

1 ILLINOIS FINANCE AUTHORITY
2 REGULAR MEETING
3 July 14th, 2016, at 9:31 a.m.

4
5
6
7 Report of Proceedings had at the Regular Meeting of the
8 Illinois Finance Authority on July 14th, 2016, at the hour
9 of 9:30, a.m., pursuant to notice, at 160 North LaSalle
10 Street, Suite S1000, Chicago, Illinois.

11
12
13
14
15
16
17
18
19
20
21
22
23
24

MARZULLO REPORTING AGENCY (312) 321-9365

♀

1 APPEARANCE:
2 ILLINOIS FINANCE AUTHORITY MEMBERS

- 3 MR. R. ROBERT FUNDERBURG, Chairman
- MR. ERIC ANDERBERG
- 4 MR. JAMES J. FUENTES
- MR. ROBERT HORNE
- 5 MS. ARLENE JURACEK
- MR. LERRY KNOX
- 6 MS. GILA J. BRONNER
- MR. MICHAEL W. GOETZ (Via audio conference)
- 7 MR. ROGER POOLE
- MR. BRADLEY A. ZELLER
- 8 MR. LYLE McCOY
- MR. GEORGE OBERNAGEL

10 ILLINOIS FINANCE AUTHORITY STAFF MEMBERS

- 11 MR. BRAD FLETCHER, Assistant Vice-President
- 12 MR. RICH FRAMPTON, Vice-President
- MS. MELINDA GILDART, CFO
- 13 MS. PAMELA LENANE, Vice-President
- MS. ELIZABETH WEBER, General Counsel
- 14 MS. SIX GRANDA, Controller
- MR. CHRISTOPHER B. MEISTER, Executive Director,
- 15 MR. PATRICK EVANS, Agricultural Banker, (Via audio
- 16 conference)

17
18
19
20
21
22
23
24

MARZULLO REPORTING AGENCY (312) 321-9365

♀

- 1 CHAIRMAN FUNDERBURG: Welcome, everyone. I
- 2 would like to call to order the Board Meeting for
- 3 the Illinois Finance Authority. Mr. Assistant
- 4 Secretary, would you please take the roll?
- 5 FLETCHER: Certainly. The time is 9:31 a.m.
- 6 I'll call the roll. Mr. Anderberg?
- 7 ANDERBERG: Here.

8 FLETCHER: Ms. Bronner?
9 BRONNER: Here.
10 FLETCHER: Mr. Fuentes?
11 FUENTES: Here.
12 FLETCHER: Mr. Horne?
13 HORNE: Here.
14 FLETCHER: Ms. Juracek?
15 JURACEK: Here.
16 FLETCHER: Mr. Knox?
17 KNOX: Here.
18 FLETCHER: Mr. McCoy?
19 McCOY: Here.
20 FLETCHER: Mr. Obernagel ?
21 OBERNAGEL: Here.
22 FLETCHER: Mr. Pool e?
23 POOLE: Here.
24 FLETCHER: Mr. Zeller?
MARZULLO REPORTING AGENCY (312) 321-9365

♀

4

1 ZELLER: Here.
2 FLETCHER: And Mr. Chairman?
3 CHAIRMAN FUNDERBURG: Here.
4 FLETCHER: Mr. Chairman, a quorum of members
5 are physically present in the room. At this time I
6 would like to ask if any Members are participating
7 by audio conference?
8 GOETZ: Yes. This is Mike Goetz. I am.
9 CHAIRMAN FUNDERBURG: Okay. Anyone else?
10 Okay. If not, then, is there a motion to approve
11 the request pursuant to the bylaws and policies of

12 the Authority?

13 BRONNER: So moved.

14 FUENTES: Second.

15 CHAIRMAN FUNDERBURG: All in favor?

16 (A chorus of ayes.)

17 CHAIRMAN FUNDERBURG: Okay, the ayes have it.

18 Next up I would like to ask if there are any

19 additions or edits or corrections to today's agenda.

20 No? Okay, then, I would like to request a motion to

21 approve the agenda.

22 HORNE: So moved.

23 ANDERBERG: Second.

24 CHAIRMAN FUNDERBURG: All in favor, please say

MARZULLO REPORTING AGENCY (312) 321-9365

‡

5

1 aye.

2 (A chorus of ayes.)

3 CHAIRMAN FUNDERBURG: Any opposed?

4 (No response.)

5 CHAIRMAN FUNDERBURG: Okay, ayes have it. Next

6 under Item 3, we're going to skip to Item No. 15 on

7 the Project Reports and the Resolutions. Gila

8 Bronner has served as Vice-Chair of the Illinois

9 Finance Authority for this past year, has done a

10 very good job.

11 It's that time of year where it's time to

12 nominate for election a Vice-Chair for the ensuing

13 year. I would like to ask is there a motion to

14 nominate someone for Vice-Chair?

15 FUENTES: So moved.

16 FLETCHER: Who would you like to nominate?

17 FUENTES: Gila.

18 CHAIRMAN FUNDERBURG: We have a motion to
19 nominate Gila from Mr. Fuentes. Are there any other
20 nominations at this point? If not, then would
21 someone like to second that?

22 KNOX: I'll second.

23 CHAIRMAN FUNDERBURG: Okay, by Knox. Okay.
24 Now we'll call a vote on the motion and second.

MARZULLO REPORTING AGENCY (312) 321-9365

†

6

1 FLETCHER: On the motion and second, I'll call
2 the roll for nomination of Ms. Bronner as Vice-Chair
3 of the Illinois Finance Authority.

4 Mr. Anderberg?

5 ANDERBERG: Yes.

6 FLETCHER: Ms. Bronner?

7 BRONNER: I abstain.

8 FLETCHER: And the reason for abstention?

9 BRONNER: I'm the subject of the nomination.

10 FLETCHER: Mr. Fuentes?

11 FUENTES: Yes.

12 FLETCHER: Mr. Goetz on the phone?

13 GOETZ: Yes.

14 FLETCHER: Mr. Horne?

15 HORNE: Yes.

16 FLETCHER: Ms. Juracek?

17 JURACEK: Yes.

18 FLETCHER: Mr. Knox?

19 KNOX: Yes.

20 FLETCHER: Mr. McCoy?

21 McCOY: Yes.
22 FLETCHER: Mr. Obernagel ?
23 OBERNAGEL: Yes.
24 FLETCHER: Mr. Pool e?
MARZULLO REPORTING AGENCY (312) 321-9365

♀

7

1 POOLE: Yes.
2 FLETCHER: Mr. Zeller?
3 ZELLER: Mr. Chair man?
4 CHAIRMAN FUNDERBURG: Yes.
5 FLETCHER: Mr. Chair man, the motion carries.
6 CHAIRMAN FUNDERBURG: Thank you.
7 BRONNER: Thank you.
8 CHAIRMAN FUNDERBURG: Wel come. Thank you for
9 servi ng. I would just like to say here we're
10 wrappi ng up the fi scal year for the Illi noi s Fi nance
11 Autho ri ty. I think we had great year, very strong
12 year from a number of measures.
13 I know that the Illi noi s Fi nance Autho ri ty
14 has had a big impact on economi c develo pment and
15 helped to add a lot of value to the State of
16 Illi noi s and to citizens through the budget impasse,
17 and continue to build and strengthen our Board and
18 our staff, on top of the strong base that we had to
19 start with.
20 Next, I would like to wel come our newest
21 Member, George Obernagel. Thank you for servi ng the
22 people of Illi noi s and wel come to the Board.
23 OBERNAGEL: Thank you very much.
24 CHAIRMAN FUNDERBURG: Also, lastly, I want to
MARZULLO REPORTING AGENCY (312) 321-9365

1 thank all of the volunteer Board Members who give
2 their time and their expertise and their energy to
3 the Illinois Finance Authority.

4 There are sacrifices involved and above
5 and beyond just the time, and I wanted to let you
6 know as Chair, I truly appreciate it. Thank you
7 all very much. Chris?

8 MEISTER: Thank you, Chairman. Again, I would
9 like to echo the Chairman's welcome to
10 Mr. Obernagel. I would also like to set the stage
11 again. As the Chairman noted, we have had a very
12 good year financially from the operational
13 perspective.

14 I will let our Chief Financial Officer,
15 Melinda Gildart, relate that, although certainly on
16 a draft preliminary unaudited basis.

17 I had the privilege of working with
18 Chairman Funderburg, and all of the Members, as well
19 as all of the staff. We've had a great impact. I
20 think that members of the public will see the
21 diversity and impact.

22 Just on this month's agenda, there is a
23 wide variety of projects that really demonstrate the
24 importance of the volunteer work of the Members of

MARZULLO REPORTING AGENCY (312) 321-9365

1 the Authority.

2 Also, I would like to update the Board

3 Members on various items that the Authority has been
4 involved with over the last 12 months or so, in
5 connection with the State's budget impasse, and I've
6 taken the opportunity in my comments in past
7 meetings to articulate clearly what we have
8 committed to and how those commitments are being
9 resolved.

10 First of all, the General Assembly passed,
11 and Governor Rauner signed on June the 30th, what
12 was known as a stopgap budget. Members of the
13 Authority and the public will know that there were
14 large portions of the State's budget and activities
15 that were not -- that were not covered by a budget
16 through most of the fiscal year that ended on June
17 30th.

18 The Authority was asked to take a role in
19 various matters, in connection with the budget
20 impasse. I discussed those in some detail with
21 Chairman Funderburg. I also presented these at
22 various meetings for votes in open session to the
23 Members of the Authority.

24 The first took place about this time last

MARZULLO REPORTING AGENCY (312) 321-9365

♀

10

1 year. There is a statutory entity known as the
2 Southwestern Illinois Development Authority. They
3 have certain powers similar to ours.

