

1 ILLINOIS FINANCE AUTHORITY
2 SPECIAL MEETING OF THE Members
3 September 10, 2019, at 9:35 a.m.

4 REPORT OF PROCEEDINGS had at the Regular
5 Meeting of the Illinois Finance Authority on
6 September 10, 2019, at the hour of 9:30 a.m.,
7 pursuant to notice, at 160 North LaSalle Street,
8 Suite S-1000, Chicago, Illinois.

9 APPEARANCES:

10 CHAIRMAN ERIC ANDERBERG

MR. MIKE GOETZ

11 MR. WILLIAM HOBERT

MR. LERRY KNOX

12 MR. E. LYLE McCOY

MS. ROXANNE NAVA

13 MR. GEORGE OBERNAGEL

MR. TERRENCE M. O'BRIEN

14 MR. ROGER E. POOLE

MS. BETH SMOOTS

15 MR. RANDAL WEXLER

MR. BRADLEY A. ZELLER

16 ILLINOIS FINANCE AUTHORITY STAFF MEMBERS

17 MR. CHRISTOPHER B. MEISTER, Executive Director

MR. BRAD FLETCHER, Vice President C-PACE

18 MR. RYAN OECHSLER, Deputy General Counsel

MR. CRAIG HOLLOWAY, Procurement

19 MS. XIMENA GRANDA, Manager, Finance and Administration

MS. ELIZABETH WEBER, General Counsel and Legal

20 Adviser to the Board

21 MS. SARA PERUGINI, Vice President, Healthcare

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1 CHAIRMAN ANDERBERG: Good morning, everybody.

2 I would like to call the meeting to order. Will the

3 Assistant Secretary please call the roll?

4 FLETCHER: Certainly. The time is 9:35 a.m. I

5 will call the roll of members physically present

6 first. Mr. Goetz.

7 GOETZ: Here.

8 FLETCHER: Mr. Hobert.

9 HOBERT: Here.

10 FLETCHER: Mr. Knox.

11 KNOX: Here.

12 FLETCHER: Mr. McCoy.

13 MCCOY: Here.

14 FLETCHER: Ms. Nava.

15 NAVA: Here.

16 FLETCHER: Mr. Obernagel.

17 OBERNAGEL: Here.

18 FLETCHER: Mr. O'Brien.

19 O'BRIEN: Here.

20 FLETCHER: Mr. Poole.

21 POOLE: Yes.

22 FLETCHER: Ms. Smoots.

23 SMOOTS: Here.

24 FLETCHER: Mr. Wexler.

1 WEXLER: Here.

2 FLETCHER: Mr. Zeller.

3 ZELLER: Here.

4 FLETCHER: And Mr. Chairman.

5 CHAIRMAN ANDERBERG: Here.

6 FLETCHER: Mr. Chairman, a quorum of the
7 members physically in the room has been constituted.

8 At this time I believe no members have
9 attended via audio conference or called in.

10 CHAIRMAN ANDERBERG: Very good. Thank you.
11 We'll move to the agenda. Approval of the agenda.
12 Does anyone wish to make any additions, edits, or
13 corrections to today's agenda?

14 (No response.)

15 Hearing none, I would like to request
16 a motion to approve the agenda. Is there such a
17 motion?

18 GOETZ: So moved.

19 OBERNAGEL: Second, Mr. Chairman.

20 CHAIRMAN ANDERBERG: Motion by Mr. Goetz, a
21 second by Mr. Obernagel. All those in favor.

22 (Chorus of ayes.)

23 Opposed.

24 (No response.)

1 The ayes have it.

2 Is there any public comment for the
3 members this morning?

4 (No response.)

5 Hearing none, we'll skip right to
6 Executive Director Meister.

7 MEISTER: Thank you, Mr. Chairman. We would
8 like to welcome Washington and Jane Smith Community,
9 a conduit borrower that has been a regular borrower
10 of the Authority, a senior living facility in
11 Chicago's Beverly neighborhood on the southwest side.
12 We also have some interesting developments on
13 Property Assessed Clean Energy financing.

14 Under Other Business, we are going to
15 have three of our colleagues speak to some matters.
16 Six Granda is going to provide a summary, in addition
17 to Audit Chairman Goetz, on developments with respect
18 to internal and external audit.

19 Lisa Bonnett is going to provide the
20 members and the stakeholders with some updates on
21 water financing that we are very excited about, and
22 Ryan Oechsler is going to provide an update for the
23 members and the stakeholders on a pilot program that
24 we have with some balance sheet loans to medical

1 students who have the DACA immigration status.

