



BOARD MINUTES

**ILLINOIS FINANCE AUTHORITY
BOARD OF DIRECTORS
REGULAR MEETING
TUESDAY, DECEMBER 10, 2013
10:41 A.M.**

I. Call to Order & Roll Call

At the regular meeting of the Board of Directors of the Illinois Finance Authority (the “Board”), begun and held at One Prudential Plaza, 130 East Randolph Avenue, Suite 750, Chicago, Illinois 60601, on the second Tuesday of December in the year 2013, 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”), William A. Brandt, Jr., Chairman of the Board, called the Board to order and presided over deliberations.

By direction of the Chairman, a roll call was taken to ascertain the attendance of Members, as follows: 10 Present.

On the question of a quorum of Members physically present at the location of this open meeting, the Assistant Secretary of the Board declared that a quorum had been constituted.

**ILLINOIS FINANCE AUTHORITY
BOARD OF DIRECTORS
BOARD ROLL CALL
QUORUM ROLL CALL FOR ATTENDANCE**

December 10, 2013

0 YEAS

0 NAYS

10 PRESENT

P	Barclay	P	Knox	P	Pedersen
E	Bronner	P	Leonard	P	Poole
E	Fuentes	P	Lonstein	P	Tessler
P	Goetz	P	O’Brien	E	Zeller
E	Gold	E	Parish	P	Mr. Chairman

E – Denotes Excused Absence

II. Chairman's Remarks

Chairman Brandt welcomed Members of the Board, Authority staff and all guests present.

Chairman Brandt recognized Member Barclay as pivotal to increasing diversity in the underwriting group on major financings undertaken by the Authority and thanked him for his service on the Board.

Chairman Brandt, Chairman, from the Committee of the Whole to which all items of this meeting's agenda were referred, action taken earlier on December 10, 2013, reported the same back and that all items were thoroughly reviewed.

III. Adoption of the Minutes

Minutes of the regular meeting of the Board held on November 14, 2013 and the Financial Statements for the Month Ended November 30, 2013 were taken up for consideration.

Member Pedersen moved for the adoption of the Minutes and the Financial Statements.

Vice Chairman Goetz seconded the motion.

And on that motion, a vote was taken resulting as follows: 10 Yeas; 0 Nays; 0 Answering Present.

The motion prevailed and the Minutes were adopted.

IV. Acceptance of the Financial Statements

See Agenda Item III.

V. Approval of Project Reports and Resolutions

Chairman Brandt directed Mr. Frampton to present the projects and resolutions without guests or abstentions to the Board.

Mr. Frampton presented the following projects and resolutions:

Agriculture Projects

Item 1(A): Item 1(A) is a request for Beginning Farmer Revenue Bond financing.

Jacob D. Grapperhaus is requesting approval of a Final Bond Resolution in an amount not-to-exceed One Hundred Forty Thousand Dollars (\$140,000). This financing is being presented for one-time consideration.

Bond proceeds will be used to finance the acquisition of approximately 39.3 acres of farmland located in Jarvis Township in Madison County.

Member Barclay moved for the adoption of the following project: Item 1(A).

Vice Chairman Goetz seconded the motion.

And on that motion, a vote was taken resulting as follows: 10 Yeas; 0 Nays; 0 Answering Present.

This project, having received the votes of a quorum of the Members of the Board, was declared passed.

Agriculture Projects

Item 1(B): Item 1(B) is a request for Beginning Farmer Revenue Bond financing.

Daniel Paul & Bobbi Jean Ochs are requesting approval of a Final Bond Resolution in an amount not-to-exceed One Hundred Thirty-Eight Thousand Two Hundred and Forty-Five Dollars (\$138,245). This financing is being presented for one-time consideration.

Bond proceeds will be used to finance the acquisition of approximately 60 acres of farmland located in Smallwood Township in Jasper County.

Local Government Projects

Item 2: Item 2 is a request for Local Government Financing Assistance.

Village of West Salem is requesting approval of a Preliminary Resolution authorizing the Illinois Finance Authority (the "Authority") to purchase Village of West Salem General Obligation Alternate Revenue Bonds, Series 2014 in an amount not-to-exceed One Hundred Fifty Thousand Dollars (\$150,000).

Proceeds of the Village of West Salem General Obligation Alternate Revenue Bonds, Series 2014 will be used to finance all or a portion of the costs of (i) the removal and disposal of sludge from the Village's North Sewage Treatment Lagoons, (ii) the acquisition and installation of piping, manholes, flow meter and rock filter, and related improvements to its sewerage system in the Village of West Salem, Edwards County, Illinois, and (iii) project-related professional and legal expenses associated with the financing (collectively, the "Project").