4 They have a regional focus, certain
5 counties in the metro east region of Southwestern
6 Illinois; and some years ago, back in the 1990s,
7 they issued some bonds to a private borrower that

8 were backed by moral obligation. That is really a
9 contingent state taxpayer guarantee.

10 And for any number of years since that
11 time, the request has gone from their Chairman to
12 the Governor, which has then gone to the General
13 Assembly, a permissive request, not a mandatory
14 request, for the General Assembly to pay the
15 refilling of the debt service reserve.

16 Also, so that the bondholders can be paid
17 principal and interest. Without a budget last July
18 and last August, there was a payment due of
19 approximately \$1.3 million.

20 The General Assembly or the Governor's
21 Office, Governor's Office of Management and Budget,
22 asked the Authority to deploy some of our general
23 funds to SWIDA, its trustee, ultimately to its bond
24 holders.

MARZULLO REPORTING AGENCY (312) 321-9365

♀

11

1 We did so and made a payment last August
2 the 1st. The Governor's Office of Management and
3 Budget advised the Authority that this was necessary
4 from their communications with various rating
5 agencies to prevent a downgrade of the State of
6 Illinois' credit.

7 It would have been, in my personal view, a
8 particularly silly downgrade over \$1.3 million. We
9 made that payment. That situation was avoided.

10 I'm happy to say that working with the
11 Governor's Office of Management and Budget, and

12 SWIDA's Executive Director, Mike Lundy, there are
13 specific items within the stopgap budget for both
14 the reimbursement of the Illinois Finance Authority
15 for those payments of last year, and to enable SWIDA
16 to make its payments this coming August 1st, 2016.
17 So that's Item No. 1.

18 Item No. 2 was actually the most recent
19 item. The Department of Human Services reached out
20 to us in April. There was a program that is focused
21 in the City of Chicago. It takes the form of grants
22 to Catholic Charities, a nonprofit human services
23 organization. Housing vouchers are provided to
24 approximately 500 mentally-ill people in the City of

MARZULLO REPORTING AGENCY (312) 321-9365

†

12

1 Chicago by keeping them in housing.

2 They are eligible for an array of
3 services, which keeps them out of the emergency rooms
4 and jails and the streets. We were able to, again,
5 after discussions with the Chairman, presentation to
6 the Board, we deployed approximately \$600,000 to
7 Human Services.

8 These housing vouchers were maintained.
9 Yesterday, I was in touch with DHS Secretary Dimas'
10 Chief of Staff, Fred Flather. He conveyed to the
11 Members of the Authority the deep gratitude of the
12 Department of Human Services to the members of the
13 Authority for authorizing this.

14 And I should note Mr. Lundy of SWIDA is
15 similarly grateful, as is his chair for the
16 Authority's action. Mr. Flather identified for me

17 that there are certain line items. They've been
18 combing through the stopgap budget, which is a large
19 and complex document, and they have basically
20 identified some line items and that payment will be
21 forthcoming.

22 On the \$600,000 for DHS, given the
23 life-safety issue that was involved, I recommended
24 to the Authority that we not take interest or fees.

MARZULLO REPORTING AGENCY (312) 321-9365

†

13

1 Similarly, given the grave potential consequences of
2 missing the SWIDA payment last year, I believe that
3 the appropriation only has a de minimis amount, \$10
4 or \$14,000 to reimburse the Authority for our fees.
5 So those were two items.

6 The third item, and again this is a
7 schedule contained within the financial analysis,
8 although unaudited, is that beginning last October
9 or November, we had a series of presentations and
10 discussions before the Board that ended up in a
11 couple of resolutions, I believe in November and
12 February, that authorized the Authority to purchase
13 State receivables, basically vendors who had not
14 been paid, that were providing certain essential
15 government services.

16 And that the Illinois Finance Authority
17 would step into the shoes of those vendors and be
18 eligible to be compensated for up to one percent a
19 month, what is known as statutory prompt-payment
20 interest.

21 Melinda has the exact amount, but I
22 believe that at the current time, it is just over
23 \$5,000,000, and I was on the phone with Acting
24 Director of the Illinois Department of Central
MARZULLO REPORTING AGENCY (312) 321-9365

♀

14

1 Management Services, as opposed to Federal CMS, that
2 deals with hospital funding, Mike Kaufman. And we
3 are in regular communication in identifying the line
4 items and the schedule for repayment and
5 reimbursement by the Authority.

6 So those are the three items: The SWIDA
7 for approximately \$1.4 million; DHS for
8 approximately \$600,000; and the State receivables,
9 which were mainly for food vendors for either the
10 Department of Corrections, the veterans' homes, or
11 the janitorial services that is owned by a
12 disadvantaged small business that cleans the
13 Thompson Center.

14 Because, of course, the State employees
15 that work in the Thompson Center are under court
16 order to continue to work and to get paid. I will
17 take any questions.

18 CHAIRMAN FUNDERBURG: So that's all good news.

19 MEISTER: Yes.

20 CHAIRMAN FUNDERBURG: Okay. Just to be clear.
21 Alright. Thank you, Chris. Does anyone -- would
22 anyone like to make any additions or correction to
23 the minutes of the May 24th or the June 9th meeting?

24 If not, then, is there a motion to approve

1 minutes?

2 BRONNER: So moved.

3 CHAIRMAN FUNDERBURG: By Bronner. Was there a
4 second somewhere?

5 POOLE: Second.

6 CHAIRMAN FUNDERBURG: Seconded by Mr. Pool e.
7 All in favor, please say aye.

8 (A chorus of ayes.)

9 CHAIRMAN FUNDERBURG: Any opposed?

10 (No response.)

11 CHAIRMAN FUNDERBURG: Okay. Next up is
12 financial reports.

13 GILDART: Good morni ng. My name is Melinda
14 Gildart. I'm the Chief Financial Officer for the
15 Illinois Finance Authority, and this month's
16 financial report is as follows: For fiscal year
17 2016 unaudited results in the general operating
18 fund, the Authority has generated estimated total
19 annual revenues of \$5.3 million, and that's 6
20 percent higher than budget.

21 Closings fees year-to-date are at
22 \$3.47 million, and that's 12 percent higher than
23 budget. Net investment income for the year stands
24 at about the \$149,000.

MARZULLO REPORTING AGENCY (312) 321-9365

1 In June, the Authority generated \$479,000
2 in closing fees, and that's the second highest

3 monthly total in fiscal year 2016.

4 We received closing fees from Northwest
5 Community Hospital for \$130,000, the American
6 Academy of Pediatrics for \$105,000, UnityPoint
7 Health Iowa Health System for \$101,000, Rush
8 University Medical Center for \$79,000, Lake Forest
9 Academy for \$52,000, and various ag-related closings
10 of \$4,000.

11 We have total estimated annual expenses of
12 \$4.3 million, and that's just under \$700,000 or
13 14 percent below budget. Our estimated year-to-date
14 employee expense, at \$1.8 million, and that's
15 24 percent under budget.

16 Our professional services are also at \$1.8
17 million, and that's just over 1 percent over budget.
18 Total cash transfers out of the general operating
19 fund to the primary government borrowing fund, and
20 that was behalf of the State of Illinois, are just
21 over \$5,000,000.

22 We also transferred funds out of the
23 general operating fund for the DACA loan program
24 fiscal year 2016 of \$1.2 million.

MARZULLO REPORTING AGENCY (312) 321-9365

♀

17

1 In June, the Authority recorded estimated
2 operating expenses of \$466,000. That's actually
3 higher than the budgeted amount of \$419,000, because
4 we're looking year-end accruals, and we also made a
5 payment to the Office of the Auditor General for the
6 fiscal year '14-'15 financial audit and compliance
7 examination.

8 Our total estimated monthly net income of
9 \$104,000, and that was driven by higher closing
10 fees. Our estimated annual net income is just over
11 \$1,000,000 for fiscal year 2016. Again, the major
12 driver of that positive bottom-line continues to be
13 overall level of spending at 14 percent below
14 budget, and a combination of unfilled vacant
15 positions, the late IT project, in addition to
16 higher closing fees than last fiscal year.

17 The Authority's balance sheet is as of
18 May 31st, 2016. We were a \$121,000,000 agency,
19 which accounts for \$267,000,000 in total activity,
20 when you account for the other State of Illinois
21 component units, such as the Illinois Environmental
22 Protection Agency.

23 We account for \$24,000,000,000 in
24 outstanding conduit debt. In the general operating
MARZULLO REPORTING AGENCY (312) 321-9365

♀

18

1 fund, we have a net position of \$54.3 million, most
2 of which are assets. Liabilities are just over
3 \$800,000.

4 The Authority is still reviewing the new
5 ambulance loans for fiscal year 2016, but that
6 review is coming to a close. We seek to issue about
7 \$1.7 million in new ambulance loans in the next few
8 weeks.

9 Total net position for the fire truck and
10 the ambulance funds are at \$26.7 million. The
11 combined net position in the Industrial Project

12 Fund, in addition to the two State Agricultural Loan
13 Guarantee Funds, are at over \$28,000,000.

14 All other non-major funds account for
15 about \$39.6 million in net position for the
16 Authority. Lastly, the Authority has formally
17 invoiced the City of Chicago for the final payment
18 of the \$3,000,000 due on its Illinois Housing
19 Partnership loan, and that payment is due on or
20 before August 1st, 2016.

21 The schedule of debt, the State of
22 Illinois receivables summary, and other documents
23 are also included in your manila folder this
24 morning. Are there any questions?

MARZULLO REPORTING AGENCY (312) 321-9365

†

19

1 CHAIRMAN FUNDERBURG: Any questions at all?

2 MEISTER: I would just like to supplement
3 Melinda's very positive report. Again, Section 4B,
4 the locally-held Fire Truck and Ambulance Revolving
5 Funds, the Members in their packets have a revised
6 message from the Executive Director.

