

1 ILLINOIS FINANCE AUTHORITY

2 REGULAR MEETING

3 November 13, 2018, at 9:30 a.m.

4 REPORT OF PROCEEDINGS had at the Regular
5 Meeting of the Illinois Finance Authority on
6 November 13, 2018, at the hour of 9:30 a.m., pursuant
7 to notice, at 160 North LaSalle Street, Suite S-1000,
8 Chicago, Illinois.

9 APPEARANCES:

10 CHAIRMAN ERIC ANDERBERG

MS. GILA BRONNER

11 MR. JAMES FUENTES

MR. MIKE GOETZ (via audio conference)

12 MR. NEIL HELLER

MR. E. LYLE McCOY (via audio conference)

13 MR. SHAUN MURPHY

MR. GEORGE OBERNAGEL (via audio conference)

14 MR. TERRENCE O'BRIEN

MR. ROGER POOLE

15 MS. BETH SMOOTS

MR. BRADLEY A. ZELLER

16 ILLINOIS FINANCE AUTHORITY STAFF MEMBERS

17 MR. CHRISTOPHER B. MEISTER, Executive Director

18 MR. RICH FRAMPTON, Vice President

MS. PAMELA LENANE, Vice President

19 MR. BRAD FLETCHER, Vice President

MR. RYAN OECHSLER, IFA Associate General Counsel

20 MR. TERRY FRANZEN, Procurement

MS. ELIZABETH WEBER, General Counsel and Legal

21 Adviser to the Board

MR. STAN LUBOFF, VP, Loan & Guarantee

22 MR. CHARLES MYART, Participation Loan Program

MS. SARAH MANKOWSKI, HR Manager

23

24

1 GUESTS:

2 MR. STEVEN HARRIS, TRANSAMERICA

MS. BARB NATHAN, CEO, Westminster Village, Inc.

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1 CHAIRMAN ANDERBERG: Okay. I'd like to call
2 the meeting to order. Good morning, everybody.

3 Will the Assistant Secretary please
4 call the roll?

5 FLETCHER: Certainly. The time is 9:30 a.m.
6 I'll call the roll of Members physically present
7 first.

8 Ms. Bronner?

9 BRONNER: Here.

10 FLETCHER: Mr. Fuentes?

11 FUENTES: Here.

12 FLETCHER: Mr. Heller?

13 HELLER: Here.

14 FLETCHER: Mr. Murphy?

15 MURPHY: Present.

16 FLETCHER: Mr. O'Brien?

17 O'BRIEN: Here.

18 FLETCHER: Mr. Poole?

19 POOLE: Here.

20 FLETCHER: Ms. Smoots?

21 SMOOTS: Here.

22 FLETCHER: Mr. Zeller?

23 ZELLER: Here.

24 FLETCHER: Mr. Chairman?

1 CHAIRMAN ANDERBERG: Here.

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

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

6 GOETZ: Yeah. This is Mike Goetz. I'm
7 requesting to attend via audio conference due to
8 employment purposes.

9 McCOY: Likewise, this is Lyle McCoy, and I'm
10 requesting to attend via audio conference due to
11 employment purposes.

12 OBERNAGEL: This is George Obernagel. I'm
13 requesting to attend via audio/video conference due
14 to employment purposes.

15 CHAIRMAN ANDERBERG: Okay. Is there a motion
16 to approve these requests pursuant to the bylaws and
17 policies of the Authority?

18 BRONNER: So moved.

19 CHAIRMAN ANDERBERG: We have a motion.

20 A second?

21 FUENTES: Second.

22 CHAIRMAN ANDERBERG: And a second.

23 All those in favor?

24 (Chorus of ayes.)

1 CHAIRMAN ANDERBERG: Opposed?

2 (No response.)

3 CHAIRMAN ANDERBERG: The ayes have it.

4 FLETCHER: Mr. Chairman, Members Goetz, McCoy
5 and Obernagel have been added to the initial quorum
6 roll call.

7 CHAIRMAN ANDERBERG: Okay. Approval of the
8 Agenda: I'd like to note for the Members that Item 7
9 was withdrawn as shown in the final, posted notice.

10 Does anyone wish to make any
11 additions, edits or corrections to today's Agenda?

12 (No response.)

13 CHAIRMAN ANDERBERG: I'd like to request a
14 motion to approve the Agenda.

15 Is there such a motion?

16 Fuentes: So moved.

17 CHAIRMAN ANDERBERG: And a second?

18 BRONNER: Second.

19 CHAIRMAN ANDERBERG: And a second.

20 All those in favor?

21 (Chorus of ayes.)

22 CHAIRMAN ANDERBERG: Opposed?

23 (No response.)

24 CHAIRMAN ANDERBERG: The ayes have it.

1 Is there any public comment for the
2 Members today?

3 (No response.)

4 CHAIRMAN ANDERBERG: Okay. Remarks: I really
5 have none. I'm just happy everybody's here this
6 morning, and I think we can all feel relieved. We
7 turn on the TV, we don't see a commercial or
8 political ads for -- commercial. We're thankful for
9 that.