2 CHAIRMAN ANDERBERG: Thank you, Chris.

3 Committee reports, Member Knox.

4 KNOX: The Direct and Alternative Finance
5 Committee met earlier this morning and voted to
6 recommend for approval the following New Business
7 Items on today's agenda:

8 (i), Vine Academy, LLC, and, (ii), a
9 resolution for J and L Food Services, Incorporated,
10 and Venue West, LLC.

11 GOETZ: Should I give my report?

12 CHAIRMAN ANDERBERG: Yes.

13 GOETZ: The Audit, Budget, Finance, Investment,
14 and Procurement Committee met earlier this morning.
15 We were briefed on a matter regarding our current
16 internal audit arrangement. We have a full-time
17 program of internal audit, which was established
18 pursuant to an intergovernmental agreement with our
19 sister agency, the Department of Central Management
20 Services.

21 Our internal audit program has been
22 very successful. We completed eight internal audits
23 as of July of this year, and two more internal audits
24 are nearing completion. Today, the Committee was

1 briefed on a recent Attorney General opinion with
2 statewide impact that may have implications for the
3 internal audit function. Attorney General opinions
4 are generally considered authoritative throughout the
5 state. Staff will continue to keep us advised of
6 developments and any plans to address this issue.

7 CHAIRMAN ANDERBERG: Thank you, Mike.

8 MCCOY: Mr. Chairman, the Conduit Financing
9 Committee did not meet today. I was provided with
10 the Committee materials and determined that it would
11 be best to allow those materials to proceed straight
12 to the Board, in light of the matters in front of the
13 Audit Plus and Direct and Alternative Committees.

14 CHAIRMAN ANDERBERG: Thank you. All right. I
15 would like to ask for the general consent of the
16 Members to consider the New Business Items
17 collectively and to have the subsequent recorded vote
18 applied to each respective, individual item, unless
19 there are any New Business Items that a Member would
20 like to consider separately.

21 (No response.)

22 Okay. Hearing none, we'll proceed.

23 MS. PERUGINI: Good morning. At this time I
24 would like to note that for each conduit new business

1 item presented on today's agenda, including Item 1,
2 the Members are considering approval only of the
3 resolution and the not-to-exceed amount contained
4 therein.

5 Item 1, Washington and Jane Smith
6 Community - Beverly, doing business as Smith Village.
7 Item No. 1 is a 501(c)(3) Bond request. Staff
8 requests approval of a Final Bond Resolution for
9 Washington and Jane Smith Community - Beverly, doing
10 business as Smith Village in an amount not-to-exceed
11 \$54 million.

12 Bond Proceeds will be used by the
13 Borrower to pay or reimburse the Borrower for the
14 costs of constructing, renovating, remodeling, and
15 equipping certain facilities of the Borrower, refund
16 all or a portion of the Series 2016 Bonds previously
17 issued by the Authority on behalf of the Borrower,
18 pay certain expenses in connection with the
19 refunding, and pay a portion of the interest on the
20 Series 2019 bonds, provide working capital, and/or
21 establish a debt service reserve fund, if deemed
22 necessary or desirable.

23 The Series 2019 Bonds will be issued
24 in one or more series and will be purchased by First

1 Midwest Bank and Huntington Bank. The Series 2019
2 Bonds will be issued as floating rate debt and will
3 be swapped to provide the Borrower with synthetic
4 fixed rate debt.

5 Does any Member have any questions or
6 comments?

7 (No response.)

8 Item No. 2, Inland Green Trust. Item
9 2 is a Property Assessed Clean Energy, or PACE, Bond
10 Resolution authorizing the issuance from time to time
11 of one or more series and/or subseries of PACE Bonds
12 to be purchased by Inland Green Trust in an aggregate
13 amount not to exceed \$100 million for a period of
14 three years.

15 PACE Bonds issued by the Authority and
16 purchased by Inland Green Trust will finance or
17 refinance alternative energy, energy efficiency,
18 renewable energy, resiliency, and/or water use
19 improvement projects on commercial properties in PACE
20 areas located throughout the State, subject to the
21 stated interest rate and maturity limitations of this
22 PACE Bond Resolution.

23 Does any Member have any questions or
24 comments?

1 (No response).