7 I just want to note the passing of Larry
8 Matkaitis. He is the former Fire Marshal of the
9 State of Illinois. His funeral is this morning.

10 I worked with him closely, along with
11 State Representative Eddie Jackson, and State
12 Representative Don Moffitt, to revise this program
13 several years ago. And the positive result was that
14 this program ended up in locally-held Authority
15 funds that allowed the Fire Marshal's Office and the
16 IFA to deploy fire truck and ambulance loans

17 directly from IFA balance sheet during the past
18 fiscal year, during the budget impasse.

19 So that change was made possible because
20 of Larry's work and, you know, again we lost him
21 over the weekend. So I'm sorry about that.

22 On positive news, and again we've had a
23 lot of positive news this meeting so far, George,
24 it's not always this positive, but Senate Bill 324

MARZULLO REPORTING AGENCY (312) 321-9365

†

20

1 that we discussed last meeting that creates using
2 resources of the Agricultural Guarantee Funds and
3 expands those to qualified small business loans to
4 veterans-owned businesses.

5 It also helped Melinda and Elizabeth and I
6 address some audit findings, and that was signed
7 into law towards the end of June, which in our view,
8 eliminates the Government Compliance Finding No. 1,
9 and the Government Financial Accounting Standards
10 No. 1 from the FY15 and the FY14 and FY15 audit.

11 So we're very pleased to both having a new
12 program, allow the staffing to be paid for from
13 existing originally-appropriated funds. We look
14 forward to working with Lerry Knox, a Navy veteran,
15 who will be working with us on an Advisory Council
16 to implement this and conversations with Senator
17 Burtino-Terrant and Representative Natalie Manley,
18 who helped passed this.

19 And we're also very grateful to Governor
20 Rauner, who put this high on his signing agenda, and

21 it was signed into law before the end of May.

22 CHAIRMAN FUNDERBURG: Okay, thank you. Any
23 other questions at all? If not, then, is there a
24 motion to approve this month's or accept this

MARZULLO REPORTING AGENCY (312) 321-9365

♀

21

1 month's financial report?

2 BRONNER: So moved.

3 CHAIRMAN FUNDERBURG: Is there a second?

4 FUENTES: Second.

5 CHAIRMAN FUNDERBURG: All in favor, please say
6 aye.

7 (A chorus of ayes.)

8 CHAIRMAN FUNDERBURG: Any opposed?

9 (No response.)

10 CHAIRMAN FUNDERBURG: Thank you. Please.

11 GILDART: This month's Procurement Report, the
12 Authority has executed contract renewals for
13 financially advisory services with Acacia Financial
14 Group and Sycamore Advisors.

15 We executed an agreement with U.S. Bank to
16 continue as the paying agent and custodian for
17 Authority's local government pool, in addition to
18 several IT operations, related agreements and other
19 agreements for furniture, storage services, public
20 meetings, reporting services, temporary staffing,
21 Board book printing, electronic records management,
22 and an agreement for hard-copy file records storage
23 is also pending.

24 The Authority is also seeking to award a

MARZULLO REPORTING AGENCY (312) 321-9365

1 contract with a successful certified public
 2 accounting firm to assist it with its implementation
 3 with new government accounting standards for
 4 expanded financial reporting for investments.

5 In addition to Resolutions on the agenda
 6 today, involving the State Revolving Fund on behalf
 7 of Illinois Environmental Protection Agency, will be
 8 discussed later.

9 CHAIRMAN FUNDERBURG: Okay. Thank you very
 10 much. Next are Committee Reports by Chair Bronner.

11 BRONNER: Thank you. Thank you, Mr. Chairman.
 12 The Audit Plus Committee met Tuesday afternoon and
 13 voted unanimously to recommend for approval both the
 14 fiscal year 2017 budget, as well as the Procurement
 15 Resolution on today's agenda.

16 Although State Revolving Fund Senior
 17 Managers and Co-Managers were not discussed or voted
 18 on, because the staff evaluators had not yet
 19 completed their work. I understand that this work
 20 is now completed, and that the Executive Director
 21 will provide these recommendations today.

22 Additionally, the Audit Plus Committee
 23 reviewed a memo regarding IFA's supplemental
 24 responses for the fiscal year 2014 financial audit

MARZULLO REPORTING AGENCY (312) 321-9365

1 and fiscal years 2014 and 2015 compliance
 2 examination for the Legislative Audit Commission, in

3 addition to the final report on the Authority's
4 fiscal year 2016 GAAP package internal audit. I'm
5 pleased to report continued positive progress on all
6 fronts, and in particular in addressing any and all
7 audit findings.

8 CHAIRMAN FUNDERBURG: Thank you. Thank you
9 very much.

10 BRONNER: Thank you.

11 CHAIRMAN FUNDERBURG: Mr. Horne?

12 HORNE: Yes. The Tax-Exempt Conduit
13 Transactions Committee met this morning prior to
14 this meeting, and voted unanimously to recommend
15 each of the tax-exempt transactions that are on
16 today's agenda.

17 CHAIRMAN FUNDERBURG: Okay. Thank you. There
18 are no other reports. Item No. 10 on the agenda is
19 a Presentation and Consideration of Project Reports
20 and Resolutions.

21 I would like to ask as each month we ask
22 for the general consent of the Members to consider
23 the Project Reports and Resolutions collectively,
24 and to have the subsequent vote recorded and applied

MARZULLO REPORTING AGENCY (312) 321-9365

♀

24

1 to each respectively individual Project and
2 Resolution, unless there is something, a Project to
3 report or Resolution that a Member would like to
4 consider separately.

5 Are there any items that the Members would
6 like to consider separately?

7 GOETZ: Mr. Chairman, this is Mike Goetz. I

8 may need to recuse myself on the Presence project.
9 I think it's Item No. 5.

10 CHAIRMAN FUNDERBURG: It's Item No. 5, and
11 please note that's Member Goetz.

12 Also, I would like to recuse myself from
13 voting and any deliberations with respect to Item
14 No. 2 on the agenda, which is The Art Institute of
15 Chicago; Item No. 8, which is OSF Healthcare System;
16 and Item No. 12, Procurements for the Project Report
17 and Resolutions.

18 So are there any others at all? Okay. If
19 not, then I would like to go ahead with the
20 presentations.

21 Patrick are you on the phone? Patrick?

22 EVANS: Yes, this is Patrick Evans with
23 Illinois Finance Authority. Today we have three
24 beginning farmer bonds.

MARZULLO REPORTING AGENCY (312) 321-9365

♀

25

1 All three bonds will be purchased by the
2 local bank and will be senior mortgage. Farm
3 Service Agency, also known as FSA, will participate
4 in origination of these loans, and will subordinate
5 their interest in the collateral to the
6 participating banks.

7 The first two loans are two sisters, Tracy
8 Heuerman and Michelle Mellendorf, for purchasing
9 equal interest in 48 acres of farmland. People's
10 State Bank of Newton is requesting beginning farmer
11 bonds for each loan.

12 Each loan will have the same loan term.

13 Each individual will be requesting financing to
14 purchase one-half interest in 40 acres of farmland
15 for \$6,000 or \$400 per acre.

16 The property is located in southeast
17 portion of Clay County in Southeast Illinois. These
18 loans will be originated via an FSA 5/45/50 loan
19 program. Each borrower will interject 5 percent
20 equity into the purchase.

21 FSA will finance 45 percent, and the local
22 bank will finance the remaining 50 percent of the
23 purchase or \$48,000. This \$48,000 loan will utilize
24 an IFA bond program. The terms of this loan will be

MARZULLO REPORTING AGENCY (312) 321-9365

†

26

1 a 30-year amortization with annual principal and
2 interest payment.

3 The interest rate will be 3.25 percent
4 fixed for 10 years. The interest rate will adjust
5 every 10 years at 2 percent below prime with a floor
6 of 3.25 and a cap of 12.99. The interest rate will
7 not adjust more than 3 percent at any
8 rate-adjustment period.

9 The final loan is Brent McClure. People's
10 State Bank of Newton is requesting a beginning
11 farmer bond for Brent McClure, who is purchasing
12 40 acres of farmland for \$244,800 or \$6,120 per
13 acre.

14 The property is located in Jasper County
15 in Southeast Illinois. The loan will originate via
16 50/50/ FSA loan program. FSA will finance the first

17 50 percent of the purchase with a local bank
18 financing the remaining 50 percent or \$122,400.

19 This loan will utilize the FSA bond
20 program. The terms will be 30-year amortization
21 with annual principal and interest payment. The
22 initial rate will be 3.25 fixed for 10 years.

23 The interest rate will adjust every 10
24 years thereafter at 2 percent below Wall Street

MARZULLO REPORTING AGENCY (312) 321-9365

†

27

1 prime, and a floor of 3.25 with a cap at 12.99 will
2 be established. Excuse me. The interest rate will
3 not adjust more than 3 percent in any adjustment
4 period. Any questions?

5 CHAIRMAN FUNDERBURG: Okay. If no questions,
6 then Mr. Fletcher?

7 FLETCHER: Certainly. We'll skip ahead to
8 No. 3 in the Board book, which is Final Bond
9 Resolution on behalf of Mount Carmel High School, in
10 a not-to-exceed amount of \$22,000,000.

11 Established in 1900, Mount Carmel is an
12 Catholic all-boy's high school located on the south
13 side of Chicago at 64th and Dante Avenue. It's
14 sponsored by the Society of Mount Carmel and managed
15 by an 18 member board of directors.

16 The plan of finance here seeks to refund
17 the Series 2003 bonds outstanding in the amount of
18 approximately \$13.2 million, as well as finance
19 capital expenditures in the approximate amount of 18
20 -- excuse me, \$8.8 million, including cost of

21 issuance.