10 Executive Director Meister?

11 MEISTER: Thank you, Mr. Chairman.

12 As noted in my written message, it's
13 been just over one year since the U.S. House of
14 Representatives sought to eliminate the Authority's
15 primary tool, federal tax-exemption for all private
16 activity bonds.

17 What a difference a year makes:
18 Federal tax-exemption for all private activity bonds
19 was preserved, primarily by the U.S. Senate, and the
20 Authority has embarked on an ambitious Transformation
21 Initiative, a growth and impact strategy for the
22 Authority. Being the conduit issuer of choice for
23 our universe of current and future federally
24 tax-exempt conduit borrowers is the cornerstone of

1 our Transformation Initiative. And the
2 Transformation Initiative builds upon the Authority's
3 well-earned reputation as a reliable, professional,
4 and efficient conduit borrower.

5 And at today's meeting, we will
6 present a diverse agenda with labor, senior living,
7 public school, farmer and industrial projects, as
8 well as some improvements to the Authority's
9 administrative rules. We will also be presenting a
10 favorable financial report and reports on talent
11 recruitment as well as our two status updates on two
12 key parts of the Transformation Initiative: Property
13 Assessed Clean Energy financing, or PACE, and our
14 rejuvenated Participation Loan Program.

15 Finally, as we draw to the close of
16 yet another external audit cycle, one particular
17 organizational achievement stands out, and it's with
18 respect to sound financial stewardship. On
19 June 30th, 2018, and today, there are zero
20 state-taxpayer dollars exposed through a pledge of
21 the State's moral obligation within the portfolio of
22 bonds issued by the Authority or its predecessors.
23 Now, compare that with June 30, 2010, and that number
24 was \$110,440,000.

1 And to date, unlike other bond-issuing
2 entities created by state statute, the Authority has
3 never triggered a call on state-taxpayer funds due to
4 a pledge of the state's moral obligation. And this
5 is an achievement we can all be proud of.

6 Today, the Authority is working to
7 navigate changing winds and changing tides. But we
8 do so confident in our statutory mission of economic
9 development, confident in our achievements, and
10 confident in the Authority's direction through the
11 Transformation Initiative.

12 I just want to thank our Chairman,
13 Eric, as well as all the Members of -- volunteer
14 Members of the Authority, and the staff of the
15 Authority for everyone's good work.

16 Thank you.

17 CHAIRMAN ANDERBERG: Thank you, Chris.

18 Committee Reports, Mr. Zeller?

19 ZELLER: Yes. The Tax-exempt Conduit
20 Transactions Committee met earlier this morning and
21 voted to recommend for approval the following New
22 Business items on today's agenda: No. 1, Westminster
23 Village, Inc.; No. 2, LiUNA Chicagoland Laborers'
24 District Council Training and Apprentice Fund; No. 3,

1 two Beginning Farmer Bonds; No. 4, School District
2 No. 95, Cook County, Brookfield-LaGrange Park; and
3 CenterPoint -- or, No. 5, CenterPoint and Joliet
4 Terminal Railroad LLC.

5 CHAIRMAN ANDERBERG: Okay. I'd like to ask for
6 the general consent of the Members to consider the
7 New Business items collectively and to have the
8 subsequent recorded vote applied to each respective,
9 individual item, unless there are any specific New
10 Business items that a Member would like to consider
11 separately.

12 GOETZ: Yeah. This is Mike Goetz. I would
13 like to recuse myself from any deliberations and
14 voting with respect to Item 2, the LiUNA Chicagoland
15 Laborers' District Council Training and Apprentice
16 Fund, of the New Business items due to professional
17 conflicts.

18 CHAIRMAN ANDERBERG: Okay. First, I'd like to
19 consider New Business Item No. 2, LiUNA Chicago
20 Laborers' District Council Training and Apprentice
21 Fund, and take a roll call vote. Then we will
22 consider the remaining New Business items under a
23 consent agenda and take a final vote at the end.

24 So he has to -- so, Mr. Goetz, you'll

1 have to --

2 FLETCHER: Sign off.

3 CHAIRMAN ANDERBERG: Sign off.

4 GOETZ: Yeah. Then call back in?

5 FLETCHER: Please.

6 CHAIRMAN ANDERBERG: Yes.

7 FLETCHER: Give us 30 seconds, maybe 45.

8 Let the record reflect, please, Member
9 Goetz has terminated his participation via audio
10 conference.

11 FRAMPTON: Okay. Thank you. Good morning,
12 everyone. I'm Rich Frampton.

13 At this time, I would like to note
14 that for each new conduit business item presented on
15 today's agenda -- Items 1, 2, 3A, 3B, and 4 -- the
16 Members are considering approval of the resolution
17 and the not-to-exceed amount contained therein.

18 Starting first with Item 2, which is
19 tab 2 in your books, LiUNA Chicagoland Laborers'
20 District Council Training and Apprentice Fund, Item 2
21 is a 501(c)(3) bond project request.

22 Staff requests approval of a one-time
23 Final Bond Resolution for LiUNA Chicagoland Laborers'
24 District Council Training and Apprentice Fund, in an

1 amount not to exceed \$26 million.