2 Item 3, SFA Partners, LLC.

3 Item 3 is a PACE Bond Resolution
4 authorizing the issuance from time to time of one or
5 more series and/or subseries of PACE Bonds to be
6 purchased by SFA Partners, LLC, in an aggregate
7 amount not to exceed \$100 million for a period of
8 three years.

9 PACE Bonds issued by the Authority and
10 purchased by SFA Partners, LLC, will finance or
11 refinance alternative energy, energy efficiency,
12 renewable energy, resiliency, and/or water use
13 improvement projects on commercial property in PACE
14 areas located throughout the State, subject to the
15 stated interest rate and maturity limitations of this
16 PACE Bond Resolution.

17 Does any Member have any questions or
18 comments?

19 (No response.)

20 Item 4, Clean Fund Titling Trust.

21 Item 4 is a PACE Bond Resolution
22 authorizing the issuance from time to time of one or
23 more series and/or subseries of PACE bonds to be
24 purchased by Clean Fund Titling Trust in an aggregate

1 amount not to exceed \$100 million for a period of
2 three years.

3 PACE Bonds issued by the Authority and
4 purchased by Clean Fund Titling Trust will finance or
5 refinance alternative energy, energy efficiency,
6 renewable energy, resiliency, and/or water use
7 improvement projects on commercial properties in PACE
8 areas located throughout the State, subject to the
9 stated interest rate and maturity limitations of this
10 PACE Bond Resolution.

11 Does any Member have any questions or
12 comments?

13 (No response.)

14 Item No. 5, Vine Academy, LLC.

15 Item 5 is a Participation Loan
16 request. Staff requests your one-time final
17 resolution approval for Vine Academy, LLC, in the
18 maximum loan participation amount of \$200,000. Loan
19 proceeds will be used by the borrower to finance a
20 portion of the cost of leasehold improvements to a
21 K-12 academic and office space located in Burr Ridge,
22 Illinois.

23 The Authority's participation is equal
24 to 50 percent of a \$400,000 loan being originated by

1 Wintrust Bank and is equal to approximately
2 43.7 percent of the total project cost of \$458,000.
3 The borrower is requesting a waiver of the standard
4 40 percent limitation of Authority participation as a
5 percentage of total project cost.

6 Does any Member have any questions or
7 comments?

8 (No response.)

9 Item 6, Resolution for Robert Morris
10 University.

11 Item 6 is a resolution authorizing the
12 execution and delivery of documents in connection
13 with the pledge of additional collateral by Robert
14 Morris University to the trustee relating to the
15 Series 2000 Bonds previously issued by the Authority
16 on behalf of the University.

17 In exchange for funding a debt service
18 reserve fund and pledging certain mortgages related
19 to three of the University's facilities, National
20 Public Finance Guarantee Corporation, which
21 administers the insurance policy on the Series
22 2000 Bonds, is waiving a financial covenant breach
23 related to the University's Unrestricted Net Assets
24 as of June 30th.

1 execution of documents in connection with a cash
2 defeasance of the Series 2013 Bonds previously issued
3 by the Authority on behalf of Peace Village. The
4 defeasance will be funded by a taxable bank loan.

5 Does any Member have any questions or
6 comments?

7 (No response.)

8 Item 8, Resolution Concerning the
9 Administration of IFA PACE Bond Issues.

10 Item 8 is a resolution delegating to
11 certain authorized officers the authority to execute
12 and deliver certain documents in connection with
13 capital providers' interim financing of PACE projects
14 secured by one or more assessment contracts in
15 anticipation of the issuance of PACE bonds.

16 Does any Member have any questions or
17 comments?

18 (No response.)

19 Item 9, Resolution for J and L Food
20 Services, Incorporated, and Venue West LLC.

21 Item 9 is a resolution for J and L
22 Food Services, Incorporated, and Venue West, LLC, as
23 co-borrowers. In June 2018, the Members approved the
24 making of a participation loan to these borrowers,

1 with MB Financial Bank, N.A., as the participating
2 bank, pursuant to a master participation agreement.
3 Before the Authority's participation could close, MB
4 Financial merged into Fifth Third Bank.

5 This resolution consents to the
6 assignment of the master participation agreement from
7 MB Financial to Fifth Third and approves the making
8 of the participation loan to the borrowers with Fifth
9 Third as the participating bank in the transaction.

10 Does any Member have any questions or
11 comments?

12 (No response.)

13 CHAIRMAN ANDERBERG: Thank you, Sara. I would
14 like to request a motion to pass the following New
15 Business Items: Items 1, 2, 3, 4, 5, 6, 7, 8 and 9.
16 Is there such a motion?

