17 CHAIRWOMAN BRONNER: Thank you, Executive
18 Director Meister.

19 Is there -- are there any other
20 matters you would like to comment about during your
21 message?

22 MEISTER: No, Madam Chairman.

23 CHAIRWOMAN BRONNER: Okay. Thank you.

24 Moving on, any questions from any

1 Members on the phone?
2 (No response.)

3 ANDERBERG: No.

4 CHAIRWOMAN BRONNER: Hear- -- hearing none --
5 ANDERBERG: No.

6 CHAIRWOMAN BRONNER: -- we will move on to Item
7 No. 7, Committee Reports.

8 Member Knox?

9 KNOX: Certainly.

10 The Direct and Alternative Financing
11 Committee met on Monday, July 9th, 2018, and voted
12 unanimously to recommend for approval the following
13 New Business Items on today's agenda: No. 1, Phoenix
14 Tile Distributors, Inc., and No. 2, 2020 Buckeye,
15 LLC.

16 CHAIRWOMAN BRONNER: Great. Thank you.

17 Member Smoots?

18 SMOOTS: The Governance, Personnel,
19 Legislation, and Ethics Committee met earlier this
20 morning and voted unanimously to recommend for
21 approval the following New Business Items on today's
22 agenda: No. 1, Temporary Delegation of Power, and
23 No. 2, the Fiscal Year 2019 Personnel
24 Recommendations.

1 CHAIRWOMAN BRONNER: Thank you.
2 Member Horne?
3 HORNE: The Tax-Exempt Conduit Transaction
4 Committee Meeting was canceled for this morning.
5 CHAIRWOMAN BRONNER: Thank you.
6 Moving onto Item No. 8, Presentation
7 and Consideration of New Business Item Nos. 1 to 9
8 and No. 11.
9 I'd like to ask for the general
10 consent of the Members to consider the New Business
11 Items collectively and to have the subsequent
12 recorded vote applied to each respective, individual
13 item unless there are any specific New Business Items
14 that a Member would like to consider separately.
15 HORNE: I would -- I would ask that Item No. 2
16 be considered separately.
17 CHAIRWOMAN BRONNER: Thank you.
18 FLETCHER: Also, I believe there's a need to
19 abstain on.
20 HORNE: Yes.
21 GOETZ: This is Mike Goetz. I would like to
22 recuse myself from any deliberations and voting with
23 respect to Items Nos. 7, Northwestern Memorial
24 Hospital, and 8, Silver Cross Hospital and Medical

1 Center, from the New Business Items because I have a
2 family member who works for a financial advisor in
3 each of these transactions.
4 HORNE: And I, too, would like to recuse myself
5 from Items No. 3, 2020 Buckeye, LLC, and Item 6, The
6 Little Company of Mary Hospital and Health Centers,
7 because I have a family member who works for a bank
8 involved with these transactions.
9 CHAIRWOMAN BRONNER: Okay. Thank you, Members
10 Horne and Goetz.
11 So first, I'd like to consider New
12 Business Item Nos. 3 -- no, 2 -- New Business Items
13 No. 2, alone --
14 FLETCHER: Phoenix Tile?
15 CHAIRWOMAN BRONNER: I'm sorry?
16 FLETCHER: Phoenix Tile, No. 2, we'll do first.
17 We'll take a separate roll call vote.
18 CHAIRWOMAN BRONNER: Okay. After which --
19 after which we will consider New Business Items 3,
20 the 2020 Buckeye, LLC, and 6, Little Company of Mary
21 Hospital and Health Centers, and take a roll call
22 vote. And then we will consider Items No. 7,
23 Northwestern Memorial Healthcare, and Item 8, Silver
24 Cross Hospital and Medical Centers, and take a second

1 roll call vote. And then we will consider the
2 remaining items under a consent agenda and take a
3 final vote at the end.
4 Okay. So now we will move to Item No.
5 2, and we will ask -- no. Item No. 2.
6 FRAMPTON: Thank you, Madam Chairman.
7 Again, we will begin with Item
8 No. 2, which is Tab 2 in your Board books, Phoenix
9 Tile Distributors, Inc.
10 Item 2 is a Participation Loan
11 request. Staff request your one-time Final
12 Resolution approval for Phoenix Tile Distributors,
13 Inc., in the maximum loan participation amount of
14 \$350,000. Loan proceeds will be used by the borrower
15 to finance a portion of the costs of acquiring and
16 improving a warehouse, which will house the
17 borrower's operations. The Authority's participation
18 is equal to 27.78 percent of a \$1.26 million loan
19 being originated by Town and Country Bank.
20 Does any Member have any questions or
21 comments?
22 (No response.)
23 CHAIRWOMAN BRONNER: Does anyone on the phone
24 have any comments?