2 Bond proceeds will be used by the
3 Borrower to refund all or a portion of the Series
4 2017A and B Bonds previously issued by the Authority
5 on behalf of the Borrower; finance the costs of
6 acquiring, constructing, approving [sic], furnishing,
7 and equipping an approximately 53,000-square-foot
8 addition; and making certain other improvements to
9 the Borrower's training facility. The -- and the
10 acquisition, construction, and equipping of the
11 Borrower's existing 70,000-square-foot facility was
12 originally financed with proceeds of an approximately
13 \$22.5 million IFA Bond issue in 2008.

14 The Series 2018 Bonds will be nonrated
15 and will be purchased directly by Wintrust in
16 accordance with pertinent Authority Bond Handbook
17 provisions.

18 I would also like to recognize and
19 introduce Mr. Joe Pilewski, of Pilewski Financial,
20 who is municipal financial advisor to the Borrower,
21 and also Dave Bush, who is controller of the fund.
22 So just want to recognize them for the record.

23 CHAIRMAN ANDERBERG: Thank you, Rich.

24 Okay.

1 FRAMPTON: Does any Member have any questions
2 or comments.

3 (No response.)

4 CHAIRMAN ANDERBERG: Okay. This is something
5 close to my heart, and that's training the next group
6 of skilled tradesmen. We're very short in this
7 country right now. So I'm glad the Authority can
8 play a -- can play a role here.

9 I'd like to request a motion to pass
10 and adopt the following New Business item, No. 2.

11 Is there such a motion?

12 BRONNER: So moved.

13 CHAIRMAN ANDERBERG: We have a motion.

14 And a second?

15 O'BRIEN: Second.

16 CHAIRMAN ANDERBERG: We have a second.

17 Will the Assistant Secretary please
18 call the roll?

19 FLETCHER: On the motion and second, I'll call
20 the roll.

21 Ms. Bronner?

22 BRONNER: Yes.

23 FLETCHER: Mr. Fuentes?

24 FUENTES: Yes.

1 FLETCHER: Mr. Heller?

2 HELLER: Yes.

3 FLETCHER: Mr. McCoy?

4 McCOY: Yes.

5 FLETCHER: Mr. Murphy?

6 MURPHY: Yes.

7 FLETCHER: Mr. Obernagel?

8 OBERNAGEL: Yes.

9 FLETCHER: Mr. O'Brien?

10 O'BRIEN: Yes.

11 FLETCHER: Mr. Poole?

12 POOLE: Yes.

13 FLETCHER: Ms. Smoots?

14 SMOOTS: Yes.

15 FLETCHER: Mr. Zeller?

16 ZELLER: Yes.

17 FLETCHER: Mr. Chairman?

18 CHAIRMAN ANDERBERG: Yes.

19 FLETCHER: Chairman, the motion carries.

20 CHAIRMAN ANDERBERG: Thank you.

21 FLETCHER: Let the record reflect, please, that
22 Member Goetz has resumed his participation via audio
23 conference.

24 Mike, are you there?

1 GOETZ: Yes, I'm here.

2 FLETCHER: Thank you.

3 FRAMPTON: Okay. Next, we will move to Item 1,
4 Westminster Village, Inc.

5 Item 1 is a 501(c)(3) Bond Request.

6 Staff requests approval of a one-time Final Bond
7 Resolution for Westminster Village, Inc., in an
8 amount not to exceed \$72,500,000.

9 The bonds are expected to be issued in
10 at least two series: 2018A and 2018B. Proceeds of
11 the Series 2018A Bonds will be used by the Borrower
12 to refund the Series 2013 and 2017 Bonds, previously
13 issued by the Authority on behalf of the Borrower,
14 and to fund a debt service reserve. Proceeds of the
15 Series 2018B Bonds will be used to fund Phase II of a
16 campus expansion and repositioning, which includes
17 the construction of a new 72-unit assisted living
18 building and to fund 20 months of interest on the
19 2018B Bonds.

20 The Series 2018A Bonds will be sold in
21 a public offering by Ziegler and will not be rated.
22 The Borrower is requesting a waiver to sell the
23 Series 2018A Bonds in denominations of less than
24 \$100,000. They meet all of the requirements set

1 forth in the Authority's Bond Program Handbook for
2 this waiver.

3 The Series 2018B Bonds will be sold in
4 a bank direct placement to First Midwest Bank.

5 LENANE: Yes. And I'd like to introduce Barb
6 Nathan, who is the CEO of Westminster Village, and
7 she'd like to have a few words.

8 MS. BARB NATHAN: Good morning and thank you so
9 much for assisting Westminster Village in our
10 repositioning and our expansion.

11 As many of you know, I was here a year
12 ago where we started Phase I, and that has gone very,
13 very well. Phase II, as you indicated, is to create
14 an assisted living building, including adding memory
15 care to our campus.

16 We have 340 residents that put their
17 head on a pillow at Westminster last night and about
18 220 staff, and we have 336 individuals on our waiting
19 list.

20 So we're very, very thrilled and
21 honored to be able to serve the seniors in our
22 community, and we thank you for your assistance.

