

1 ILLINOIS FINANCE AUTHORITY

2 June 14, 2022

3 Regular Meeting of the Members

4 9:30 a.m.

5
6 Met pursuant to notice via video and audio
7 conference.

8
9 Before:

10 Will Hobert, Chair
11 Roxanne Nava, Vice Chair

12 Peter Amaro, Member
13 Drew Beres, Member
14 James Fuentes, Member
15 Arlene Juracek, Member
16 George Obernagel, Member
17 Roger Poole, Member
18 Michael Strautmanis, Member
19 Jennifer Watson, Member
20 Randal Wexler, Member
21 Jeffrey Wright, Member
22 Bradley Zeller, Member

Also present:

23 Chris Meister, Executive Director
24 Mark Meyer, Assistant Secretary
Brad Fletcher, Vice-President
Rich Frampton, Executive Vice President
Craig Holloway, Procurement Agent
Elizabeth Weber, General Counsel and Legal
Advisor to the Board

23 BRIDGES COURT REPORTING
24 By: Lydia B. Pinkawa, CSR
License No. 84-002342

1 CHAIR HOBERT: Good morning. This is Will
2 Hobert, Chair of the Illinois Finance Authority. I'd
3 like to call the meeting to order.

4 MR. MEYER: Good morning. This is Mark Meyer,
5 Assistant Secretary of the Authority. Today's date
6 is Tuesday, June 14, 2022, and this regular meeting
7 of the Authority has been called to order by Chair
8 Hobert at the time of 9:31 a.m.

9 The Governor of the State of Illinois issued
10 a Gubernatorial Disaster Proclamation on May 27,
11 2022, finding that pursuant to provisions of the
12 Illinois Emergency Management Agency Act, a disaster
13 exists within the State of Illinois related to public
14 health concerns caused by COVID-19, declaring all
15 counties in the State of Illinois as a disaster area,
16 which remains in effect for 30 days from its issuance
17 date.

18 In accordance with the provisions of
19 subsection (e) of Section 7 of the Open Meetings Act
20 as amended, the Chair of the Authority, Will Hobert,
21 has determined that an in-person meeting of the
22 Authority today, June 14, 2022, is not practical or
23 prudent because of the disaster declared. Therefore,
24 this regular meeting of the Authority is being

1 conducted via video and audio conference, without the
2 physical presence of a quorum of the Members.

3 Executive Director Chris Meister is currently
4 in the Authority's Chicago office at the location of
5 the meeting and also participating via video and
6 audio conference. All Members will be attending this
7 meeting via video or audio conference.

8 As we take the roll calls, the responses of
9 the Members will be taken as an indication that they
10 can hear all other Members, discussion and testimony.

11 CHAIR HOBERT: This is Will Hobert. Thank you,
12 Mark. Will the Assistant Secretary please call the
13 roll.

14 MR. MEYER: This is Mark Meyer. With all Members
15 attending via video or audio conference, I will call
16 the roll. Mr. Amaro.

17 MR. AMARO: Here.

18 MR. MEYER: Mr. Beres.

19 MR. BERES: Here.

20 MR. MEYER: Mr. Fuentes.

21 MR. FUENTES: Here.

22 MR. MEYER: Ms. Juracek.

23 MS. JURACEK: Here.

24 MR. MEYER: Ms. Nava.

1 MS. NAVA: Here.

2 MR. MEYER: Mr. Obernagel.

3 MR. OBERNAGEL: Here.

4 MR. MEYER: Mr. Poole.

5 MR. POOLE: Present.

6 MR. MEYER: Mr. Strautmanis.

7 MR. STRAUTMANIS: Here.

8 MR. MEYER: Mr. Tobon. Ms. Watson.

9 MS. WATSON: Here.

10 MR. MEYER: Mr. Wexler.

11 MR. WEXLER: Here.

12 MR. MEYER: Mr. Wright.

13 MR. WRIGHT: Here.

14 MR. MEYER: Chair Hobert.

15 CHAIR HOBERT: Here.

16 MR. MEYER: Again, this is Mark Meyer.

17 Chair Hobert --

18 MR. ZELLER: Mr. Zeller is present.

19 MR. MEYER: Oh, thank you, Mr. Zeller. Again,
20 this is Mark Meyer. Chair Hobert, in accordance with
21 Subsection (e) of Section 7 of the Open Meetings Act,
22 as amended, a quorum of the Members has been
23 constituted.