1 (No response.)
2 CHAIRWOMAN BRONNER: Okay. Hearing none, we'll
3 move on.
4 FLETCHER: Hearing none, is there a motion to
5 pass and adopt Project No. 2, Phoenix Tile
6 Distributors?
7 OBERNAGEL: I'll make that motion.
8 JURACEK: I'll second.
9 FLETCHER: On the motion and second, I will
10 call the roll.
11 Mr. Fuentes?
12 FUENTES: Yes.
13 FLETCHER: Mr. Goetz on the line?
14 GOETZ: Yes.
15 FLETCHER: Mr. Heller?
16 HELLER: Yes.
17 FLETCHER: Mr. Horne?
18 HORNE: No.
19 FLETCHER: Ms. Juracek?
20 JURACEK: Yes.
21 FLETCHER: Mr. Knox?
22 KNOX: Yes.
23 FLETCHER: Mr. McCoy?
24 Mccoy: Yes.

1 FLETCHER: Mr. Obernagel?
2 OBERNAGEL: Yes.
3 FLETCHER: Mr. Poole on the line?
4 POOLE: Yes.
5 FLETCHER: Ms. Smoots?
6 SMOOTS: Yes.
7 FLETCHER: And Mr. Zeller?
8 ZELLER: Yes.
9 FLETCHER: And Vice Chair Bronner?
10 CHAIRWOMAN BRONNER: Yes.
11 FLETCHER: Vice Chair Bronner, the motion
12 carries.
13 CHAIRWOMAN BRONNER: Thank you.
14 Item No. 3?
15 FLETCHER: At this time, we'll ask Member Horne
16 and to exit the room. Please note for the record
17 that Member Horne has exited the room.
18 FRAMPTON: Next, we'll move on to Item 3, which
19 is Tab 3 in your Board Book, 2020 Buckeye, LLC.
20 Item 3 is a Taxable Conduit Revenue
21 Bond request. Staff requests your one-time Final
22 Bond Resolution approval for 2020 Buckeye, LLC, in
23 the not-to-exceed amount of \$30 million. Bond
24 proceeds will be used by the borrower to acquire,

1 refurbish, and equip two privately-owned surface
2 parking lots near Midway Airport, on Chicago's
3 southwest side. Bond proceeds will additionally
4 finance certain start-up costs and working capital.
5 The non-rated Taxable Bonds are being
6 underwritten by J.P. Morgan Securities and will be
7 sold in minimum denominations of \$100,000 to
8 Accredited Investors and Qualified Institutional
9 Buyers pursuant to IFA policy. Bondholders will also
10 benefit from a debt service reserve fund.
11 I would like to note that as this is a
12 conduit project, the Members are considering approval
13 of the Resolution and the not-to-exceed amount
14 contained therein.
15 Does any Member have any questions or
16 comments?
17 (No response.)
18 FRAMPTON: Okay. Moving on next, Little
19 Company of Mary Hospital and Health Centers: Item 6
20 is a Resolution authorizing the execution and
21 delivery of a First Supplemental Bond Trust Indenture
22 for the Series 2015 Bonds issued on behalf of Little
23 Company of Mary Hospital and Health Centers.
24 This will enable the Borrower to keep

1 the Bonds with the Initial Purchaser for an
2 additional private placement rate period of
3 approximately two years and to make certain
4 amendments to the definition of LIBOR.
5 Does any Member have any questions or
6 comments?
7 (No response.)
8 CHAIRWOMAN BRONNER: Hearing none, I would like
9 to request a motion to pass and adopt the following
10 New Business Items, Nos. 3 and 6.
11 Is there such a motion?
12 FUENTES: So moved.
13 JURACEK: Second.
14 CHAIRWOMAN BRONNER: Will the Assistant
15 Secretary, please, call the roll?
16 FLETCHER: Certainly.
17 On the motion and second, I'll call
18 the roll.
19 Mr. Fuentes?
20 FUENTES: Yes.
21 FLETCHER: Mr. Goetz on the line?
22 GOETZ: Yes.
23 FLETCHER: Mr. Heller?
24 HELLER: Yes.

1 FLETCHER: Ms. Juracek?
2 JURACEK: Yes.
3 FLETCHER: Mr. Knox?
4 KNOX: Yes.
5 FLETCHER: Mr. McCoy?
6 MCCOY: Yes.
7 FLETCHER: Mr. Obernagel?
8 OBERNAGEL: Yes.
9 FLETCHER: Mr. Poole on the line?
10 POOLE: Yes.
11 FLETCHER: Ms. Smoots?
12 SMOOTS: Yes.
13 FLETCHER: And Mr. Zeller?
14 ZELLER: Yes.
15 FLETCHER: And Vice Chair Bronner?
16 CHAIRWOMAN BRONNER: Yes.
17 FLETCHER: Vice Chair, the motion carries.
18 CHAIRWOMAN BRONNER: Thank you.
19 And now Member Horne may reenter the
20 room, and Member Goetz will be terminating his
21 participation in the teleconference.
22 MEISTER: Yes.
23 CHAIRWOMAN BRONNER: The audio conference.
24 GOETZ: Right.