23 CHAIRMAN ANDERBERG: Thank you.

24 FRAMPTON: Does any member have any questions

1 or comments?

2 (No response.)

3 FRAMPTON: Okay. Next, Item 3A, Joseph
4 Marchello.

5 Item 3A is a one-time Final Bond
6 Resolution requesting approval for a Beginning Farmer
7 Bond for Joseph Marchello, who is purchasing 119
8 acres of farmland located in Bond County, in the
9 not-to-exceed amount of \$400,000. Bradford National
10 Bank is the purchasing bank for this conduit
11 transaction.

12 Does any Member have any questions or
13 comments?

14 (No response.)

15 FRAMPTON: Moving on next to Item 3B, Adam
16 Anthony and Susan J. Klinger.

17 Item B is a one-time Final Bond
18 Resolution requesting approval for a Beginning Farmer
19 Bond for Adam Anthony and Susan J. Klinger, who are
20 purchasing 20 acres of farmland, including three
21 buildings, located in Richland County, in the
22 not-to-exceed amount of \$191,500. First Financial
23 Bank NA is the purchasing bank for this conduit
24 transaction.

1 Does any Member have any questions or
2 comments?

3 (No response.)

4 FRAMPTON: Moving on, next, Item 4, which is
5 tab 4 in your book, School District No. 95, Cook
6 County, Brookfield-LaGrange Park.

7 Item 4 is a Local Government Revenue
8 Bond request. Staff requests approval of a one-time
9 Final Bond Resolution for School District No. 95,
10 Cook County, Brookfield-LaGrange Park, in an amount
11 not to exceed \$15 million.

12 Bond Proceeds will be used to purchase
13 alternate revenue bonds issued by the District in
14 order to pay certain costs of building and equipping
15 additions to, and altering, repairing, and equipping
16 the Brook Park Elementary School building located in
17 La Grange Park and S.E. Gross Middle School building
18 located in Brookfield, and improving each of the
19 sites thereof and to pay capitalized interest on the
20 Bonds.

21 The bond issue is part of an overall
22 \$35 million project. The School District is rated
23 Aa2 by Moody's, which was assigned on October 31st.
24 The Bonds will benefit from being both federally

1 tax-exempt and state tax-exempt for Illinois
2 bondholders, and the Bonds are being underwritten by
3 Raymond James & Associates.

4 Does any Member have any questions or
5 comments?

6 (No response.)

7 FRAMPTON: Okay. Moving on, next, to the
8 Resolution section of the Board Book, Item 5,
9 CenterPoint Joliet Terminal Railroad LLC. This is
10 tab 5 in your Board Book.

11 Item 5 is a Resolution relating to the
12 Series 2010, 2012, 2016, and 2017 Bonds previously
13 issued by the Authority on behalf of CenterPoint
14 Joliet Terminal Railroad LLC. The Bonds were
15 purchased and continue to be held by a syndicate of
16 banks led by SunTrust Bank.

17 This Resolution authorizes the
18 execution and delivery of a First Omnibus Amendment
19 to the Indentures of Trust for those series of Bonds
20 to, one, amend the interest rate formula in the Bank
21 Rate Credit Agreement for each of the Bonds; two,
22 amend certain definitions in the Indenture; and,
23 three, make certain other modifications to the
24 Indentures.

1 Bond counsel, which is Perkins Coie,
2 has determined that these amendments will constitute
3 a reissuance for tax purposes but will not result in
4 an extension of the final maturity date for the
5 outstanding Bonds, nor will this action require a new
6 TEFRA hearing.

7 Does any Member have any questions or
8 comments?

9 (No response.)

10 FRAMPTON: Moving on next to Item 6, which is a
11 Participation Loan for Neighborhoods.com, LLC.

12 Item 6 is a Resolution ratifying the
13 amendment of the interest rate payable to the
14 Authority in connection with the Participation Loan
15 made on behalf of Neighborhoods.com, LLC. This
16 Participation Loan was initially approved by the
17 Authority in April 2018.

18 Does any Member have any questions or
19 comments?

20 (No response.)

21 FRAMPTON: Item 7 had been withdrawn from the
22 agenda. Accordingly, we'll move on to Item 8, which
23 is tab 8 in your Board Book: Revision of
24 Administrative Rules.

1 Item 8 is a Resolution concerning the
2 Authority's administrative rules. As you know, the
3 Authority may adopt, and has in the past adopted,
4 administrative rules. This Resolution will authorize
5 the Authority to make certain revisions to the rules
6 in accordance with the procedures set forth in
7 Illinois law.

8 Does any Member have any questions or
9 comments?

10 (No response.)

11 CHAIRMAN ANDERBERG: Thank you, Rich.

12 I would like to request a motion to
13 pass and adopt the following New Business items:
14 Items 1, 3A, 3B, 4, 5, 6, and 8.