17 GOETZ: So moved.

18 CHAIRMAN ANDERBERG: Motion by Mr. Goetz. A
19 second?

20 MR. McCOY: Second.

21 CHAIRMAN ANDERBERG: Second by McCoy.

22 Will the Assistant Secretary please
23 call roll.

24 FLETCHER: On the motion and second, I'll call

1 the roll. Mr. Goetz.
2 GOETZ: Yes.
3 FLETCHER: Mr. Hobert.
4 HOBERT: Yes.
5 FLETCHER: Mr. Knox.
6 KNOX: Yes.
7 FLETCHER: Mr. McCoy.
8 McCOY: Yes.
9 FLETCHER: Ms. Nava.
10 NAVA: Yes.
11 FLETCHER: Mr. Obernagel.
12 OBERNAGEL: Yes.
13 FLETCHER: Mr. O'Brien.
14 O'BRIEN: Yes.
15 FLETCHER: Mr. Poole.
16 POOLE: Yes.
17 FLETCHER: Ms. Smoots.
18 SMOOTS: Yes.
19 FLETCHER: Mr. Wexler.
20 WEXLER: Yes.
21 FLETCHER: Mr. Zeller.
22 ZELLER: Yes.
23 FLETCHER: And Mr. Chairman.
24 ANDERBERG: Yes.

1 FLETCHER: Mr. Chairman, the motion carries.

2 CHAIRMAN ANDERBERG: Thank you. Financial
3 reports.

4 GRANDA: Good morning everyone. The financial
5 information for August 31, 2019, is as follows: Our
6 total annual operating revenues are \$359,000 and are
7 \$276,000 below budget. The total annual nonoperating
8 revenues are \$227,000 and are \$62,000 higher than
9 budget. This brings our total revenues to \$586,000
10 and are \$213,000 below budget. This is primarily due
11 to lower than expected closing fees.

12 In August the Authority recorded
13 closing fees of \$128,000, which was lower than the
14 monthly budgeted amount of \$218,000. The Authority
15 recorded \$17,000 in application fees in August. Out
16 of those total application fees, the Authority posted
17 \$16,000 as a result of processing 20 fire truck
18 revolving loan fund applications and 11 ambulance
19 revolving loan fund applications. To date the
20 Authority has funded six loans for a total of
21 \$1.9 million under the fire truck loan program and
22 four loans for a total of \$745,000 under the
23 ambulance program.

24 Our total expenses -- our total annual

1 expenses of \$605,000 were \$195,000 or 24.4 percent
2 lower than budget, which was mostly driven by below
3 average spending on employee related expenses and
4 professional services.

5 In August the Authority recorded
6 operating expenses of \$319,000, which \$81,000 -- which
7 is \$81,000 lower than the budgeted amount of \$400,000.
8 Our total monthly net income for August is \$79,000,
9 which was driven by a higher-than-expected investment
10 income. The higher-than-expected investment income
11 is a result of the lower interest rate environment
12 that has increased the value of the Authority's fixed
13 income securities. Our total net loss is \$19,000,
14 which was driven by lower than expected closing fees,
15 but it was offset by the higher than expected net
16 investment income.

17 Our general fund continues to maintain
18 a strong balance sheet with total net position of
19 \$59.6 million. Our total assets are at \$60 million,
20 which consists mostly of cash investments and
21 receivables. Our unrestricted cash and investment
22 totals \$46.4 million.

23 Is there any questions?

24 (No response.)

1 MEISTER: Thank you, Six.

2 CHAIRMAN ANDERBERG: I would like to request a
3 motion to accept the finance reports. Is there such
4 a motion?

5 GOETZ: So moved.

6 CHAIRMAN ANDERBERG: A motion by Mr. Goetz. A
7 second?

8 ZELLER: Second.

9 CHAIRMAN ANDERBERG: Second by Mr. Zeller. All
10 those in favor.

11 (Chorus of ayes.)

12 Opposed.

13 (No response.)

14 The ayes have it.

15 Procurement.

16 MR. HOLLOWAY: Good morning, everyone. The
17 contracts listed on page 1 of the preliminary report
18 are for the support of Authority operations.
19 Pages 2 and 3 are the expiring contracts through
20 2019. Any questions?

21 (No response.)

22 Thank you.

23 CHAIRMAN ANDERBERG: Thank you. Does anyone
24 wish to make any additions, edits, or corrections to

1 the minutes from August 13th?