1 FLETCHER: Please note for record, Member Horne
 2 has re-entered the room and Member Goetz has
 3 terminated his participation via audio conference.

4 CHAIRWOMAN BRONNER: Mr. Frampton, let's
 5 proceed with Item No. 7.

6 FRAMPTON: Thank you, Madam Chairman.

7 Item 7, Northwestern Memorial
 8 Healthcare: Item 7 is a Resolution relating to the
 9 Series 2012 Bonds, Series 2014A Bonds, Series 2014B
 10 Bonds, and Series 2014C Bonds issued on behalf of
 11 Centegra Health System.

12 The Resolution authorizes the
 13 execution and delivery of any necessary amendments to
 14 the Bond Documents to enable Centegra Health System
 15 to pursue its affiliation with Northwestern Memorial
 16 Healthcare. The Resolution also authorizes the
 17 merger of CDH-Delnor Health System into Northwestern
 18 Memorial Healthcare and the transfer of assets from
 19 KishHealth System to Northwestern Memorial
 20 Healthcare.

21 Does any Member have any questions or

22 comments?

23 (No response.)

24 FRAMPTON: Okay. Next, Item 8, Silver Cross

1 Hospital and Medical Centers: Item 8 is a Resolution
 2 relating to the Series 2008 Bonds issued on behalf of
 3 Silver Cross Hospital and Medical Centers.

4 The Resolution authorizes the
 5 execution and delivery of any necessary amendments to
 6 the Bond Indenture and Loan Agreement to facilitate a
 7 call for optional redemption prior to maturity and
 8 purchase in lieu of redemption of the Bonds to
 9 facilitate a purchase of the Bonds by Barclays, allow
 10 the release of approximately \$8.66 million currently
 11 held in a debt service reserve fund, and enables
 12 Silver Cross to enter into a synthetic conversion of
 13 the Series 2008A Fixed Rate Bonds to a variable
 14 interest rate by entering into a total return swap
 15 agreement with Barclays.

16 Does any Member have any questions or

17 comments?

18 (No response.)

19 CHAIRWOMAN BRONNER: Hearing none, I would like
 20 to request a motion to pass and adopt the following
 21 New Business Items: No. 7 and 8.

22 Is there such a motion?

23 McCOY: So moved.

24 FUENTES: Second.

1 CHAIRWOMAN BRONNER: Will the Assistant
2 Secretary, please, call the roll?
3 FLETCHER: On the motion and second, I will
4 call the roll.
5
6 Mr. Fuentes?
7 FUENTES: Yes.
8 FLETCHER: Mr. Heller?
9 HELLER: Yes.
10 FLETCHER: Mr. Horne?
11 HORNE: 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: And Vice Chair Bronner?
3 CHAIRWOMAN BRONNER: Yes.
4 FLETCHER: Vice Chair, the motion carries.
5 CHAIRWOMAN BRONNER: Will Mr. Goetz be re- --
6 MEISTER: Yes. They're working --
7 CHAIRWOMAN BRONNER: -- returning?
8 MEISTER: -- on that right now.
9 CHAIRWOMAN BRONNER: Okay. Shall we wait
10 for --
11 MEISTER: Yes.
12 CHAIRWOMAN BRONNER: Okay. Thank you.
13 We'll momentarily await Mr. -- Member
14 Goetz's rejoining the audio conference.
15 (Brief pause.)
16 FLETCHER: Hello, did someone just join?
17 GOETZ: Yeah, this is Mike.
18 FLETCHER: Please note for the record, Member
19 Goetz has rejoined the audio conference. We will now
20 consider items under the General Consent.
21 CHAIRWOMAN BRONNER: Thank you.
22 Mr. Frampton, Item No. 1.
23 FRAMPTON: Thank you, Madam Chairman.
24 Item 1, School District Number 73,