15 Is there such a motion?

16 BRONNER: So moved.

17 CHAIRMAN ANDERBERG: A motion and a second?

18 O'BRIEN: Second.

19 CHAIRMAN ANDERBERG: And a second.

20 Will the Assistant Secretary please
21 call the roll?

22 FLETCHER: On the motion by Ms. Bronner and a
23 second by Mr. O'Brien, I will call the roll.

24 Ms Bronner?

1 BRONNER: Yes.

2 FLETCHER: Mr. Fuentes?

3 FUENTES: Yes.

4 FLETCHER: Mr. Goetz?

5 GOETZ: Yes.

6 FLETCHER: Mr. Heller?

7 HELLER: Yes.

8 FLETCHER: Mr. McCoy?

9 McCOY: Yes.

10 FLETCHER: Mr. Murphy?

11 MURPHY: Yes.

12 FLETCHER: Mr. Obernagel?

13 OBERNAGEL: Yes.

14 FLETCHER: Mr. O'Brien?

15 O'BRIEN: Yes.

16 FLETCHER: Mr. Poole?

17 POOLE: Yes.

18 FLETCHER: Ms. Smoots?

19 SMOOTS: Yes.

20 FLETCHER: Mr. Zeller?

21 ZELLER: Yes.

22 FLETCHER: Mr. Chairman?

23 CHAIRMAN ANDERBERG: Yes.

24 FLETCHER: Chairman, the motion carries.

1 CHAIRMAN ANDERBERG: Thank you.

2 FRAMPTON: Next, we will move on to Item 9,
3 which is a status report on the Transformation
4 Initiative. The Authority staff will now present a
5 subject-matter-only status report on the
6 Transformation Initiative. No vote will be taken
7 with respect to this item.

8 FLETCHER: Good morning.

9 First, we're going to discuss the
10 commercial property assessed clean energy program
11 we're developing at the Authority. In the back of
12 your folders, you'll find a document that looks like
13 this. This is the City of Chicago's PACE ordinance
14 that was adopted on October 31st by a vote of 47 ayes
15 and 0 nays. Two days prior to October 31st, on
16 October 29th, the City Counsel's Finance Committee,
17 chaired by Alderman Ed Burke, unanimously recommended
18 the order for approval while I was in attendance.

19 Significantly, this ordinance was the
20 result of a collaboration between the Authority and
21 the City's procured program administrator, a joint
22 venture of Luke Capital and Counterpoint.

23 The ordinance before you established
24 the city as a PACE area, approved the form of the

1 assessment contract that was drafted by the
2 Authority, and provides the necessary framework to
3 enable the Authority to issue PACE bonds on behalf of
4 the City of Chicago.

5 Also, on today's front page of the
6 Chicago Tribune -- excellent timing for us,
7 thankfully, and I'll pass this around -- you'll see
8 an article about Uptown Theater's \$75 million
9 restoration project. And if you read through the
10 article, you'll note that the financing is counting
11 on \$14 million of PACE bonds being issued in the near
12 future.

13 With potential projects like Uptown
14 Theater as mentioned in the Chicago Tribune article
15 and others in mind, we continue to work on drafting
16 PACE bond documents, including master financing and
17 assignment agreements, a depositary and account
18 control agreements, and others that we will avail to
19 both the City of Chicago and local governments alike
20 across Illinois that permissively utilize the
21 Authority to issue PACE bonds on their behalf.

22 In fact, if you go to the Authority's
23 energy page on their website, we've already published
24 a local government ordinance that local governments

1 can download and adopt, which provides the necessary
2 framework for the Authority to issue PACE bonds on
3 their behalf.

4 Our goal remains to begin approving
5 PACE bond transactions at the start of the calendar
6 year when our legislative improvements made to the
7 Illinois PACE Act as well as the Illinois Finance
8 Authority Act become law. As of today, I can report
9 that we are within in our scheduled time frame
10 concerning documentation.

11 Finally, I expect to present a
12 resolution on PACE next month regarding necessary
13 programmatic options that we'll be approving that
14 builds upon our February 2018 PACE Bond Resolution in
15 advance of the new year.

16 Thank you, and I'm happy to answer any
17 questions about PACE.

18 (No response.)

19 FLETCHER: Thank you.

20 MANKOWSKI: Good morning. I'm Sarah Mankowski,
21 and I've been assisting the IFA with various
22 HR-related initiatives.

23 At our last meeting, I shared the work
24 we've done to create a comprehensive hiring and

1 employment practice. I'm happy to say that we have
2 made strong progress since that meeting. We've
3 completed a search, a comprehensive interview
4 process, and extended an offer for the VP of Loan and
5 Guarantee position to Charles Myart, who is joining
6 us today.

7 Charles has deep experience in
8 commercial lending and underwriting in the private
9 sector, most recently with BFA, and is a great
10 addition to the IFA team. Charles started with us on
11 November 5th, and is being very capably onboarded by
12 Stan Luboff.

13 We have completed a search and a
14 comprehensive interview process, and extended an
15 offer to Terry Franzen to join us to lead the
16 procurement function. He started also this month as
17 a regular full-time employee with the IFA. Terry's
18 made huge improvements in the procurement function,
19 and we're happy to have him on board.

20 We have also completed a comprehensive
21 search and extended an offer for the VP of Health
22 Care position. That offer is outstanding, and we
23 expect to hear back from the candidate by the end of
24 this week.