2 (No response.)

3 Hearing none, I would like to request
4 a motion to approve the minutes. Is there such a
5 motion?

6 GOETZ: So moved.

7 CHAIRMAN ANDERBERG: Motion by Mr. Goetz. A
8 second?

9 POOLE: Second.

10 CHAIRMAN ANDERBERG: Second by Mr. Poole. All
11 those in favor.

12 (Chorus of ayes.)

13 Opposed.

14 (No response.)

15 The ayes have it.

16 Is there any other business to come
17 before the Members this morning?

18 MEISTER: Yes, there is, Mr. Chairman. Again,
19 as I noted earlier, we are going to have three of our
20 speakers -- three of our colleagues speak to some
21 policy matters.

22 I also wanted to note for the record
23 for the Members that Deputy Executive Director Jacob
24 Stuckey and Vice President Bill Atwood are not at the

1 meeting because we have them on some assignments
2 connected with the Authority's Transformation
3 Initiative.

4 Also, as the Members have heard in the
5 past, the Authority -- for certain categories of
6 employees, while the Board has ultimate authority
7 over hiring and salaries and benefits, much of that
8 has been delegated to the Executive Director.

9 Yet, the Authority is subject to what
10 is collectively known in the world of state
11 government as the combination of Rutan-Shakman
12 limitations, so we have been going through a
13 Rutan-Shakman consistent process for four positions,
14 two business analysts and two accounting-related
15 positions. We expect to have some interviews in the
16 coming weeks and will be able to advise the Board in
17 October.

18 As I also mentioned, I would like to
19 bring Six Granda up for the Members that did not
20 attend the earlier Audit Committee to give an
21 overview, given the importance of this function to
22 our organization.

23 GRANDA: Earlier this morning the Audit Plus
24 Committee met, and the internal audit function was

1 discussed in detail. I just want to inform the Board
2 that CMS' Internal Audit Division has served as our
3 chief internal auditor for the Authority since the
4 end of fiscal year 2017.

5 CMS has provided a full-time program
6 of internal audit. CMS has completed eight audits,
7 which are locally held fund audits; a statutory
8 mandates audit; personnel, payroll, personal
9 information audit; expenditures, payables, and
10 equipment audit; our bond compliance audit. It has
11 also completed IT, security practice audit;
12 purchasing, contracting, and leasing audit; revenue,
13 receivables, and receipts audit.

14 We have two audits that are ongoing.
15 They are purchasing, contract, leasing, and internal
16 government agreements audit, and the locally held
17 funds and petty cash audit.

18 Since we are talking about an audit,
19 I'm going to provide you a little bit of what is
20 going on with our external audit. The fieldwork for
21 the second phase is -- it was supposed to start on
22 September 3rd, but the external auditors are going to
23 be here September 16th to complete the second phase
24 of the fiscal year financial -- fiscal year 2018

1 financial audit and the two-year compliance
2 examination.

3 Just another one we want to bring up
4 is our external audit has cost the Authority roughly
5 about \$2.7 million since the creation of the
6 Authority, so we are averaging roughly about 180,000
7 a year. Is there any questions?

8 MS. NAVA: So I just want to say
9 congratulations. I think that you and Director
10 Meister and the entire IFA team have really done an
11 outstanding job of making sure that we are on track
12 for a good audit, and considering that you have
13 over -- almost a dozen audits that you have to go
14 through -- that we have to go through on a regular
15 basis, I also appreciate the fact that -- with
16 Director Meister's leadership, that we always make
17 sure that we are transparent and accountable in
18 everything that we do, so I appreciate that. Thank
19 you.

20 GOETZ: I'll second that.

21 MEISTER: Lisa Bonnett, could you provide us an
22 update on water financing?

23 MS. BONNETT: Good morning, Members of the
24 Board. I am pleased to be here this morning to

1 provide an update on the Non-SRF Water Infrastructure
2 Financing Transformation Initiative.

3 As reported at the May Board meeting,
4 the Authority is currently exploring three
5 opportunities to increase the amount of financing
6 available to water infrastructure projects. Two of
7 these opportunities include developing a local
8 government direct loan project and evaluating current
9 projects to eliminate barriers and encourage water
10 utility participation.

11 The third opportunity was to work with
12 a local government to obtain project financing
13 through the Federal Water Infrastructure Finance and
14 Innovation Act, which provides long-term, low-credit
15 financial assistance to water and wastewater projects
16 of national and regional significance. WIFIA loans
17 can provide 49 percent financing of all projects.