1 Cook County, East Prairie.
2 Item 1 is a Local Government Revenue
3 Bond request. Staff requests your one-time Final
4 Bond Resolution approval for School District No. 73,
5 Cook County, East Prairie, in an amount not-to-exceed
6 \$38,090,000. Bond proceeds will be used to purchase
7 General Obligation School Bonds, Series 2018, issued
8 by the District, in order to build and equip a new,
9 124,000-square-foot school, replacing the District's
10 sole elementary school located in Skokie.
11 The District is rated A1/Stable by
12 Moody's, and the Bonds are expected to be rated AA by
13 S&P based on bond insurance that will be provided by
14 Build America Mutual Assurance Company. The Bonds
15 will benefit from being both federally tax-exempt and
16 state tax-exempt for Illinois bondholders. The Bonds
17 are being underwritten by Raymond James & Associates.
18 I would like to note that as this is a
19 conduit project, the Members are considering approval
20 of the Resolution and the not-to-exceed amount
21 contained therein.
22 Does any Member have any questions or
23 comments?
24 CHAIRWOMAN BRONNER: I actually just have one

1 brief comment, which is I grew up in Skokie and I
2 happened to be there last evening, and I drove by
3 East Prairie School and was pleasantly surprised to
4 see how beau- -- all the work that's already underway
5 there and how beautiful it's going to be, and the
6 fact that they are actually able to build another
7 school --
8 FLETCHER: Right.
9 CHAIRWOMAN BRONNER: -- concurrently with
10 another physical structure still being there. So I
11 just --
12 FLETCHER: Right. They're building on the
13 parking lot.
14 CHAIRWOMAN BRONNER: It's amazing. So it
15 was -- I've witnessed the progress.
16 FLETCHER: Move on to 4.
17 FRAMPTON: Okay. Next, we're moving to Item 4,
18 Chicago Academy of Sciences.
19 Item 4 is a Resolution authorizing the
20 execution and delivery of a First Amendment to the
21 Bond and Loan Agreement and approving related
22 documents for the Series 2013 Bond issued on behalf
23 of the Chicago Academy of Sciences.
24 This will enable the Borrower to amend

1 certain interest rate provisions, lowering the
2 effective rate and extending the initial term with
3 PNC Bank to December 31, 2021.
4 Does any Member have any questions or
5 comments?
6 (No response.)
7 FRAMPTON: Next, Item 5, The Thresholds: Item 5
8 is a Resolution authorizing the execution and
9 delivery of a First Amendment and Restated Indenture
10 of Trust and approving related documents for the
11 Series 2005 Bonds issued on behalf of the Thresholds.
12 This will enable the Borrower to amend
13 certain interest rate provisions, lowering the
14 effective rate and extending the term with MB
15 Financial Bank to July 5, 2028.
16 Does any Member have any questions or
17 comments?
18 (No response.)
19 FRAMPTON: Okay. Next, we'll move on to
20 Item 9, a Temporary Delegation of Power on Behalf of
21 the Executive Director: Item 9 is a Resolution
22 delegating to the Treasurer of the Authority power to
23 execute certain documents in the Executive Director's
24 stead. This delegation is temporary, for a period of

1 approximately three and a half weeks, and is
2 effective only in the event the Executive Director is
3 unavailable.
4 Does any Member have any questions or
5 comments?
6 (No response.)
7 FRAMPTON: Next, Item 11: Personnel
8 Recommendations: Item 11 is a Resolution adopting the
9 Fiscal Year 2019 Personnel Recommendations of the
10 Governance, Personnel, Legislation, and Ethics
11 Committee, retroactive to July 1, 2018. These
12 recommendations are located in the left-hand pocket
13 of your red folders.
14 MEISTER: And if I may, Rich, based on the
15 discussions as adopted by the Governance Committee,
16 there's a handwritten note or adjustment on the
17 package in your red folders, and that is -- that is
18 what was adopted by the Governance Committee.
19 FRAMPTON: Okay. Does any member have any
20 questions or comments?
21 (No response.)
22 CHAIRWOMAN BRONNER: Hearing none, thank you,
23 Mr. Frampton.
24 I would like to request a motion to

1 pass and adopt the following New Business Items:
2 Items 1, 4, 5, 9 and 11.
3 Is there such a motion?
4 HORNE: So moved.
5 FUENTES: Second.
6 CHAIRWOMAN BRONNER: Will the Assistant
7 Secretary, please, call the roll?
8 FLETCHER: On the motion and second, I'll call
9 the roll.
10 Mr. Fuentes?
11 FUENTES: Yes.
12 FLETCHER: Mr. Goetz on the line?
13 GOETZ: Yes.
14 FLETCHER: Mr. Heller?
15 HELLER: Yes.
16 FLETCHER: Mr. Horne?
17 HORNE: Yes.
18 FLETCHER: Ms. Juracek?
19 JURACEK: Yes.
20 FLETCHER: Mr. Knox?
21 KNOX: Yes.
22 FLETCHER: Mr. McCoy?
23 MCCOY: Yes.
24 FLETCHER: Mr. Obernagel?