22 The Series 2016 bond will be a direct
23 purchase by Wintrust Bank. I would like to turn
24 your attention to the middle of page 5 of the

MARZULLO REPORTING AGENCY (312) 321-9365

♀

28

1 report. We provided an estimated breakdown of the
2 project cost that will be financed with the Series
3 2016 bond, including certain demolition cost,
4 masonry and carpentry cost, as well as HVAC,
5 electrical, plumbing and fire protection costs.

6 These improvements on campus are part of
7 the school's overall of \$50,000,000 new campaign --
8 excuse me, a campaign for a New Century of
9 Excellence Fundraising Campaign, which first began
10 in 2008.

11 Because the borrower is a non-rated
12 entity, we provided a confidential forecast at the
13 beginning of page 8. We anticipate that they'll
14 generate sufficient operating cash flows to cover
15 the proposed debt service.

16 Additionally, the Series 2016 bond will be
17 secured by a repayment guarantee provided by Mount
18 Carmel Educational Foundation, Inc. The school is
19 the sole beneficiary of the Foundation.

20 Finally, I wanted to note because the
21 Series 2003 bond that will be refunded through the
22 issuance of the 2016 bond, is secured by a letter of
23 credit issued by JP Morgan Chase, you'll note on the
24 top of page 8 that we discounted our fee consistent

MARZULLO REPORTING AGENCY (312) 321-9365

1 with historical practice. I can take any questions.

2 CHAIRMAN FUNDERBURG: No questions? Thank you
3 very much.

4 FLETCHER: Sure.

5 LENANE: This is project No. 4 in your book.
6 The Newman Foundation at the University of Illinois.
7 The Newman Foundation at the University of Illinois
8 is requesting a one-time final resolution in an
9 amount not to exceed \$40,000,000.

10 The purpose of the financing is to refund
11 their 2007 bonds, which were used to build a student
12 housing facility. The Newman Foundation focuses on
13 three operating areas: St. John Chapel, which
14 conducts masses for Catholics; Newman Hall, which
15 provides 581 beds for certified student housing; and
16 the Institute for Catholic Thought, which provides
17 theology courses for both college credit and
18 non-college credit.

19 The financing is a direct bank purchase by
20 PNC Bank. The interest rate will be variable with a
21 swap to fixed. The variable bank rate floats at a
22 tax-exempt equivalent of LIBOR plus the spread.

23 The Newman Foundation at the University of
24 Illinois was first organized in 1905. Today Newman

MARZULLO REPORTING AGENCY (312) 321-9365

1 Centers can be found at most large public
2 universities throughout the country.

3 In 1927, the Newman complex was built at
4 the University of Illinois, consisting of St. John's
5 Catholic Chapel and Newman Hall, students' resident.
6 The Newman Center is located at the heart of the
7 University of Illinois campus, directly across from
8 the library and the armory, less than one block from
9 the quad Foellinger Auditorium and most classroom
10 buildings.

11 The hall was expanded in 2008 to a 381 bed
12 capacity. Newman Hall is one of the 16 private
13 certified housing facilities, included as part of
14 the University's housing program. Private certified
15 housing meets standards set by the University of
16 Illinois for all students, including freshmen.
17 Within any given year, approximately 27 percent of
18 the entering freshmen class chooses to live in one
19 of the private certified housing facilities.

20 Freshmen enrollment for the fall of 2015
21 was 7,222; undergraduate enrollment, 32,878; and a
22 total enrollment of 43,123. Freshmen are required to
23 spend their first 30 academic hours at the
24 University or private certified housing.

MARZULLO REPORTING AGENCY (312) 321-9365

♀

31

1 Students may transfer to Newman Hall when
2 there is a vacancy without penalty. The
3 University's private certified housing requires
4 standards to meet for -- to be met for eligible --
5 for safety, space and amenities.

6 All students must be eligible to apply for
7 private certified housing, regardless of religion.

8 Newman's audited 2015 financials show good debt
9 service coverage of 1.76 and days cash on hand of
10 165 days.

11 This refunding will give Newman a net
12 present value savings at \$10.5 million on their
13 bonds. I would like to introduce Ms. Anne Donahoe,
14 who is a financial advisor, and is a financial
15 advisor to Newman Foundation.

16 DONAHOE: Hello. I would be happy to answer
17 any questions you might have about this financing.
18 Pam summarized the economics well, as well as
19 described the Newman Foundation and the residential
20 halls down there.

21 Does anyone have any questions that I
22 might be able to answer? Well, having not heard any
23 questions, I want to thank you on behalf of the
24 Newman Foundation for your assistance with doing

MARZULLO REPORTING AGENCY (312) 321-9365

♀

32

1 this financing, which as Pam said will result in
2 considerable net value savings for them. Thank you.

3 CHAIRMAN FUNDERBURG: Great. We thank you for
4 coming today.

5 LENANE: Okay. We're going over No. 5, right?

6 FLETCHER: Correct.

7 LENANE: And we're going to go to No. 6, which
8 is Riverside Medical Center, Riverside Senior Living
9 Center, and Oakside Corporation.

10 Riverside Medical Center, Riverside Senior
11 Living and Oakside Corporation are requesting a

12 Final Bond Resolution in the amount not to exceed
13 \$90,000,000, to currently refund all or a portion of
14 the IFA's 2006C bonds, to advance or refund all or a
15 portion of the IFA Series 2009 bonds, and to pay or
16 reimburse Riverside for the cost of acquiring,
17 constructing, renovating, remodeling and equipping
18 certain health facilities owned by Riverside.

19 This will produce 97 construction jobs and
20 for this work, and two new jobs at Riverside.

21 Riverside is a regional health system operating in
22 the far southern portion of Chicago of the Chicago
23 metropolitan market and is headquartered in
24 Kankakee. Riverside owns and operates a general

MARZULLO REPORTING AGENCY (312) 321-9365

†

1 acute care hospital in Kankakee, which is licensed
2 for 312 beds.

3 In addition to the main Kankakee Hospital
4 facility, Riverside operates the Resolve Center in
5 Manteno Illinois, which houses 18 bed licensed
6 inpatient, substance abuse and associated outside
7 program.

8 In addition, Riverside operates multiple
9 community primary and specialty health centers in
10 Kankakee, Bourbonnais, Manteno, Monee, Momence,
11 Hopkins Park, Watseka, Gillman, Wilmington, Peotone
12 and Coal City. Lots of places.

13 Anyway, Riverside also owns and operates a
14 senior living community in that includes 90
15 independent living apartments, known as Westwood
16 Oak, 96 assisted living apartments known as

17 Butterfield Court, and a 21 ranch-style family homes
18 for seniors known as Westwood Estates, and 160 bed
19 nursing facilities.

20 The senior living community is located
21 directly across from the medical center in Kankakee.
22 The Living Center also operates assisted living and
23 a memory care campus in Bourbonnais, consisting of
24 48 studio units for memory care, and 33 -- 32

MARZULLO REPORTING AGENCY (312) 321-9365

†

34

1 assisted living units.

2 From growth and investments and new
3 programs, Riverside has added 331 new jobs since
4 June 20, 2012. Riverside has a history of a strong
5 operating margin and favorable liquidity rates.

6 The net present value -- their current
7 days cash on hand is 379, and the net present value
8 savings from the current refunding of the Series
9 2006C and the partial advance refunding of the 2009
10 bonds, is estimated at \$6.1 million.

11 Are there any questions?

12 CHAIRMAN FUNDERBURG: So we'll move on to
13 Item 7.

14 LENANE: Thank you. No. 7, Smith Village.
15 Smith Village returns for a final resolution in an
16 amount not to exceed \$35,000,000. The bond proceeds
17 will be use to currently refund the 2005A bond, and
18 the 2005B-2 bond and pay a portion -- pay for the
19 cost of issuance.

20 Smith Village is an Illinois

21 not-for-profit located in Chicago's Beverly
22 neighborhood and operates a continuing care
23 retirement community consisting of 149 independent
24 living units, 57 traditional assisted living units,
MARZULLO REPORTING AGENCY (312) 321-9365

♀

35

1 24 memory care units, and 100 skilled nursing beds.

2 Smith Village is currently a non-rated
3 entity. The plan of finance contemplates a direct
4 bank purchase of the bonds by First Midwest Bank and
5 First Merit Bank. The bonds will be issued as
6 floating-rate debt and will be swapped to fixed-rate
7 debt.

8 The refinancing of the 2005A bonds and the
9 Series 2005B-2 bonds will result in a total savings
10 of \$11,347,000 over the next 10 years, with an
11 average annual debt service savings of approximately
12 \$1.1 million.

13 As a result of the issuance, long-term
14 debt obligations will immediately be reduced by
15 \$2,600,000. The debt service coverage from the
16 audited 2015 financials is 2.05, and the days cash
17 on hand is 204 days. Any questions?

18 I note Smith Village's financial advisor,
19 Tom Starshak, is here. I don't know if you want to
20 make any comment.

21 STARSHAK: No.

22 LENANE: Or you could answer questions. Number
23 of 8 -- 9?

24 MEISTER: Yes.

1 LENANE: Oh, right. Got it. The Moorings of
2 Arlington Heights is seeking a preliminary -- is
3 requesting a Preliminary Bond Resolution in the
4 amount of not to exceed \$70,000,000 to fund the
5 construction of Fellowship Hall, a 27,000
6 square-foot resident common area; and to fund the
7 construction of 73 assisted living units, and
8 construction of 20 unit memory care expansion, and
9 to fund interest on the bonds for a period of
10 approximately 24 months.

11 Presbyterian Homes, a newly-formed
12 not-for-profit, became the sole member of the --
13 sole member of Presbyterian Homes transition NFP,
14 and now the Moorings is a subsidiary of the
15 Presbyterian Homes.

16 The system is headquartered in Evanston,
17 Illinois, a suburb of north Chicago, and currently
18 serves of approximately 1,600 older adults
19 throughout its five facilities and various programs.