The Local Government Financing Assistance Program allows for the direct purchase of local government bonds at a fixed rate for a maximum term of twenty years.

The Program serves units of local government that have a borrowing that is small, located in a community lacking its own commercial bank, have a project that is ineligible or only partially eligible for other programs (including the Illinois's EPA State Revolving Fund Loan Programs), and, as a result, has limited borrowing options.

The Local Government Financing Assistance Program utilizes dedicated funds (currently totaling \$2.5 million) that were originally appropriated to the Illinois Rural Bond Bank for this purpose. The Authority also has the ability to allocate unencumbered treasury funds to purchase bonds directly to fund this Program.

Chairman Brandt requested leave of the Board to use the last unanimous vote for the adoption of the following projects: Items 1(B) and 2.

Leave was granted.

These projects, having received the votes of a quorum of the Members of the Board, were declared passed.

Resolutions

- Item 5:** Item 5 is a Resolution Providing for the Issuance of Not-To-Exceed \$5,500,000 Principal Amount Illinois Finance Authority Revenue Refunding Bond, Series 2014 (New Hope Center, Inc. Project); Authorizing the Execution and Delivery of a Bond and Loan Agreement, an Arbitrage and Tax Certificate and Related Documents; and Approving Related Matters.
- Item 6:** Item 6 is a Resolution Approving Release of Approximately 2.25 Acres of Farmland in Connection with Existing Beginning Farmer Bond Loan #2008-09-000.
- Item 7:** Item 7 is a Resolution Delegating to the Executive Director of the Illinois Finance Authority the Power to Fund and Administer an Appropriation Anticipation Loan in an Amount Not-To-Exceed \$370,000 to the Joliet Arsenal Development Authority (“JADA”) and Ratifying Certain Matters Related Thereto.
- Item 8:** Item 8 is a Resolution Authorizing the Adoption of the Tax-Exempt Bond Compliance Policy of the Illinois Finance Authority.
- Item 9:** Item 9 is a Resolution Approving the Terms of Various Contracts.
- Item 10:** Item 10 is a Resolution Appointing the Executive Director of the Illinois Finance Authority for One-Year Term of Office.

Chairman Brandt advised those present that pursuant to statute, the Office of the Governor provided a list of nominees to the Board for consideration in appointing an Executive Director of the Illinois Finance Authority for the upcoming one-year term of office set to begin in January 2014. After deliberations, the Board chose to happily continue with Executive Director Meister.

Chairman Brandt requested leave of the Board to use the last unanimous vote for the adoption of the following resolutions: Items 5, 6, 7, 8, 9 and 10.

Leave was granted.

These resolutions, having received the votes of a quorum of the Members of the Board, were declared adopted.

Chairman Brandt directed Mr. Frampton to present the projects with guests to the Board.

Mr. Frampton presented the following projects:

Healthcare Projects

- Item 3:** Item 3 is a request for 501(c)(3) Revenue Bond financing.

Elmhurst Memorial Healthcare (“EMHC”)is requesting approval of a Final Bond Resolution in an amount not-to-exceed Two Hundred Million Dollars (\$200,000,000). This project is being presented for one-time consideration.

Bond proceeds will be used to: (i) refund all or a portion of the \$100,000,000 IFA Variable Rate Demand Revenue Bonds, Series 2008B (Elmhurst Memorial Healthcare), currently outstanding in the principal amount of \$100,000,000 (the “Series 2008B Bonds”); (ii) refund all or a portion of the \$75,000,000 Illinois Finance Authority Variable Rate Demand Revenue Bonds, Series 2008C (Elmhurst Memorial Healthcare),

currently outstanding in the principal amount of \$75,000,000 (the “Series 2008C Bonds”); (iii) refund all or a portion of the \$25,000,000 Illinois Finance Authority Variable Rate Demand Revenue Bonds, Series 2008E (Elmhurst Memorial Healthcare), currently outstanding in the principal amount of \$25,000,000 (the “Series 2008E Bonds” and, collectively with the Series 2008B Bonds and the Series 2008C Bonds, the “Prior Bonds”); (iv) pay a portion of the interest on the Series 2013 Bonds, if deemed necessary or advisable by the Authority or EMHC; (v) fund one or more debt service reserve funds, if deemed necessary or advisable by the Authority or EMHC; and (vi) pay certain expenses incurred in connection with the issuance of the Series 2013 Bonds and the refunding of the Prior Bonds, all as permitted by the Act (collectively, the “Financing Purposes”).