1 OBERNAGEL: Yes.
2 FLETCHER: Mr. Poole on the line?
3 POOLE: Yes.
4 FLETCHER: Ms. Smoots?
5 SMOOTS: Yes.
6 FLETCHER: Mr. Zeller?
7 ZELLER: Yes.
8 FLETCHER: And Vice Chair Bronner?
9 CHAIRWOMAN BRONNER: Yes.
10 FLETCHER: Vice Chair, the motion carries.
11 CHAIRWOMAN BRONNER: Thank you very much.
12 We will move on to Item No. 8,
13 Presentation and Consideration of Financial Reports.
14 Ms. Granda?
15 GRANDA: Good morning, everyone. I will be
16 presenting the financial information for period --
17 period ending June 30, 2018.
18 The financial information presented
19 today is preliminary, unaudited, and subject to
20 change.
21 June 30 is our fiscal year end, and
22 minor adjustments will be made once all of the
23 accounts are reconciled. The final June 30, 2018,
24 balances will be discussed in our August Board

1 Meeting. The financial statements are located in
2 your red folders.

3 The financial highlights for the
4 General Operating Fund is as follows: Our total
5 revenues equals \$4.8 million and are \$806,000, or 21
6 percent higher than budget. This is due to higher
7 closing and administrative fees in November and
8 December.

9 In June --
10 MEISTER: Excuse me. Six, Brad, Member
11 Obernagel needs to leave, if you can note that.

12 FLETCHER: Please note for the record that
13 Member Obernagel has terminated his participation
14 and exited the room.

15 GRANDA: Okay. Moving on.

16 In June, the Authority generated
17 \$54,000 in closing fees, which is lower than the
18 monthly budgeted amount of \$241,000.

19 Our total annual expenses equals \$3.8
20 million and are \$222,000, or 5 -- 5.6 percent, lower
21 than budget, which was mostly driven by a reduction
22 in spending on employee-related expenses and on
23 depreciation expense.

24 In June, the Authority recorded

1 operating expenses of \$427,000, which was higher than
2 the monthly budgeted amount of \$309,000. The
3 increase was due to a higher than expected legal fees
4 as a result of the Freedom of Information Act
5 requests.

6 Our total monthly net loss is
7 \$215,000, which was offset by a cash transfer form
8 from -- that terminated Intermediary Relending
9 Program and the Renewable Energy Development Fund.
10 That total transfers were \$1.9 million.

11 Our total annual net income is \$2.9
12 million. The major driver of the positive bottom
13 line is due to the compressed bond project closing
14 activity in November and December and the cash
15 transfers from the terminated Intermediary Relending
16 Program and the Renewable Energy Development Fund,
17 mentioned before. And also -- and is also due to the
18 lower than expected expenses, which were 5.6 lower
19 than budget.

20 Our General Fund continues to maintain
21 a strong balance sheet, with a total net position of
22 \$59.5 million and unrestricted cash and investments
23 of about \$45.8 million.

24 Is there any question on the financial

1 highlights?
2 (No response.)
3 GRANDA: Well, hearing none, just moving a
4 little bit on from the financial to our Audit, the
5 Phase I of the fieldwork for the financial audit
6 FY 18 ended in June 29 of 2018. The external
7 auditors will be back in September 4 for the second
8 phase of the fieldwork.
9 As far as our internal auditors, they
10 have provided a two-year audit plan that will take us
11 through Fiscal Year 2020.
12 Is there any questions?
13 (No response.)
14 CHAIRWOMAN BRONNER: Great. Thank you,
15 Ms. Granda.
16 Hearing none, I would like to request
17 a motion to accept the Financial Reports.
18 Is there such a motion.
19 JURACEK: So moved.
20 KNOX: Second.
21 CHAIRWOMAN BRONNER: All those in favor?
22 (Chorus of ayes.)
23 CHAIRWOMAN BRONNER: Opposed?
24 (No response.)

1 CHAIRWOMAN BRONNER: Thank you, on the phone.
2 The ayes have it.
3 Now for the Monthly Procurement
4 Report.
5 Mr. Franzen?
6 FRANZEN: Good morning, Madam Chairman and
7 Members of the Board.
8 The staff is working on the RFP for
9 Financial Advisory Services. The item's on page 1 of
10 the Procurement Report. They support the Authority
11 operations, and the remainder of the report includes
12 expiring projects for this calendar year.
13 Are there any questions?
14 (No response.)
15 FRANZEN: Thank you.
16 CHAIRWOMAN BRONNER: Great. Thank you very
17 much.
18 Moving on to Item No. 10, Correction
19 and Approval of the Minutes, does anyone wish to make
20 any additions, edits or corrections to the Minutes
21 from June 12th, 2018?
22 (No response.)
23 CHAIRWOMAN BRONNER: Hearing none, I would like
24 to request a motion to approve the Minutes.