20 The project will produce 85 construction
21 jobs and 50 new jobs. The bonds will be a direct
22 bank placement with First Midwest Bank and
23 Huntington Bank.

24 They will be a variable-rate debt with the
MARZULLO REPORTING AGENCY (312) 321-9365

1 an interest-rate hedge. I will present their
2 financials alone at the next meeting, at next

3 month's meeting, when we do the final.

4 Currently, the Moorings' financials are
5 part of Pres. Homes, and we have to break them out
6 and do some projections, but we'll have that for the
7 final.

8 CHAIRMAN FUNDERBURG: Okay.

9 LENANE: Thank you.

10 CHAIRMAN FUNDERBURG: Thank you.

11 FLETCHER: Mr. Chairman, Members, next is tab
12 No. 10, which is a resolution on behalf of MACC
13 Machinery Company and its corporate affiliate, 590
14 Tower Boulevard, LLC.

15 In 2006, JP Morgan Chase Bank purchased
16 the IFA bond at a fixed interest rate through June
17 of this year, 2016. At this time we are being asked
18 to consent. The borrower and the bank have agreed
19 to fix that interest rate at a reset rate for
20 another five years, as well as adjust the
21 amortization schedule through maturity.

22 Because of that change in the amortization
23 schedule, IFA will be conducting a public hearing
24 tomorrow, as well as receiving appropriate approvals

MARZULLO REPORTING AGENCY (312) 321-9365

♀

38

1 from the Governor's Office.

2 Accordingly, I will be charging a \$5,000
3 fee for this reissuance for tax purposes. And just
4 as background, bond proceeds in 1999 were originally
5 to finance the company's construction of its
6 manufacturing facility out in Carol Stream. I can
7 take any questions.

8 Next is tab No. 11 in your Board book,
9 which is a technical amendment for Navistar, Inc.
10 IFA issued a Series 2010 bond under provisions of
11 the American Recovery and Reinvestment Act in
12 December of 2010.

13 This is technical amendment; we are being
14 asked to consent to simply correcting a scrivener's
15 error in the bond documents in connection with the
16 definition of disqualified capital stock. IFA is
17 happy to do this as customer service. Accordingly,
18 we will be taking no fee. Any questions?

19 CHAIRMAN FUNDERBURG: Thank you.

20 MEISTER: Okay, Item No. 13 is a request for
21 approval of an inter-governmental agreement between
22 the Illinois Finance Authority and our State-sister
23 agency, the Department of Commerce and Economic
24 opportunity.

MARZULLO REPORTING AGENCY (312) 321-9365

♀

39

1 They have leased space, DCEO, Department
2 of Economic -- Commerce and Economic Opportunity has
3 leased space in a building in downtown Springfield,
4 within walking distance of the State Capitol, and we
5 have two offices there.

6 Tammy Harter and Patrick Evans, we pay no
7 fee for this, and I'll take any questions, and I ask
8 for the Board support.

9 Okay. Every July at this meeting, the
10 Authority adopts a budget for the next 12 months.
11 We are now in fiscal year 2017. And because of the

12 unique governance and funding structure of the
13 Authority, we generate our own revenues, and that
14 revenue goes largely into our own locally-held
15 accounts; and then the authority is delegated to
16 myself and to senior staff to write checks and spend
17 money from those accounts.

18 We do, in tab No. 15, supplement it by --
19 in the Board Member's manila folders, there is a
20 cover page on top of the Resolution. The cover page
21 takes the place of the cover page in your Board
22 book.

23 But this is the most detailed budget that
24 I believe that the Authority has ever submitted to
MARZULLO REPORTING AGENCY (312) 321-9365

†

40

1 the Board. I want to compliment Melinda and her
2 team for their fine work on this, along with the
3 other three members of the senior staff, General
4 Counsel Elizabeth Weber, Vice-President Rich
5 Frampton, and Vice-President Pam Lenane.

6 A piece of work product like this only
7 comes because of the collegial working of the senior
8 team. The grand total is just over \$4.9 million.
9 It is very similar to last year's budget.

10 We do have -- we do have some -- we have
11 eliminated some previously-approved IT systems and
12 implementation and some prior head count. It does
13 include up to -- it allows for up to a -- it allows
14 for a partial increase for staff.

15 I've discussed with Chairman Funderburg
16 and Chairman Anderberg that given the workload and

17 the uncertainty connected with the budget impasse
18 items that I discussed, that it was my
19 recommendation to the Board rather than, as we did
20 last year, do staff evaluations and salary
21 adjustments at the July meeting, that we do that in
22 August so there is a line item that accounts for
23 that after work with staff and submission to the
24 Authority on that.

MARZULLO REPORTING AGENCY (312) 321-9365

†

41

1 I will tell you, and we had a robust
2 discussion in Chairman Horne's Committee, the
3 Conduit Committee, which is our prime revenue
4 driver. I do want to thank Pam and Rich.

5 They have provided, as well as their deep
6 knowledge and experience of their respective
7 markets, allow revenue projections for the next 12
8 months. I have pressed them to go beyond that.

9 I believe that these predictions are
10 merited, in light of current deal pipeline and the
11 current historically low interest rates.

12 So we'll take any questions or if Melinda
13 has any supplements. We did discuss this in some
14 detail yesterday morning.

15 GILDART: Just to highlight the assumptions,
16 and as Chris mentioned, the elimination of vacant
17 positions from the FY16 budget, in addition to the
18 debt management software implementation that was
19 eliminated in FY17.

20 It assumes a full year temporarily

21 staffing, and also the continuation of the
22 electronic records management implementation which
23 began in 2013, which allows for the Authority to
24 convert all of its hard-copy files into electronic

MARZULLO REPORTING AGENCY (312) 321-9365

♀

42

1 format for ease of accessibility to all staff and
2 other users.

3 MEISTER: Also, to supplement Melinda's
4 comments, and also for the newer Members of the
5 Board, the Authority is subject to certain State
6 regulatory screens, in particular what's known as
7 the U.S. Supreme Court Rutan decision.

8 A number of Senior Members of the
9 Authority have been trained on the official Rutan
10 training. We have relied, over the last year and
11 before, on temporary staffing services.

12 While that is costly, we do want to get
13 away from that, although the positions that we need
14 to fill are subject to this screen, which is subject
15 to a fairly complicated and complex regulatory
16 screen, but we are working with the Illinois
17 Department of Central Management Services on that.

18 Also, with respect to this IT system, this
19 was something that Melinda and I discussed, and that
20 I had signed off on. The budget simply does not
21 support it, although I do want to note for the Board
22 that over the past two years, we've devoted
23 significant investments to addressing long-standing
24 investments in compliance and other related --

MARZULLO REPORTING AGENCY (312) 321-9365

1 addressing other related costs.

2 Temporary staffing has been a large part
3 of that effort. Although the ultimate decision is
4 qualified effective permanent staff, which we hope
5 to have in the next 12 months.

6 It was a difficult decision to walk away
7 from this particular staff investment. The bright
8 side is that there is a newly-created by Governor's
9 Executive Order IT Department within State
10 government called D0-IT. I can't tell you what it
11 stands for. Oh, here, Melinda has it. Say it again
12 for the record.

13 GILDART: Innovation and Technology.

14 MEISTER: Yes, Innovation and Technology. I
15 like the way that they've taken IT and called it
16 Innovation and Technology.

17 But I was in communication with Secretary
18 Hartick Botts, who heads up D0-IT, his chief of
19 staff. As we were making this decision, we are
20 going to reopen discussions with D0-IT. I'm trying
21 to piggyback on to some of their expertise and
22 resources.

23 So, again, this is a budget. And again,
24 from the revenue perspective, we could still fall

MARZULLO REPORTING AGENCY (312) 321-9365

1 short, although I believe that our assumptions and
2 our projections are reasonable, particularly in

3 light of the current moment. But the Authority and
4 its staff, as good as they are at their respective
5 sectors, it is ultimately the decision of private
6 borrowers, their financial advisors, their bankers,
7 to come to the Authority and issue or restructure
8 debt, not the decisions of Pam and Rich, or the rest
9 of the staff. But I ask for an aye vote from the
10 Board.

11 CHAIRMAN FUNDERBURG: Okay. In regard to the
12 budget, too, I know it has been a thorough process,
13 and that Executive Director Meister has pushed in
14 appropriate places on the revenue side and been very
15 mindful on the expense side.

16 Any discussion or questions on that, or
17 anything else we discussed for that matter before a
18 vote?

19 Okay. Then I would like to request a
20 motion to pass and adopt the following Project
21 Reports and Resolutions: Item 1, 3, 4, 6, 7, 9, 10,
22 11, 13 and 4. Is there such a motion?

23 ANDERBERG: So moved.

24 CHAIRMAN FUNDERBURG: By Mr. Anderberg.

MARZULLO REPORTING AGENCY (312) 321-9365

♀

45

1 McCOY: Second.

2 CHAIRMAN FUNDERBURG: By Mr. McCoy.

3 FLETCHER: On the second and motion, I'll call
4 the roll. Mr. Anderberg?

5 ANDERBERG: Yes.

6 FLETCHER: Ms. Bronner?

7 BRONNER: Yes.

8 FLETCHER: Mr. Fuentes?
9 FUENTES: Yes.
10 FLETCHER: Mr. Goetz on the phone?
11 GOETZ: Yes.
12 FLETCHER: Mr. Horne?
13 HORNE: Yes.
14 FLETCHER: Ms. Juracek?
15 JURACEK: Yes.
16 FLETCHER: Mr. Knox?
17 KNOX: Yes.
18 FLETCHER: Mr. McCoy?
19 McCOY: Yes.
20 FLETCHER: Mr. Obernagel ?
21 OBERNAGEL: Yes.
22 FLETCHER: Mr. Pool e?
23 POOLE: Yes.
24 FLETCHER: Mr. Zeller?
MARZULLO REPORTING AGENCY (312) 321-9365

♀

46

1 ZELLER: Yes.
2 FLETCHER: Mr. Chair man?
3 CHAIRMAN FUNDERBURG: Yes.
4 FLETCHER: Mr. Chair man, the moti on carries.
5 CHAIRMAN FUNDERBURG: Thank you very much. At
6 this point, I would like to excuse myself from the
7 room and recuse myself from voting on the next items
8 here.
9 First, The Art Institute. I serve on a
10 committee of an auxiliary group of The Art
11 Institute. Also, on OSF, I have business and

12 personal relationships; on the procurement side, I
13 have personal relationships with some of the firms
14 that are being considered. So excuse me.