18 I am pleased to report to you this
19 morning that our work with the City of Joliet has
20 resulted in an application of financing under this
21 federal program. The City of Joliet submitted a
22 letter of interest seeking financing for an
23 alternative water source project to construct
24 infrastructure needed to access a new source of

1 drinking water to replace the city's reliance on the
2 current source, which is a sandstone aquifer.

3 You may have heard in the news over
4 the past few years of the groundwater shortage Will
5 County will experience by 2030. Securing low cost
6 financing is paramount to ensuring a long-term, safe,
7 and affordable drinking water source for the Joliet
8 residents, and it is also vital to their economic
9 well-being.

10 In an added benefit, if we are
11 successful in obtaining federal financing for this
12 important project, we'll be providing a substantial
13 relief to the Drinking Water SRF program which we
14 know will not have the capacity to meet the needs of
15 our drinking water infrastructure through 2020.
16 Taking the pressure off of SRF to fund Joliet's total
17 project cost ensures that low cost financing will be
18 available to other Illinois communities for their
19 water infrastructure needs.

20 The competition for these loans is
21 significant. U.S. EPA received 51 letters of
22 interest from prospective borrowers for wastewater
23 projects across the country. In total, prospective
24 borrowers have requested \$6.6 billion in WIFIA loans

1 for projects totaling \$13.9 billion. U.S. EPA has
2 \$6 billion for 2019 projects.

3 The next step of the WIFIA financing
4 process is U.S. EPA evaluating the letters for
5 project eligibility, creditworthiness, engineering
6 feasibility, and alignment with WIFIA's statutory and
7 regulatory requirements. U.S. EPA will then identify
8 projects that it intends to finance and will invite
9 them to make formal applications this fall. Should
10 Joliet not be successful in being invited for formal
11 application, they will still receive valuable
12 feedback from the U.S. EPA that then can be used
13 toward putting together an application for the next
14 round of financing. And, in fact, in 2017 there were
15 eight projects that were not financed but then were
16 financed in the 2018 round.

17 So we really are excited about Joliet
18 and think that even if we are not successful this
19 round, it certainly sets them on the path of being
20 successful on the next round.

21 So thank you, and I am happy to answer
22 any questions that you have.

23 MEISTER: Lisa, could you talk a little bit
24 about what we are planning on the October 10th, the

1 day after the October board meeting?

2 BONNETT: On October 9th?

3 MEISTER: Oh, on October 9th. I am sorry.

4 BONNETT: Yes. IFA is sponsoring a very
5 exciting water conference with AWWA, which is
6 American Water Works Association, a national
7 organization for water utilities, and with Bank
8 of America Securities on financing Illinois' water
9 infrastructure. And we are bringing together
10 utilities that have sort of really set the path in
11 Illinois in looking at innovation and revenue making
12 and trying to share that knowledge with other
13 utilities so that they can take that back home in
14 their communities and think about how to innovate and
15 bring those projects as well as providing information
16 on financing opportunities to these local utilities.

17 We are bringing in DCO and USDA and
18 SRF. We are able to highlight our SRF program
19 through this way, and so we are really excited. It's
20 a one-day workshop that is really meant to network,
21 to share information, and to engage with these
22 communities on today's water utility sort of
23 operations and investments as well as really just
24 providing opportunities on how to seek financing for

1 their projects.

2 All right. Thank you.

3 MS. NAVA: I just wanted to say that that is
4 really strong innovative leadership for both of
5 you because water is -- it's such a global issue, and
6 the fact that you are leading a conference and we are
7 in a leadership role, Director Meister and Lisa, says
8 a lot about IFA to be in that space on the innovative
9 end because it is not just impacting Chicago, it's
10 nationally. And if we can be at the leading edge,
11 that is huge.

12 BONNETT: Thank you. Absolutely.

13 GOETZ: Where is that going to be held?

14 BONNETT: It's held here at the Bank of America
15 building. I am not sure of the address, but it's
16 here in Chicago.

17 MEISTER: We'll be circulating the agenda once
18 it's final to the Board Members too, if you have
19 time.

20 NAVA: Thank you.

21 BONNETT: Thank you.

22 OECHSLER: Good morning, Members of the
23 Authority. The following is a brief overview of and
24 update regarding the Authority's DACA loan program.

1 Under the program, the Authority makes loans for the
2 payment of tuition and fees to students who have
3 federal deferred action for childhood arrivals, or
4 DACA, status and who are enrolled in participating
5 medical or dental schools in Illinois.