1 Is there such a motion? (No response.)

2 MCCOY: So moved. CHAIRWOMAN BRONNER: Hearing none, I'd like to

3 JURACEK: Second. announce that the next regularly scheduled meeting

4 CHAIRWOMAN BRONNER: All those in favor? will be August 14th, 2018. I'd also like to request

5 (Chorus of ayes.) a motion to adjourn.

6 CHAIRWOMAN BRONNER: Opposed? Opposed? Is there such a motion.

7 (No response.) ZELLER: So moved.

8 CHAIRWOMAN BRONNER: The ayes have it. MCCOY: Second.

9 Other Business: Is there any other CHAIRWOMAN BRONNER: All those in favor?

10 business to come before the Members? (Chorus of ayes.)

11 (No response.) CHAIRWOMAN BRONNER: Opposed?

12 CHAIRWOMAN BRONNER: Hearing none, I'd like to (No response.)

13 request a motion to excuse the absences of Members CHAIRWOMAN BRONNER: The ayes have it. The

14 unable to participate today. meeting is adjourned.

15 Is there such a motion? Thank you, all.

16 FUENTES: So moved. FLETCHER: The time is 10:22 a.m.

17 HORNE: Second. (Whereupon the above

18 CHAIRWOMAN BRONNER: All those in favor? matter was adjourned)

19 (Chorus of ayes.)

20 CHAIRWOMAN BRONNER: Opposed?

21 (No response.)

22 CHAIRWOMAN BRONNER: The ayes have it.

23 Closed Session, Item No. 12. Is there

24 any matter for discussion in Closed Session?

ILLINOIS FINANCE AUTHORITY
VOICE VOTE
APPROVAL OF REQUEST TO PARTICIPATE VIA AUDIO CONFERENCE
ADOPTED

July 10, 2018

10 YEAS

0 NAYS

0 PRESENT

Y	Bronner	Y	Juracek	NV	Poole (via audio conference)
Y	Fuentes	Y	Knox	Y	Smoots
NV	Goetz (via audio conference)	Y	McCoy	Y	Zeller
Y	Heller	Y	Obernagel	E	Mr. Chairman
Y	Horne	E	O'Brien		

E – Denotes Excused Absence

ILLINOIS FINANCE AUTHORITY
VOICE VOTE
JULY 10, 2018 AGENDA OF THE REGULAR MEETING OF THE MEMBERS
ADOPTED

July 10, 2018

12 YEAS

0 NAYS

0 PRESENT

Y	Bronner	Y	Juracek	Y	Poole (via audio conference)
Y	Fuentes	Y	Knox	Y	Smoots
Y	Goetz (via audio conference)	Y	McCoy	Y	Zeller
Y	Heller	Y	Obernagel	E	Mr. Chairman
Y	Horne	E	O'Brien		

E – Denotes Excused Absence

ILLINOIS FINANCE AUTHORITY
 ROLL CALL
 RESOLUTION 2018-0612-TE01
 LOCAL GOVERNMENT REVENUE BOND – SCHOOL DISTRICT NUMBER 73, COOK
 COUNTY (EAST PRAIRIE)
 FINAL (ONE-TIME CONSIDERATION)
 PASSED*

July 10, 2018

12 YEAS

0 NAYS

0 PRESENT

Y	Bronner	Y	Juracek	Y	Poole (via audio conference)
Y	Fuentes	Y	Knox	Y	Smoots
Y	Goetz (via audio conference)	Y	McCoy	Y	Zeller
Y	Heller	Y	Obernagel	E	Mr. Chairman
Y	Horne	E	O'Brien		

* – Consent Agenda

E – Denotes Excused Absence

ILLINOIS FINANCE AUTHORITY
 ROLL CALL
 RESOLUTION 2018-0710-DA02
 PARTICIPATION LOAN – PHOENIX TILE DISTRIBUTORS, INC.
 FINAL (ONE-TIME CONSIDERATION)
 PASSED

July 10, 2018

11 YEAS

1 NAY

0 PRESENT

Y	Bronner	Y	Juracek	Y	Poole (via audio conference)
Y	Fuentes	Y	Knox	Y	Smoots
Y	Goetz (via audio conference)	Y	McCoy	Y	Zeller
Y	Heller	Y	Obernagel	E	Mr. Chairman
N	Horne	E	O'Brien		

E – Denotes Excused Absence

ILLINOIS FINANCE AUTHORITY
 ROLL CALL
 RESOLUTION 2018-0710-DA03
 TAXABLE CONDUIT REVENUE BONDS – 2020 BUCKEYE, LLC
 FINAL (ONE-TIME CONSIDERATION)
 PASSED