15 FRAMPTON: Okay, thank you.

16 FLETCHER: Let the record reflect that
17 Chairman Funderburg has recused himself from
18 deliberations by exiting the room.

19 FRAMPTON: Okay, thank you. With that, we will
20 move on to tab 2 in your book, which is for The Art
21 Institute of Chicago. The Art Institute is
22 requested a Final Bond Resolution in an amount not
23 to exceed \$47,500,000.

24 The proceeds will be used to advance
MARZULLO REPORTING AGENCY (312) 321-9365

†

47

1 refund The Art Institute Series 2009A bonds, the
2 2008 -- the 2009A bonds were a part of an original
3 \$140,000,000 financing, the proceeds of which were
4 primarily used to provide for permanent financing
5 for The Art Institute's modern wing.

6 In addition to that, there were
7 improvements to Gonzales Hall, a number of galleries
8 and also other capital improvements were undertaken
9 at that time.

10 Currently, these 2009A bonds bear a fixed
11 interest rate of 6 percent. The existing final
12 maturity date is March 1, 2038. In connection with
13 the refinancing, that final maturity date will be
14 maintained, but The Art Institute will be able to
15 ride down the yield curve to where current market
16 rates are.

17 The 20-year rates, just based on where the
18 MMD index is, is around 2-and-a-half percent or so.
19 The Art Institute also, as a result of the savings,
20 expects to be able to also begin amortizing this,
21 the 2016 bonds.

22 So not only will they lower the interest
23 rate, but they'll be able to apply savings to
24 accelerate amortization and to also attain

MARZULLO REPORTING AGENCY (312) 321-9365

†

48

1 de-leveraging objectives.

2 In January, Moody's upgraded The Art
3 Institute of Chicago's credit outlook from neutral
4 to positive and also affirmed their A1 rating. At
5 the time Moody's noted that The Art Institute, and
6 they have a positive outlook that reflected
7 expectations of continued strong cash flow, in
8 addition to ongoing significant debt reduction,
9 which will occur without adversely affecting the
10 institution's liquidity.

11 And with that, I will conclude my remarks.
12 With that, I would like to introduce --

13 SOWDEN: Alison Sowden.

14 FRAMPTON: Alison Sowden, who is Executive
15 Vice-President and Chief Financial Officer of The
16 Art Institute of Chicago.

17 SOWDEN: Thank you for your consideration this
18 morning. We have had a long partnership with the
19 IFA, which we're grateful.

20 The Art Institute has been issuing

21 tax-exempt debt since 1978 when not-for-profits were
22 first allowed to do so. This issuance will allow us
23 to generate considerable net value savings on the
24 advance refunding. We are proud to be partnering

MARZULLO REPORTING AGENCY (312) 321-9365

♀

49

1 with our underwriters, JP Morgan and Loop Capital,
2 on this deal.

3 So I'll ask if there are any questions
4 that I can help you, but I thank you again.

5 BRONNER: No questions.

6 FRAMPTON: Okay, thank you very much.

7 BRONNER: Than you, Mr. Frampton.

8 LENANE: This is tab No. 8. OSF Healthcare --
9 OSF Healthcare System is requesting a one-time Final
10 Bond Resolution approving the issuance of tax-exempt
11 bonds in an amount not to exceed \$120,000,000. The
12 proceeds will be used to advance refund the IFA's
13 Series 2010 bond.

14 OSF is headquartered in Peoria. Ten of
15 the hospitals -- the corporation's hospitals are
16 located Illinois. One hospital is located in
17 Michigan.

18 OSF has 1500 licensed acute care beds.
19 The corporation's largest hospital, St. Francis
20 Medical Center in Peoria, is a 609 bed tertiary care
21 teaching hospital, and the center providing numerous
22 specialty services and extensive residency programs
23 for physicians.

24 The array of healthcare services provided

MARZULLO REPORTING AGENCY (312) 321-9365

1 by OSF include 44 hospital-based outpatient
 2 facilities, approximately 248 physician offices; and
 3 of employed physicians, six home healthcare agencies
 4 and five hospices.

5 The system currently employs 15,290
 6 people. OSF is rated A2 by Moody's and A by S&P.
 7 The bond will be fixed-rate debt, with the rate to
 8 be determined at pricing. The bonds are being
 9 underwritten by Barclays.

10 OSF has strong financials with a 3.45 debt
 11 service coverage and 215 days cash on hand. The net
 12 present value savings from this advance refunding is
 13 estimated to be approximately \$16,000,000. And
 14 today we have with us again Ms. Anne Donahoe,
 15 financial advisor to OSF.

16 DONAHOE: Thanks, Pam. I would be glad to
 17 answer any questions that you might have; but
 18 interestingly enough, just as The Art Institute had
 19 the 6 percent, these were 6-percent bonds back
 20 following the crisis that was interest rates that
 21 were -- had to be accepted, but now can be advance
 22 refunded for significant savings.

23 So OSF has been here before for multiple
 24 financings. It's a large organization and do

MARZULLO REPORTING AGENCY (312) 321-9365

1 appreciate the Illinois Finance Authority in
 2 general, and Pam in particular. May I answer any

3 questions you might have?

4 BRONNER: No questions. Thank you.

5 DONAHOE: Thank you on behalf of OSF. Thank
6 you very much.

7 BRONNER: Thank you. Thank you, Pam. And now
8 we move to Item No. 12.

9 MEISTER: Yes.

10 BRONNER: Resolution -- Procurement.

11 MEISTER: So Item No. 12, there is a
12 memorandum, a revised version that is contained in
13 the Board Member's manila folders.

14 FLETCHER: Wait. Not yet.

15 MEISTER: So there are four items, and I will
16 highlight the revisions. The first item is we are
17 seeking Board approval for the extension of the
18 competitively procured financial advisor contracts
19 for the Authority.

20 This is the first renewal; the two
21 financial advisors that are paid hourly are Acacia
22 Financial Group of and Sycamore Advisors. Both are
23 women-owned businesses.

24 We rely on them for two functions: First,
MARZULLO REPORTING AGENCY (312) 321-9365

♀

52

1 the business of the Authority; and second, we have
2 an upcoming financing with the Illinois
3 Environmental Protection Agency, known as the State
4 Revolving Fund, and I've assigned both of these
5 financial advisors to assist with that to use their
6 expertise.

7 I ask for the Board's approval on both of
Page 44

8 these, both the extension and for work on the State
9 Revolving Fund. I will take any questions.

10 I will also note on all of these, and
11 there was a line out in your revised memo, is that
12 this memo was originally prepared for the Board
13 books before we had balanced everybody's schedule
14 for the Audit Procurement and Budget Meeting that
15 took place on Tuesday of this week; hence, the
16 deleted language.

17 No. 2, this is for -- also for the State
18 Revolving Fund with Illinois Environmental
19 Protection Agency, at the request of the Illinois
20 Environmental Protection Agency, the Illinois
21 Finance Authority is working in the next month or
22 two to issue bonds pursuant to this program.

23 Unlike the conduit bonds that the Members
24 have heard through most of this meeting, these are
MARZULLO REPORTING AGENCY (312) 321-9365

♀

53

1 more akin of IFA and IEPA, both being the issuer and
2 the borrower; whereas, for as example with OSF or
3 The Art Institute, OSF and The Art Institute are the
4 borrowers and the Authority is the conduit issuer.

5 Pursuant to the State Procurement
6 Regulations, back in September of 2012, there was a
7 fairly lengthy competitive process, and ultimately
8 four senior managers and -- okay, four senior
9 managers and a number of co-managers were selected.
10 They were graded. They were put under contract.

11 There was at the time -- and ultimately in

12 November of 2013, we issued \$140,000,000 of bonds.
13 At that time it was Bank of America Merrill Lynch,
14 who was the senior manager, and we had two
15 co-managers: Ramirez and Loop Capital.

16 We are now looking at a significantly
17 larger financing than the \$140,000,000. I'll also
18 note for the record that prior to 2013, the
19 Authority and its predecessor, the Development
20 Finance Authority, issued State Revolving Fund bonds
21 in 2004 and in 2002.

22 The 2013 deal was a success. We borrowed
23 \$140,000,000 worth of bonds. They were rated by two
24 separate rating agencies as AAA. They were priced

MARZULLO REPORTING AGENCY (312) 321-9365

†

54

1 with no Illinois penalty, and this was quite an
2 accomplishment at the time that it was some weeks
3 before pension reform that has now been overturned
4 by the Illinois Supreme Court, but it was some weeks
5 before that was passed by the General Assembly the
6 first time.

7 And because of the way that we partner
8 with IEPA, we freed up some State reserve funds, and
9 we borrowed a number of years of State match. So,
10 in essence, because this is a federal program that
11 is accessed.

12 So, in essence, we borrowed \$140,000,000,
13 and we took a \$400,000,000 loan program and turned
14 it into a nearly \$800,000,000 loan program. So what
15 we did was we took these contracts.

16 There was a discrepancy between the

17 solici tation document that contemplated extension of
18 these contracts, and the actual contracts,
19 themsel ves, that due to a scrivener's error, did not
20 contemplate the extension of these contracts due to
21 timi ng.