6 The Authority authorized the creation
7 of the program in July of 2013. Under the program,
8 DACA students commit to pursuing one of several
9 qualified medical specialties, and after graduation
10 and completion of their medical residencies and/or
11 fellowships, they commit to practicing in Illinois
12 and serving in qualified medically underserved areas,
13 one year for each year of study financed under the
14 program.

15 Program loans are funded with
16 Authority balance sheet funds. The Authority
17 authorized \$2.9 million in loan funds in May of 2014
18 and an additional \$3 million in June of 2018. To
19 date, the amount of loans funded or committed under
20 the program totals approximately \$3.2 million. These
21 loans have been made to 15 students at Loyola
22 University of Chicago, Stritch School of Medicine,
23 starting in 2014.

24 As of July 2019, 11 students have

1 graduated. The other four students are expected to
2 graduate by 2022. Authority staff continue to work
3 with Stritch to track and monitor all of these
4 students.

5 Does any Member have any questions or
6 comments?

7 O'BRIEN: Where are these graduate students
8 practicing?

9 OECHSLER: Currently, the students who have
10 graduated are in various residency programs across
11 the country, with the intention, as far as we know,
12 to return to Illinois to complete their service
13 obligation.

14 MR. O'BRIEN: Is that approximately seven
15 years, once they go through residency?

16 OECHSLER: It's our understanding that it
17 depends on the program and whether they end up
18 pursuing a fellowship after their residency, but I
19 believe that the average residency is three to four
20 years. So these students who entered the program first
21 and graduated last year in 2018 are currently just
22 starting their second year of residency, so they have
23 a couple more years to go.

24 O'BRIEN: And how do we make sure that they

1 come back to Illinois?

2 OECHSLER: Ultimately, it's up to the students
3 who have participated in the program to decide
4 whether or not they will pursue their service
5 obligation. We hope that they will.

6 O'BRIEN: What do you mean, pursue it? I
7 thought they were obligated.

8 OECHSLER: They have committed to pursuing it,
9 in return for receiving this loan. If they decide
10 not to pursue the service obligation, then under
11 their loan obligations they will have to pay a higher
12 rate of interest on their loans.

13 NAVA: So they either pay the interest rate or
14 they have to serve in underserved areas?

15 OECHSLER: Correct.

16 MEISTER: In Illinois.

17 NAVA: In Illinois.

18 OECHSLER: In Illinois, correct.

19 NAVA: And so far you are looking at
20 100 percent graduation rate?

21 OECHSLER: So far, yes.

22 NAVA: So considering so many schools are
23 struggling just to -- I mean, we are a great exporter
24 of education in Chicago. We export the best talent

1 all over, so this is a great way to have an
2 investment locally.

3 OECHSLER: Absolutely.

4 GOETZ: This was kind of the brainchild of
5 Chairman Brandt, wasn't it?

6 O'BRIEN: How many students do we have
7 participating now?

8 OECHSLER: There are 15 students that have
9 received loans to date. The 11 who have graduated,
10 some of whom received loans for one year, three
11 years, four years of study, and then the four who are
12 currently enrolled and in various years of study.

13 NAVA: What countries are they from?

14 OECHSLER: We don't have that information
15 but --

16 MEISTER: What we will do is, it is a wide
17 variety, and we will get that and circulate that to
18 the board.

19 GOETZ: Yeah, you ought to be able to get it.

20 MEISTER: Yeah.

21 WEXLER: Is it envisioned that this is an
22 ongoing program? So we have, I know, 17 in, but is
23 there a plan to then roll out another group? What is
24 the future?

1 MEISTER: How much authorization do we have
2 under the resolution?

3 OECHSLER: We have \$5.9 million authorized, and
4 to date we have committed \$3.2 million.

5 MEISTER: What our hope is -- and, again, this
6 was -- as Vice-Chairman Goetz noted, this was
7 originally the idea of Former Chairman Brandt and
8 then it's been embraced by both Former Chairman
9 Funderburg and Chairman Anderberg and successive
10 boards.

11 Initially, as it was envisioned that
12 this would be -- as former Chairman Brandt
13 summarized, sort of filling a hole in the doughnut.
14 At the time there was the expectation that there
15 would be a comprehensive federal immigration solution
16 and it would address the status of DACA students.
17 That has proved not to be the case.