July 10, 2018

11 YEAS

0 NAYS

0 PRESENT

Y	Bronner	Y	Juracek	Y	Poole (via audio conference)
Y	Fuentes	Y	Knox	Y	Smoots
Y	Goetz (via audio conference)	Y	McCoy	Y	Zeller
Y	Heller	Y	Obernagel	E	Mr. Chairman
NV	Horne	E	O'Brien		

E – Denotes Excused Absence

ILLINOIS FINANCE AUTHORITY
 ROLL CALL
 RESOLUTION 2018-0710-TE04
 RESOLUTION AUTHORIZING AND APPROVING THE EXECUTION AND DELIVERY OF
 A FIRST AMENDMENT TO THE BOND AND LOAN AGREEMENT DATED AS OF
 JANUARY 1, 2013 WITH THE CHICAGO ACADEMY OF SCIENCES AND APPROVING
 THE EXECUTION OF AN AMENDED BOND AND CERTAIN OTHER AGREEMENTS
 RELATING THERETO; AND RELATED MATTERS
 ADOPTED*

July 10, 2018

12 YEAS

0 NAYS

0 PRESENT

Y	Bronner	Y	Juracek	Y	Poole (via audio conference)
Y	Fuentes	Y	Knox	Y	Smoots
Y	Goetz (via audio conference)	Y	McCoy	Y	Zeller
Y	Heller	Y	Obernagel	E	Mr. Chairman
Y	Horne	E	O'Brien		

* – Consent Agenda

E – Denotes Excused Absence

ILLINOIS FINANCE AUTHORITY

ROLL CALL

RESOLUTION 2018-0710-TE05

A RESOLUTION AUTHORIZING THE EXECUTION AND DELIVERY OF A FIRST AMENDMENT TO AMENDED AND RESTATED INDENTURE OF TRUST RELATING TO \$8,000,000 ORIGINAL PRINCIPAL AMOUNT OF ADJUSTABLE RATE DEMAND REVENUE BONDS, SERIES 2005 (THE THRESHOLDS PROJECT) OF THE ILLINOIS FINANCE AUTHORITY WHICH AMENDMENTS HAVE BEEN REQUESTED BY THE BORROWER AND THE PURCHASER; AND RELATED MATTERS
ADOPTED*

July 10, 2018

12 YEAS

0 NAYS

0 PRESENT

Y	Bronner	Y	Juracek	Y	Poole (via audio conference)
Y	Fuentes	Y	Knox	Y	Smoots
Y	Goetz (via audio conference)	Y	McCoy	Y	Zeller
Y	Heller	Y	Obernagel	E	Mr. Chairman
Y	Horne	E	O'Brien		

* – Consent Agenda

E – Denotes Excused Absence

ILLINOIS FINANCE AUTHORITY
 ROLL CALL
 RESOLUTION 2018-0710-TE06
 RESOLUTION AUTHORIZING AN AMENDMENT TO THE BOND TRUST INDENTURE
 RELATING TO THE ILLINOIS FINANCE AUTHORITY REVENUE BONDS, SERIES 2015
 (LITTLE COMPANY OF MARY HOSPITAL AND HEALTH CENTERS), THE PROCEEDS
 OF WHICH WERE LOANED TO LITTLE COMPANY OF MARY HOSPITAL AND
 HEALTH CARE CENTERS
 FINAL (ONE-TIME CONSIDERATION)
 ADOPTED

July 10, 2018

11 YEAS

0 NAYS

0 PRESENT

Y	Bronner	Y	Juracek	Y	Poole (via audio conference)
Y	Fuentes	Y	Knox	Y	Smoots
Y	Goetz (via audio conference)	Y	McCoy	Y	Zeller
Y	Heller	Y	Obernagel	E	Mr. Chairman
NV	Horne	E	O'Brien		

E – Denotes Excused Absence

ILLINOIS FINANCE AUTHORITY

ROLL CALL

RESOLUTION 2018-0710-TE07

RESOLUTION AUTHORIZING ACTIONS WITH RESPECT TO CERTAIN OUTSTANDING
ILLINOIS FINANCE AUTHORITY BONDS ISSUED FOR THE BENEFIT OF CENTEGRA
HEALTH SYSTEM TO ASSIST WITH AFFILIATION OF NORTHWESTERN MEMORIAL
HEALTHCARE AND CENTEGRA HEALTH SYSTEM AND FOR THE REORGANIZATION
OF CERTAIN NMHC AFFILIATES
ADOPTED

July 10, 2018

11 YEAS

0 NAYS

0 PRESENT

Y	Bronner	Y	Juracek	Y	Poole (via audio conference)
Y	Fuentes	Y	Knox	Y	Smoots
NV	Goetz (via audio conference)	Y	McCoy	Y	Zeller
Y	Heller	Y	Obernagel	E	Mr. Chairman
Y	Horne	E	O'Brien		