1 The next positions we are focused on
2 filling are two more junior-level analyst positions
3 as well as an accounting and HR coordinator. These
4 positions are critical to helping us build our
5 capability and capacity and fulfill the mission of
6 the transformation.

7 We continue to refine and improve the
8 hiring process, learning a little bit as we go. All
9 of these positions are within the budget that was
10 approved for the transformation.

11 Are there any questions or comments?

12 (No response.)

13 MANKOWSKI: Excellent. Thank you.

14 LUBOFF: Good morning, ladies and gentlemen.
15 My name is Stanley Luboff. This is Charles Myart,
16 Jr.

17 At our last meeting, we shared
18 information related to our efforts to attract a
19 highly qualified candidate to take over and further
20 grow the Authority's rejuvenated Participation Loan
21 program. It is my pleasure to relate that the
22 Authority has hired Charles Myart, a highly
23 experienced former banker, with more than 24 years of
24 high-level experience in financial analysis,

1 portfolio risk management, and business development.

2 Charles is a veteran, having served in
3 the U.S. Marines and Marine Reserves. And, yes, we
4 did try to find somebody in the Air Force like me,
5 but...

6 Since coming on board November 5th, we
7 have been engaged in an accelerated orientation
8 program covering the origins and current basis of the
9 Authority's involvement in participation loans and
10 guarantees. The effort has included a detailed
11 review of current statutes, regulations, policies and
12 procedures, that guide our current efforts: advanced
13 credit analysis methodologies and the Authority's
14 dedicated adherence to the lending program best
15 practices.

16 We've autopsied several of the
17 Authority's past approved projects, and we'll also
18 analyze various requests that we've rejected in order
19 to emphasize the importance of carefully scrutinizing
20 lender submissions for errors and deficiencies.

21 An important aspect of our orientation
22 program is to ensure that our current roster of 14
23 participating lenders is maintained and augmented.
24 By the end of this week, Charles will be introduced

1 to five current lenders headquartered north of I-80.
2 Then, before month end, as a result of two trips
3 south of I-80, Charles will be introduced to another
4 eight current participating lenders and to four
5 marketing prospects. Shortly thereafter, another
6 three north-of-I-80 prospects will be visited.

7 Charles has proven to be more than
8 equal to the tasks set before him. I am confident
9 that the rejuvenated Participation Loan program has
10 been provided with new competent management.

11 Are there any questions? Any former
12 members of the Marines who wants to get back at me?

13 (No response.)

14 LUBOFF: Thank you, ladies and gentlemen.

15 CHAIRMAN ANDERBERG: Thank you, Stan. Welcome
16 aboard Charles.

17 Ms. Granda, Finance Reports.

18 GRANDA: Good morning, everyone. I will be
19 presenting the financial information for period
20 ending October 31st, 2018. The financial reports can
21 be found in your red folders.

22 Our total annual revenues equals
23 \$1.4 million, and are \$53,000, or 4.1 percent, higher
24 than budget. This is primarily due to higher

1 interest and investment income and higher than
2 expected closing fees.

3 Our total annual expenses equals
4 \$1.3 million and are \$367,000, or 22.2 percent, lower
5 than budget. This was driven by below budget
6 spending on employee-related expenses and
7 professional services.

8 In October the Authority generated
9 \$412,000 in closing fees, which is \$191,000 higher
10 than our monthly budgeted amount of \$221,000.

11 In October the Authority recorded
12 nonoperating revenues of \$84,000, which is \$61,000
13 higher than the monthly budgeted amount of \$23,000.

14 The budget that was presented in June
15 of 2018 under this category was conservative, and it
16 was based on prior years' historical data. The
17 Authority will be scheduling a call with investment
18 manager to further explore the reason for the
19 positive outcome. In December we will also be
20 presented an executive report on the investment
21 portfolio.

22 In October the Authority recorded
23 operating expenses of \$402,000, which is \$11,000
24 lower than the monthly budgeted amount of \$413,000.

1 In October professional serv- --
2 professional fees had a slight increase due to the
3 review of the Authority's JCAR rules, which was in
4 relation to the Transformation Initiative, especially
5 for the PACE.

6 Our total monthly net income for
7 October is \$162,000, and that was, again, due to the
8 higher closing fees and interest and investment
9 income.

10 Our total annual net income is
11 \$66,000, which is due, again, to the higher expected
12 closing fees and the m- -- and an increase in our
13 investment income.

14 In October the Authority received loan
15 payments from the Fire Truck and Ambulance Loan
16 Programs in the amount of \$1.1 million and \$131,000
17 respectively. Our year-to-date loan repayments is
18 \$2 million for both programs.

19 As of November 12th, under the
20 Ambulance Loan Programs, all of the loan repayments
21 have been received. Under the Fire Truck Loan
22 Program, we have a few loans that have not sent in
23 their payments, but we're working with them.

24 In partnership with the Office of the

1 Fire Marshall, in the next 90 to 120 days, the
2 Authority anticipates receiving the applications for
3 the next round of the fire truck loans.