Chairman Brandt announced that Mr. George Gulas, Assistant Treasurer of Edward Elmhurst, was present and ready to speak on behalf of the project.

Mr. Gulas thanked the Members of the Board for their consideration of the financing.

Chairman Brandt recognized and thanked Mr. Gulas.

Item 4: Item 4 is a request for 501(c)(3) Revenue Bond financing.

Memorial Health System is requesting approval of a Final Bond Resolution in an amount not-to-exceed One Hundred Forty Million Dollars (\$140,000,000) (excluding original issue discount or premium, if any) in aggregate principal amount of revenue bonds consisting of one or more series of Revenue Bonds, Series 2014A (Memorial Health System) (the “Series 2014 Bonds”) (provided that if the Authority shall also authorize the issuance of another series of revenue bonds to benefit the Borrower or its affiliates in 2014 for purposes related to the Financing Purposes defined below, the combined principal amount of all such revenue bonds, including the Series 2014 Bonds, shall not exceed \$140,000,000 in the aggregate. This project is being presented for one-time consideration.

Bond proceeds of the Series 2014 Bonds will be used by Memorial Medical Center (the “Borrower”) to do any or all of the following: (i) pay or reimburse the Borrower for, or refinance certain indebtedness the proceeds of which were used for, the payment of certain costs of acquiring, constructing, renovating, remodeling and equipping certain “projects” (as such term is defined in the Act) for the Borrower’s acute care hospital located in Springfield, Illinois; (ii) establish a debt service reserve fund with respect to the Series 2014 Bonds, if deemed necessary or advisable by the Authority or the Borrower; (iii) pay a portion of the interest on the Series 2014 Bonds, if deemed necessary or advisable by the Authority or the Borrower; (iv) provide working capital to the Borrower, if deemed necessary or advisable by the Authority or the Borrower; and (v) pay certain expenses incurred in connection with the issuance of the Series 2014 Bonds, all as permitted by the Act (collectively, the “Financing Purposes”).

Chairman Brandt announced that Mr. Paul Sorce, Treasury Manager of Memorial Health System, was present and ready to speak on behalf of the project.

Mr. Sorce thanked the Members of the Board for their consideration of the financing.

Chairman Brandt recognized and thanked Mr. Sorce.

Chairman Brandt requested leave of the Board to use the last unanimous vote for the adoption of the following projects: Items 3 and 4.

Leave was granted.

These projects, having received the votes of a quorum of the Members of the Board, were declared passed.

Chairman Brandt directed Executive Director Meister to present Item 11.

Executive Director Meister presented the following resolution:

Resolutions

Item 11: Item 11 is a Resolution of Recognition and Appreciation to Board Member Dr. William Barclay.

The Governor appointed Dr. William Barclay as a Board Member of the Authority on June 12, 2007 and Dr. Barclay has served with distinction as a Board Member since the date on which he was appointed.

During his tenure, Dr. Barclay brought his many talents to the Authority and was very involved in all sectors of the Authority's business. Dr. Barclay was particularly interested in healthcare and minority participation in financings. Under Dr. Barclay's leadership, minority participation in the underwriting group on major financings increased geometrically.

Dr. William Barclay is commended for his service to the Authority and to the people of the state of Illinois and as a result of his dedicated service he has the gratitude of the Members of the Authority and the Authority staff for his fine work and leadership.

Chairman Brandt moved for the adoption of the following resolution: Item 11.

Vice Chairman Goetz seconded the motion.

And on that motion, a vote was taken resulting as follows: 9 Yeas; 0 Nays; 1 Answering Present (Barclay).

This resolution, having received the votes of a quorum of the Members of the Board, was declared adopted

Member Barclay thanked the Members of the Board for their generosity.

VI. Other Business

None.

VII. Public Comment

None.

VIII. Adjournment

Chairman Brandt reminded Members of the Board, Authority staff and all guests present that the regular meeting of the Board in January will be held on January 14, 2013.

At the time of 10:57 a.m., Member Pedersen moved that the Board do now adjourn until January 14, 2013, at 10:30 a.m.

Member Poole seconded the motion.

The motion prevailed.

And the Board stood adjourned.

Minutes published by:

Brad R. Fletcher

Assistant Secretary of the Board