E – Denotes Excused Absence

ILLINOIS FINANCE AUTHORITY
 ROLL CALL
 RESOLUTION 2018-0710-TE08
 RESOLUTION AUTHORIZING THE AMENDMENT OF THE BOND TRUST INDENTURE
 RELATING TO THE \$86,660,000 ILLINOIS FINANCE AUTHORITY REVENUE
 REFUNDING BONDS, SERIES 2008A (SILVER CROSS HOSPITAL AND MEDICAL
 CENTERS) AND APPROVING RELATED MATTERS
 ADOPTED

July 10, 2018

11 YEAS

0 NAYS

0 PRESENT

Y	Bronner	Y	Juracek	Y	Poole (via audio conference)
Y	Fuentes	Y	Knox	Y	Smoots
NV	Goetz (via audio conference)	Y	McCoy	Y	Zeller
Y	Heller	Y	Obernagel	E	Mr. Chairman
Y	Horne	E	O'Brien		

E – Denotes Excused Absence

ILLINOIS FINANCE AUTHORITY
 ROLL CALL
 RESOLUTION 2018-0710-GP09
 RESOLUTION REGARDING TEMPORARY DELEGATION OF
 POWER TO ACT ON BEHALF OF EXECUTIVE DIRECTOR DURING ABSENCE
 ADOPTED*

July 10, 2018

12 YEAS

0 NAYS

0 PRESENT

Y	Bronner	Y	Juracek	Y	Poole (via audio conference)
Y	Fuentes	Y	Knox	Y	Smoots
Y	Goetz (via audio conference)	Y	McCoy	Y	Zeller
Y	Heller	Y	Obernagel	E	Mr. Chairman
Y	Horne	E	O'Brien		

* – Consent Agenda

E – Denotes Excused Absence

ILLINOIS FINANCE AUTHORITY
 ROLL CALL
 RESOLUTION 2018-0710-GP10
 RESOLUTION FOR THE ELECTION OF A VICE CHAIR OF THE ILLINOIS FINANCE
 AUTHORITY
 ADOPTED

July 10, 2018

11 YEAS

0 NAYS

0 PRESENT

A	Bronner	Y	Juracek	Y	Poole (via audio conference)
Y	Fuentes	Y	Knox	Y	Smoots
Y	Goetz (via audio conference)	Y	McCoy	Y	Zeller
Y	Heller	Y	Obernagel	E	Mr. Chairman
Y	Horne	E	O'Brien		

E – Denotes Excused Absence

ILLINOIS FINANCE AUTHORITY
 ROLL CALL
 RESOLUTION 2018-0710-GP11
 RESOLUTION ADOPTING THE FISCAL YEAR 2019 PERSONNEL RECOMMENDATIONS
 OF THE GOVERNANCE, PERSONNEL, LEGISLATION AND ETHICS COMMITTEE OF
 THE ILLINOIS FINANCE AUTHORITY
 ADOPTED*

July 10, 2018

12 YEAS

0 NAYS

0 PRESENT

Y	Bronner	Y	Juracek	Y	Poole (via audio conference)
Y	Fuentes	Y	Knox	Y	Smoots
Y	Goetz (via audio conference)	Y	McCoy	Y	Zeller
Y	Heller	Y	Obernagel	E	Mr. Chairman
Y	Horne	E	O'Brien		

* – Consent Agenda

E – Denotes Excused Absence

ILLINOIS FINANCE AUTHORITY
VOICE VOTE
FINANCIAL REPORTS
ACCEPTED

July 10, 2018

11 YEAS

0 NAYS

0 PRESENT

Y	Bronner	Y	Juracek	Y	Poole (via audio conference)
Y	Fuentes	Y	Knox	Y	Smoots
Y	Goetz (via audio conference)	Y	McCoy	Y	Zeller
Y	Heller	NV	Obernagel	E	Mr. Chairman
Y	Horne	E	O'Brien		

E – Denotes Excused Absence

ILLINOIS FINANCE AUTHORITY
VOICE VOTE
JUNE 12, 2018 MINUTES OF REGULAR MEETING OF THE MEMBERS
ADOPTED

July 10, 2018

11 YEAS

0 NAYS

0 PRESENT

Y	Bronner	Y	Juracek	Y	Poole (via audio conference)
Y	Fuentes	Y	Knox	Y	Smoots
Y	Goetz (via audio conference)	Y	McCoy	Y	Zeller
Y	Heller	NV	Obernagel	E	Mr. Chairman
Y	Horne	E	O'Brien		

E – Denotes Excused Absence