18 So we are in close touch with Loyola
19 Stritch to really work through the various
20 possibilities that can occur. When we did this under
21 our statute, I think it's actually under the health
22 care project, I believe, portions of our statute.
23 And, again, while it was with Loyola Stritch and that
24 was where the most interest was, Loyola Stritch was

1 the first medical school in the country, I believe,
2 that did not require Social Security numbers as part
3 of their applications. But we are working with them
4 as the changing federal environment has taken.

5 But I think Member Nava summarized the
6 thinking that was the thinking of the board in the
7 past. This is a way to attract international talent
8 to Illinois and have them serve in medically
9 underserved areas across the state, their certain
10 specialties, and it's been received very favorably by
11 Senior U.S. Senator Durbin.

12 CHAIRMAN ANDERBERG: So, essentially, we have
13 students that are in their second year of residency
14 right now?

15 OECHSLER: Those are the students who are the
16 furthest along.

17 CHAIRMAN ANDERBERG: So we won't know for
18 another two years if they take up the service
19 obligation?

20 OECHSLER: Assuming they have a three-year
21 residency program, yes.

22 CHAIRMAN ANDERBERG: If there's some way to
23 keep track of that, that would be nice to know.

24 MEISTER: We are working closely with Stritch

1 because they have been doing a lot of the
2 hand-holding and, I would say, sort of wraparound
3 services.

4 CHAIRMAN ANDERBERG: I know there's another
5 state program for medical students who attend medical
6 school in Illinois, where they have to, after
7 residency, stay in for four years of service in
8 underserved areas. Or in Rockford's case, I think
9 that we have Crusader Clinic that I know doctors have
10 come through. So it would be nice if we could know
11 that. And it's a benefit to the people of the State
12 of Illinois.

13 MEISTER: That was the state program, which at
14 the time this program was created, was actually not
15 funded, but that was one of the models. Another one
16 of the models was a program run through the federal
17 government for similar types of service on American
18 Indian reservations.

19 NAVA: And that model, is that a grant or is it
20 a loan?

21 CHAIRMAN ANDERBERG: It's a loan.

22 NAVA: Okay. I think it's a grant.

23 CHAIRMAN ANDERBERG: No, it's a grant. It's a
24 grant because their payment back is serving for four

1 years.

2 NAVA: And ours is a loan and they have to
3 serve.

4 MEISTER: That's correct.

5 WEXLER: That is a good clarification.

6 CHAIRMAN ANDERBERG: Yes, great. Thank you,
7 Ryan.

8 GOETZ: Thanks.

9 CHAIRMAN ANDERBERG: Is there any other
10 business before the board today? Okay. I would like
11 to request a motion to excuse the absences of Members
12 unable to participate today. Is there such a motion?

13 KNOX: So moved.

14 GOETZ: Second.

15 CHAIRMAN ANDERBERG: Mr. Knox and Mr. Goetz.
16 All those in favor.

17 (Chorus of ayes.)

18 Opposed.

19 (No response.)

20 The ayes have it.

21 Is there any matter for discussion in
22 closed session today?

23 (No response.)

24 Hearing none, the next regularly

1 scheduled meeting will be October 8th. I would like
2 to request a motion to adjourn. Is there such a
3 motion?

4 GOETZ: So moved.

5 CHAIRMAN ANDERBERG: Motion by Mr. Goetz.

6 ZELLER: Second.

7 CHAIRMAN ANDERBERG: Mr. Zeller, a second. All
8 those in favor.

9 (Chorus of ayes.)

10 Opposed.

11 (No response.)

12 The ayes have it. Thank you,
13 everybody.

14 FLETCHER: The time is 10:12 a.m.

15 (WHICH WERE ALL THE PROCEEDINGS
16 HAD IN THE ABOVE-ENTITLED CAUSE
17 ON THIS DATE.)

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1 STATE OF ILLINOIS)

2) SS:

3 COUNTY OF C O O K)

4 I, KRISTIN C. BRAJKOVICH, a Certified Shorthand
5 Reporter of the State of Illinois, do hereby certify
6 that I reported in shorthand the proceedings had at
7 the meeting aforesaid, and that the foregoing is a
8 true, complete and correct transcript of the
9 proceedings of said meeting as appears from my
10 stenographic notes so taken and transcribed under my
11 personal direction.

12 IN WITNESS WHEREOF, I do hereunto set my hand
13 at Chicago, Illinois, this 27th day of September,
14 2019.

15

16

17

18 Certified Shorthand Reporter

19

20 C.S.R. Certificate No. 84-3810.

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