22 We went to the Procurement Regulators.
23 They signed off on the extension of these contracts
24 for the one-year term. So I'm asking for two

MARZULLO REPORTING AGENCY (312) 321-9365

‡

55

1 thi ngs, confi rmati on of the extension of all of
2 these contracts for a one-year term, they expire
3 later this month; and at the same time given the
4 request by IEPA, we engaged in, and this was
5 di scussed with the Board over the past couple of
6 months, we engaged in a very robust and very
7 expedi ted selecti on and sol i ci tati on, and selecti on
8 process from among these underwriters that were
9 already under contract.

10 And, indeed, as we sit here today, are
11 currently under contract with the Authority, and I
12 have passed out to the Board this one pager.

13 The work of the Seni or Members of the
14 Authori ty team, who I will not name in open sessi on,
15 one Seni or Member of IEPA, and then the procurement
16 lead, Christy Renaldi from IEPA, did an
17 extraordi nary amount of work in conjuncti on with the
18 fi nanci al advi sor.

19 I am pleased to share the results of their
20 work. For the seni or managers, and the sol i ci tati on

21 document provided for one or more, I will ask the
22 Board to approve Merrill Lynch, Pierce, Fenner and
23 Smith, Incorporated, sometimes referred to as Bank
24 of America Merrill Lynch, to be senior manager and
MARZULLO REPORTING AGENCY (312) 321-9365

♀

56

1 sole book runner for the upcoming issuance.

2 Citigroup Global Markets as co-senior, as
3 that we believe the size of this transaction will
4 support a co-seniors. And for co-managers, and
5 there were six respondents, we are recommending five
6 co-managers. I will read them in alphabetical, not
7 their evaluation criteria order.

8 Jefferies & Company, Loop Capital Markets,
9 Piper Jaffray, Samuel A. Ramirez & Company, and
10 Siebert Bradford Shank as co-managers. Again, this
11 was a robust process.

12 I want to express my deep gratitude to the
13 evaluators. This was a complicated, complex,
14 highly-regulated task. I'm grateful for their time
15 and attention, especially since they had a wide
16 array of other time-sensitive duties.

17 I will take any questions on the
18 underwriters. Okay.

19 HORNE: Chris, when we come to a vote on that,
20 I want to recuse myself from that. My daughter
21 works for, summer job, but she does work for one of
22 those. So if we could just have that vote
23 separated.

24 MEISTER: General Counsel Weber, what would you

1 suggest?
2 WEBER: My guess is since there's been no
3 discussion, I would suggest you leave the room at
4 the moment.
5 HORNE: Sure. It was just put in front of me
6 about a minute ago.
7 WEBER: Sure.
8 HORNE: I didn't want to vote on it.
9 MEISTER: Yes.
10 BRONNER: Thank you. No else leave.
11 MEISTER: We still have Mr. Goetz on the phone.
12 Mr. Goetz?
13 GOETZ: Yeah, I'm still here.
14 MEISTER: Okay.
15 BRONNER: You still have his number.
16 MEISTER: All right. Good.
17 WEBER: I would have him stay out for any
18 further discussion of Item 12, but you may want to
19 have him come back in for votes on --
20 BRONNER: No. 5, for 2, 8 and then --
21 WEBER: 2 and 8 and separate out No. 12.
22 BRONNER: Fine.
23 MEISTER: Okay. So Procurement Item No. 3,
24 State Revolving Bond Counsel, authority counsel,
MARZULLO REPORTING AGENCY (312) 321-9365

1 underwriter's counsel, trustee-related engagement, I
2 may have to rely on General Counsel Elizabeth Weber

3 to -- on some of these points.

4 But we did pass a prior resolution to go
5 forward with this. Again, at the request of -- at
6 the request of IEPA, we -- again highly-regulated
7 process, we solicited proposals from a pool of 35
8 law firms for bond counsel. Again, a robust
9 process.

10 Katten Muchin was selected. I will note,
11 for the record, that General Counsel Weber and
12 Deputy General Counsel Denise Burn, Denise, raise
13 your hand since you're a new edition, formerly
14 worked at Katten. So we took great efforts to wall
15 them off from this process.

16 Again, my thanks to the evaluators. You
17 have my gratitude. Given the time-sensitive nature
18 of this, I had conversations with Audit and
19 Procurement Chair Bronner and Chairman Funderburg.

20 I engaged Katten Muchin so that they could
21 begin work, given our tight timeline, and so I ask
22 for a confirmation of that selection. Again, a
23 robust and regulated and very detailed process.

24 Given our situation with our two lawyers

MARZULLO REPORTING AGENCY (312) 321-9365

‡

59

1 on staff, I did again make the decision to engage
2 Schiff Hardin, Bruce Weisenthal, who is a trusted
3 member of our pool of issuer's counsel.

4 He's the Authority's issuer's counsel on
5 this, pursuant to the terms of his existing
6 contract. I would ask for confirmation of that.

7 And then, Ms. Weber, I think I may be

8 missing some nuances here in the memo on
9 underwriter's counsel, trustee, rating agencies, and
10 other professionals that we need authority for.

11 WEBER: Right. I think we are authorizing to
12 go forward -- in the resolution authorizing to go
13 forward to procure the services of those entities in
14 the future.

15 MEISTER: Yes. And, in fact, the rating
16 agencies, the procurement methodology, again,
17 highly-regulated process, those may well end up
18 being sole economic sources.

19 So I ask -- I'll take any questions on the
20 counsel and the related engagements. Any question
21 questions?

22 BRONNER: No questions.

23 MEISTER: Okay. Item No. 4, again, as the
24 Authority, particularly the newer Members are

MARZULLO REPORTING AGENCY (312) 321-9365

♀

60

1 getting a sense for the Authority and other State
2 actors in the State, procurement is a
3 highly-regulated, detailed, resource-intensive
4 process.

5 We provide the Members of the Authority --
6 we recognize that you are volunteer Members, and
7 that while the vast majority of what we do is
8 conduit debt, which by its nature has little
9 financial, or should have little financial exposure
10 to the Authority's Board Members, we recognize that
11 you are volunteers providing service to the people

12 of the State of Illinois, and that you all have
13 private reputations and professional reputations and
14 private and personal assets.

15 So we have taken pains over the last few
16 years to be aggressive, and this was the sense of
17 last -- of the last Chairman and the last Board to
18 be aggressive on obtaining director's and officer's
19 liability insurance, as well as additional insurance
20 for the Authority and its senior management team or
21 the Authority as a whole. Again, a regulated
22 process.

23 Mesirow, our current insurance brokerage,
24 also was competitively procured for a State master
MARZULLO REPORTING AGENCY (312) 321-9365

†

61

1 contract; however, working with the State
2 Procurement Regulator, the scope of that contract
3 did not fully contemplate what we needed to do with
4 them.

5 Simultaneously, we had previously
6 competitively procured for an insurance broker. It
7 was Mesirow, although that contract has since
8 expired. Pursuant to the Procurement Regulations,
9 we went to the Regulators.

10 We explained this process, which sometimes
11 results in an open hearing for stakeholders. Again,
12 insurance brokerage is a competitive business. This
13 was published.

14 There were no stakeholders that came
15 forward, and the Chief Procurement Officer approved
16 us moving forward with an insurance contract with

17 Mesirov. Again, we've had very good service.

18 I think next month we will provide the
19 Board with a representative of Mesirov to go over
20 all of the coverages, all of the excess coverages,
21 but I'm asking for confirmation by the Authority
22 to -- for the approval of this contract that has
23 already been approved by the various Procurement
24 Regulators, and which was discussed in some detail

MARZULLO REPORTING AGENCY (312) 321-9365

†

62

1 in Chair Bronner's Committee meeting on Tuesday.

2 Interestingly enough, because procurement
3 is never simple, and there's always another shoe to
4 drop, yesterday morning it was announced that
5 Mesirov is selling its insurance brokerage business
6 to a company named Alliant.

7 And I spoke with our Mesirov person, and
8 he assured me that the same people would remain in
9 place, and this has happened from time to time.
10 Typically what happens is that we take news of
11 things like this, and we go to the Procurement
12 Regulators and we explain the situation, and we're
13 allowed to change the State public contract
14 accordingly.

15 At the time that this went to print, the
16 legal departments of Alliant and Mesirov were still
17 reviewing the public -- the official public
18 statement; however, it was still reported widely in
19 Crain's and the Chicago Tribune. So sharing that
20 piece of news, again, I will take any questions on

21 this.

22 BRONNER: Hearing none, Mr. Assistant
23 Secretary, should we then proceed with Mr. Horne out
24 of the room for to adopt and pass resolution for
MARZULLO REPORTING AGENCY (312) 321-9365

♀

63

1 Item No. 12?

2 FLETCHER: Yes, with the amendments.

3 BRONNER: With the amendments offered by the
4 Executive Director.

5 WEBER: And one other correction I would like
6 to note.

7 BRONNER: And one other correction.

8 WEBER: In reference to Morgan Keegan in the
9 resolution, it should reflect that they are now
10 Raymond James.

11 BRONNER: Is there such a motion?

12 POOLE: I move the motions be adopted.

13 JURACEK: Second.

14 BRONNER: Board Member Poole and seconded by
15 Board Member Juracek.

16 FLETCHER: On the motion and the second,
17 provided that the record reflects that Member Horne
18 has recused himself by exiting the room, I will call
19 the roll.