4 Also in October, the Authority funded
5 two loans for a total amount of \$499,000. \$275,000
6 was under the rejuvenated Participation Loan Program,
7 and \$224,000 under our Local Government Program.

8 Are there any questions on the
9 financial analysis?

10 O'BRIEN: Yes. I have one.

11 Professional Services, the substantial
12 increase, what's the basis?

13 GRANDA: It was due to the JCAR rules that we
14 are amending. It was on legal fees.

15 O'BRIEN: It what?

16 GRANDA: It was on legal fees.

17 O'BRIEN: Legal fees pertaining to JCAR?

18 GRANDA: To our JCAR rules.

19 MEISTER: Elizabeth, do you want to clarify?

20 WEBER: Certainly.

21 We have the assistance of outside
22 counsel, who's actually here in the room with us,
23 Paul Marengo from Schiff Hardin, who's assisted us in
24 completely revamping the administrative rules. It's

1 a fairly lengthy, complicated process. They have not
2 been amended since, I think, they originally went
3 into effect. We've had some statutory changes that
4 needed to be addressed by the rules. And once we
5 started looking at them, we realized that there were
6 some -- that there were other things that basically
7 needed to be cleaned up. So it's a fairly extensive
8 process.

9 O'BRIEN: Thank you.

10 GRANDA: Moving on just to -- to our audit, the
11 first draft of the Fiscal Year 2018 Audit Report was
12 submitted to our external auditors and is currently
13 under review. The second phase of the fieldwork
14 should be completed in the coming week.

15 Is there any questions?

16 (No response.)

17 GRANDA: Thank you.

18 Oh. Sorry. I have the Procurement
19 Report.

20 CHAIRMAN ANDERBERG: Are there more questions
21 for Ms. Granda?

22 (No response.)

23 CHAIRMAN ANDERBERG: Okay. Hearing none, I'd
24 like to request a motion to accept the Financial

1 Reports.

2 Is there such a motion?

3 BRONNER: So moved.

4 CHAIRMAN ANDERBERG: A mo- --

5 Fuentes: Second.

6 CHAIRMAN ANDERBERG: A motion and a second.

7 All those in favor?

8 (Chorus of ayes.)

9 CHAIRMAN ANDERBERG: Opposed?

10 (No response.)

11 CHAIRMAN ANDERBERG: The ayes have it.

12 GRANDA: The Procurement Report can be found in
13 your Board Books. The items on page 1 of the
14 Procurement Report just supports the Authority
15 operations. The remainder of the report includes
16 expiring projects through this calendar year.

17 Is there any questions?

18 (No response.)

19 GRANDA: Thank you.

20 CHAIRMAN ANDERBERG: Great job on the budget.

21 That's way ahead of where we thought we'd be this
22 year.

23 Does anyone wish to make any
24 additions, edits or corrections to the Open Session

1 Minutes from September 11th, 2018?

2 (No response.)

3 CHAIRMAN ANDERBERG: We will defer
4 consideration of the Closed Session Minutes until the
5 agenda item entitled Closed Session.

6 (No response.)

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

9 Is there such a motion?

10 O'BRIEN: So moved.

11 POOLE: Second.

12 CHAIRMAN ANDERBERG: A motion and a second.

13 All there in favor?

14 (Chorus of ayes.)

15 CHAIRMAN ANDERBERG: Opposed?

16 (No response.)

17 CHAIRMAN ANDERBERG: Opposed? The ayes have
18 it.

19 Other Business: Is there any other
20 business to come before the Members?

21 (No response.)

22 CHAIRMAN ANDERBERG: Hearing none, I'd like to
23 request a motion to excuse the absences of Members
24 unable to participate today.

1 Is there such motion?

2 FUENTES: So moved.

3 CHAIRMAN ANDERBERG: A motion.

4 And a second?

5 MURPHY: Second.

6 CHAIRMAN ANDERBERG: We have a second.

7 All those in favor?

8 (Chorus of ayes.)

9 CHAIRMAN ANDERBERG: Opposed?

10 (No response.)

11 CHAIRMAN ANDERBERG: The ayes have it.

12 Is there any matter for discussion in

13 Closed Session? Any of the Members want to go to

14 talk about closed session?

15 WEBER: Mr. Chairman, Elizabeth Weber --

16 CHAIRMAN ANDERBERG: Wait.

17 WEBER: Oh. Sorry.

18 CHAIRMAN ANDERBERG: Don't you want to explain

19 first?

20 WEBER: Yes.

21 CHAIRMAN ANDERBERG: Okay. Please.

22 WEBER: Elizabeth Weber, General Counsel.

23 Mr. Chairman and Members, as you know,

24 at the last regular meeting of the Authority, the

1 Members entered into closed session pursuant to
2 Section 2(c)(11) of the Illinois Open Meetings Act to
3 discuss litigation involving the Authority.

4 Today, the Members have the
5 opportunity to enter into Closed Session pursuant to
6 a different section of the Open Meetings Act,
7 2(c)(21), to discuss, first, any additions, edits or
8 corrections to the closed session minutes that were
9 held on September 11th, and, second, whether those
10 minutes should remain closed until the next periodic
11 review required by the Open Meetings Act.