20 Mr. Anderberg?

21 ANDERBERG: Yes.

22 FLETCHER: Ms. Bronner?

23 BRONNER: Yes.

24 FLETCHER: Mr. Fuentes?

1 FUENTES: Yes.
2 FLETCHER: Mr. Goetz on the phone?
3 GOETZ: Yes.
4 FLETCHER: Ms. Juracek?
5 JURACEK: Yes.
6 FLETCHER: Mr. Knox?
7 KNOX: Yes.
8 FLETCHER: Mr. McCoy?
9 McCOY: Yes.
10 FLETCHER: Mr. Obernagel ?
11 OBERNAGEL: Yes.
12 FLETCHER: Mr. Pool e?
13 POOLE: Yes.
14 FLETCHER: And Mr. Zeller?
15 ZELLER: Yes.
16 FLETCHER: Ms. Vice-Chairwoman, the motion
17 carries.
18 BRONNER: Thank you. We should not invite
19 Member Horne back?
20 FLETCHER: Let the record reflect Member Horne
21 has returned to the room.
22 BRONNER: Thank you. Welcome back.
23 HORNE: Thank you.
24 BRONNER: I would like to request a motion to
MARZULLO REPORTING AGENCY (312) 321-9365

1 pass and adopt the following project reports
2 associated with Items No. 2 and No. 8. Is there

3 such a motion?
4 OBERNAGEL: So moved.
5 McCOY: Second.
6 BRONNER: Member Obernagel and McCoy second.
7 FLETCHER: On the motion and the second, I'll
8 call the roll. Mr. Anderberg?
9 ANDERBERG: Yes.
10 FLETCHER: Ms. Bronner?
11 BRONNER: Yes.
12 FLETCHER: Mr. Fuentes?
13 FUENTES: Yes.
14 FLETCHER: Mr. Goetz on phone?
15 GOETZ: 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 ?

MARZULLO REPORTING AGENCY (312) 321-9365

‡

66

1 OBERNAGEL: Yes.
2 FLETCHER: Mr. Pool e?
3 POOLE: Yes.
4 FLETCHER: And Mr. Zeller?
5 ZELLER: Yes.
6 FLETCHER: Ms. Vice-Chairwoman, the motion
7 carries.

8 BRONNER: Thank you. We should now invite the
9 Chairman back in the room.
10 GOETZ: And I need to recuse myself. Do I need
11 to say why I need to recuse myself again?
12 WEBER: Yes, please.
13 MEISTER: Yes, please.
14 GOETZ: I'm recusing myself on item No. 5,
15 Presence Hospital, because my son works for the firm
16 that is their financial consultant. And do I also
17 need to explain why I'm on the phone rather than not
18 there in person?
19 MEISTER: Yes, that would be helpful.
20 GOETZ: Yes, I have a business conflict at noon
21 today; and this afternoon, I've got a board meeting
22 of the Illinois Housing Council, which I currently
23 chair.
24 MEISTER: And which I understand Mr. Goetz is
MARZULLO REPORTING AGENCY (312) 321-9365

♀

67

1 the Trade Association for your primary employment?
2 GOETZ: Yes.
3 MEISTER: Which is Housing Development?
4 GOETZ: Yes, Housing Development, yes.
5 FLETCHER: And, therefore, employment purposes?
6 MEISTER: And, therefore, employment purposes.
7 GOETZ: Yes. Alright?
8 CHAIRMAN FUNDERBURG: Alright.
9 GOETZ: Anything else from me, Chris?
10 MEISTER: Thank you very much.
11 CHAIRMAN FUNDERBURG: Yeah, thank you.

12 GOETZ: Okay, thank you. Hopefully I'll see
13 you guys in August. Thank you.

14 BRONNER: Bye.

15 GOETZ: Bye.

16 FLETCHER: So let the record reflect that
17 Chairman Funderburg has returned to the room; and
18 likewise, Member Goetz has recused himself in
19 deliberations by terminating his participation by
20 audio conference.

21 BRONNER: Welcome back.

22 CHAIRMAN FUNDERBURG: Thank you. Thank you.
23 So, Pam, please.

24 LENANE: Presence Healthcare, Health Network,
MARZULLO REPORTING AGENCY (312) 321-9365

‡

68

1 is requesting a Final Bond Resolution to approve a
2 series of tax-exempt and taxable bonds in an amount
3 not to exceed \$1.2 billion to refund all of their
4 existing bonds.

5 Now that the transaction has been sized,
6 it will be \$970,000,000. Presence is the largest
7 Catholic health system in Illinois, as well as the
8 largest provider of Medicaid and behavioral
9 healthcare services.

10 Presence's ratings were issued this week,
11 but I'm going to let Presence CEO, Mike Englehart,
12 who is here patiently waiting, to tell you about
13 those results.

14 The bonds will be issued either as fixed
15 or variable-rate debt. The rate will be determined
16 at pricing. The bonds will be underwritten by JP

17 Morgan Securities, and the net present value of the
18 savings to Presence by this refunding is
19 \$50,000,000.

20 CHAIRMAN FUNDERBURG: That's great. Thank you.

21 LENANE: Mike Englehart, CFO.

22 MEISTER: CEO.

23 ENGLEHART: I'm not smart enough to be the CFO.

24 Thank you very much for a few minutes of your time.

MARZULLO REPORTING AGENCY (312) 321-9365

†

69

1 First, we would like to say a special
2 thank you to Chris Meister and Pam Lenane, who have
3 been outstanding to partner through a short period
4 of time.

5 We were here at the very end of May
6 requesting approval to move forward on a note. That
7 note marked Chapter 1 of a two-step process. In
8 coordination with JP Morgan and with Kaufman Hall,
9 we are now ready to go out, as Pam articulated, to
10 restructure our entire debt.

11 We have instituted a fix, build and grow
12 strategy. This is a key component of it. The
13 restructuring of \$970,000,000 has been
14 thoughtfully considered.

15 The refinancing will dramatically reduce
16 any event risk for the system. The refund, as Pam
17 articulated, has a net present value of \$50,000,000
18 which is profound for our health system.

19 The total restructuring will change our
20 actual debt from an annual payment of approximately

21 \$92,000,000 to what we're forecasting to be about
22 \$73,000,000. So an ongoing steady improvement for
23 us.

24 It will also change the master trust
MARZULLO REPORTING AGENCY (312) 321-9365

♀

70

1 indenture. You have in your booklet, the rating
2 agencies. All three have placed us at BBB, with a
3 negative outlook.

4 What I would share with you is that the
5 system has moved swiftly in a short period of time
6 to stabilize, and we feel that the rating reflects
7 the execution that has occurred through the first
8 half of this year.

9 We are pleased, and we also feel that all
10 three of the rating agencies articulate the key
11 steps that we need to take, in order to move up on
12 the ladder as far as grades are concerned, which
13 we're all about. This is a key component of it.

14 So we are excited to let you know that we
15 have printed our POS yesterday, and that we look to
16 have pricing on July 26th, with a close date of
17 August 16th.

18 Our May financials are also provided to
19 you, and we are ahead of plan. And we look to be
20 able to produce the June financials shortly, and we
21 continue to be optimistic.

22 We would be happy to answer any questions
23 you might have at this time.

24 CHAIRMAN FUNDERBURG: Thank you very much.

1 ENGLEHART: Thank you.
2 CHAIRMAN FUNDERBURG: Okay. At this point,
3 then, I would like to ask for a motion to pass and
4 adopt the following projects: Resolution Item No.
5 5. Is there such a motion?
6 BRONNER: So moved.
7 CHAIRMAN FUNDERBURG: Is there a second?
8 HORNE: Second.
9 FLETCHER: On the motion and second, I will
10 call the roll. Mr. Anderberg?
11 ANDERBERG: Yes.
12 FLETCHER: Ms. Bronner?
13 BRONNER: Yes.
14 FLETCHER: Mr. Fuentes?
15 FUENTES: 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 ?
 MARZULLO REPORTING AGENCY (312) 321-9365

1 OBERNAGEL: Yes.
2 FLETCHER: Mr. Pool e?

3 POOLE: Yes.
4 FLETCHER: Mr. Zeller?
5 ZELLER: Yes.
6 FLETCHER: Mr. Chairman?
7 CHAIRMAN FUNDERBURG: Yes.
8 FLETCHER: Mr. Chairman, the motion carries.
9 CHAIRMAN FUNDERBURG: Thank you. Next up is I
10 would like to ask if there is any other business to
11 come before the Board?
12 If not, then I would like to request a
13 motion to excuse the absences of the Members that
14 were unable to participate today.
15 KNOX: So moved.
16 CHAIRMAN FUNDERBURG: Is there a second?
17 FUENTES: Second.
18 CHAIRMAN FUNDERBURG: All in favor?
19 (A chorus of ayes.)
20 CHAIRMAN FUNDERBURG: Any opposed?
21 (No response.)
22 CHAIRMAN FUNDERBURG: That carries. Any public
23 comment at this point? No? Okay, thank you all for
24 coming. We truly appreciate it. I would like to
MARZULLO REPORTING AGENCY (312) 321-9365

♀

73

1 ask for a motion to adjourn.
2 McCOY: So moved.
3 KNOX: Second.
4 CHAIRMAN FUNDERBURG: All in favor, please say
5 aye.
6 (A chorus of ayes.)
7 CHAIRMAN FUNDERBURG: Any opposed?

8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24

(No response.)

CHAIRMAN FUNDERBURG: Al ri ght, thank you.
(WHICH WERE ALL THE PROCEEDINGS HAD at 11:02 a.m.)

MARZULLO REPORTING AGENCY (312) 321-9365

♀

74

1 STATE OF ILLINOIS)
2 COUNTY OF C O O K) SS:

3
4 PAMELA A. MARZULLO, C. S. R. , bei ng fi rst duly sworn,
5 says that she is a court reporter doi ng business in the ci ty
6 of Chi cago; that she reported in shorthand the proceedings
7 had at the Proceedings of sai d cause; that the foregoing is
8 a true and correct transcript of her shorthand notes, so
9 taken as aforesaid, and contains all the proceedings of sai d
10 heari ng.

11

PAMELA A. MARZULLO
Page 63

7-14-16f-2. txt
Li cense No. 084-001624

12
13
14
15
16
17
18
19
20
21
22
23
24

MARZULLO REPORTING AGENCY (312) 321-9365

†