12 Copies of the closed session minutes
13 are found in the left-hand pocket of your red folder.
14 And since you're looking in your red folder, I just
15 also want to point out that there's an
16 attorney-client privileged memorandum. Not on the
17 closed session; it's on a different matter. It's
18 there for information purposes only and does not
19 require any action. But the closed session minutes
20 are in there as well.

21 The litigation discussed in the
22 September session remains ongoing. Accordingly, if
23 no Member has any comments on the minutes, I would
24 recommend voting to approve the minutes and to keep

1 them closed until the next periodic review required
2 by the Act without discussing in closed session
3 today.

4 CHAIRMAN ANDERBERG: Thank you, Elizabeth.

5 Does any Member desire to go into
6 closed session to discuss the closed session minutes?

7 (No response.)

8 CHAIRMAN ANDERBERG: If not, we can proceed
9 with the votes on the minutes per General Counsel
10 Weber's recommendation.

11 Is there a motion to approve the
12 closed session minutes for the regular meeting of the
13 Authority held on September 11th, 2018?

14 MURPHY: So moved.

15 CHAIRMAN ANDERBERG: We have a motion.

16 And a second?

17 POOLE: Second.

18 CHAIRMAN ANDERBERG: And a second.

19 Will the Assistant Secretary please
20 call the roll?

21 FLETCHER: Certainly.

22 On the motion by Mr. Murphy and the
23 second by Mr. Poole, I will call the roll.

24 Ms. Bronner?

1 BRONNER: Yes.

2 FLETCHER: Mr. Fuentes?

3 FUENTES: Yes.

4 FLETCHER: Mr. Goetz?

5 GOETZ: Yes.

6 FLETCHER: Mr. Heller?

7 HELLER: Yes.

8 FLETCHER: Mr. McCoy?

9 McCOY: Yes.

10 FLETCHER: Mr. Murphy?

11 MURPHY: Yes.

12 FLETCHER: Mr. Obernagel?

13 OBERNAGEL: Yes.

14 FLETCHER: Mr. O'Brien?

15 O'BRIEN: Yes.

16 FLETCHER: Mr. Poole?

17 POOLE: Yes.

18 FLETCHER: Ms. Smoots?

19 SMOOTS: Yes.

20 FLETCHER: Mr. Zeller?

21 ZELLER: Yes.

22 FLETCHER: Mr. Chairman?

23 CHAIRMAN ANDERBERG: Yes.

24 FLETCHER: Chairman, the motion carries.

1 POOLE: Obernagel needs to wake up over there.

2 CHAIRMAN ANDERBERG: Thank you.

3 Is there a motion to keep those same
4 minutes closed until the next periodic review
5 required by the Open Meetings Act?

6 BRONNER: So moved.

7 CHAIRMAN ANDERBERG: We have a motion.

8 And a second?

9 FUENTES: Second.

10 MR. ANDERBERG: And a second.

11 Will the Assistant Secretary please
12 call the roll?

13 FLETCHER: On the motion by Ms. Bronner and a
14 second by Mr. Fuentes, I will call the roll.

15 Ms. Bronner?

16 BRONNER: Yes.

17 FLETCHER: Mr. Fuentes?

18 FUENTES: Yes.

19 FLETCHER: Mr. Goetz?

20 GOETZ: Yes.

21 FLETCHER: Mr. Heller?

22 HELLER: Yes.

23 FLETCHER: Mr. McCoy?

24 McCOY: Yes.

1 FLETCHER: Mr. Murphy?

2 MURPHY: Yes.

3 FLETCHER: Mr. Obernagel?

4 OBERNAGEL: Yes.

5 FLETCHER: Mr. O'Brien?

6 O'BRIEN: Yes.

7 FLETCHER: Mr. Poole?

8 POOLE: Yes.

9 FLETCHER: Ms. Smoots?

10 SMOOTS: Yes.

11 FLETCHER: Mr. Zeller?

12 ZELLER: Yes.

13 FLETCHER: And Mr. Chairman?

14 CHAIRMAN ANDERBERG: Yes.

15 FLETCHER: Mr. Chairman, the motion carries.

16 CHAIRMAN ANDERBERG: Okay. Thank you.

17 Yeah. We should probably leave our

18 folders -- the red folders here, correct? Okay.

19 Are there any other comments, today's

20 meeting?

21 (No response.)

22 CHAIRMAN ANDERBERG: Okay. The next regular

23 meeting will be scheduled for December 11th, 2018.

24 I would like to request a motion to

1 adjourn today's meeting.

2 Is there such a motion?

3 O'BRIEN: So moved.

4 MURPHY: Second.

5 CHAIRMAN ANDERBERG: A motion and a second.

6 All those in favor?

7 (Chorus of ayes.)

8 CHAIRMAN ANDERBERG: Opposed?

9 (No response.)

10 CHAIRMAN ANDERBERG: The ayes have it.

11 Happy Thanksgiving, everybody.

12 FLETCHER: The time is 10:07 a.m.

13 (Whereupon the above
14 matter was adjourned.)

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