24 Before we begin making our way through

1 today's agenda, I would like to request that each
2 Member mute their audio when possible to eliminate
3 any background noise unless you are making or
4 seconding a motion, voting or otherwise providing any
5 comments for the record. If you are participating
6 via video, please use your mute button found on your
7 task bar on the bottom of your screen. You will be
8 able to see your control bar by moving your mouse or
9 touching the screen of the tablet.

10 For each Member or anyone from the public
11 participating via phone, to mute and unmute your
12 line, you may press star 6 on your keypad if you do
13 not have that feature on your phone.

14 As a reminder, we are being recorded and a
15 court reporter is transcribing today's proceedings.
16 For the consideration of the court reporter, I would
17 also like to ask that each Member state their name
18 before making or seconding a motion or otherwise
19 providing any comments for the record.

20 Finally, I'd like to confirm that all members
21 of the public attending in person or via video or
22 audio conference can hear this meeting clearly.
23 Chris, can you confirm that this video and audio
24 conference is clearly heard at the physical location

1 of this meeting?

2 MR. MEISTER: Thank you very much, Mark. This is
3 Executive Director Chris Meister. I'm physically
4 present in the conference room of the 10th floor of
5 160 North LaSalle Street in Chicago, Illinois. I
6 can confirm that I can hear all discussions,
7 presentations and votes at this morning's meeting
8 location.

9 I've advised security on the first floor of
10 this public building that we have three public
11 meetings today, of which this is one. The agendas
12 for all three meetings have been posted both here on
13 the 10th floor as well as on the first floor of the
14 building as well as on the Authority's web site as of
15 last Thursday, June 9, 2022. Building security has
16 been advised that any members of the public who
17 choose to do so and who choose to comply with the
18 building's public health and safety requirements may
19 take the elevator, come to this room and listen to
20 this morning's proceedings and, if they so choose,
21 make public comment. At the moment, I am alone in
22 the conference room and the door is open and
23 available to the members of the public. Back to you,
24 Mark.

1 MR. MEYER: This is Mark Meyer. Thank you,
2 Chris. If any members of the public participating
3 via video or audio conference find that they cannot
4 hear the proceedings clearly, please call
5 312-651-1300 or write info@il-fa.com immediately to
6 let us know and we will endeavor to solve the audio
7 issue.

8 CHAIR HOBERT: This is Will Hobert. Thank you,
9 Mark. Does anyone wish to make any additions, edits
10 or corrections to today's agenda? Hearing none, I'd
11 like to request a motion to approve the agenda. Is
12 there such a motion?

13 MR. AMARO: This is Peter Amaro. So moved.

14 MR. BERES: This is Drew Beres. Second.

15 CHAIR HOBERT: This is Will Hobert. Will the
16 Assistant Secretary please call the roll.

17 MR. MEYER: This is Mark Meyer. On the motion by
18 Member Amaro and second by Member Beres, I will call
19 the roll. Mr. Amaro.

20 MR. AMARO: Yes.

21 MR. MEYER: Mr. Beres.

22 MR. BERES: Yes.

23 MR. MEYER: Mr. Fuentes.

24 MR. FUENTES: Yes.

1 MR. MEYER: Ms. Juracek.
2 MS. JURACEK: Yes.
3 MR. MEYER: Ms. Nava.
4 MS. NAVA: Yes.
5 MR. MEYER: Mr. Obernagel.
6 MR. OBERNAGEL: Yes.
7 MR. MEYER: Mr. Poole.
8 MR. POOLE: Yes.
9 MR. MEYER: Mr. Strautmanis.
10 MR. STRAUTMANIS: Yes.
11 MR. MEYER: Ms. Watson.
12 MS. WATSON: Yes.
13 MR. MEYER: Mr. Wexler.
14 MR. WEXLER: Yes.
15 MR. MEYER: Mr. Wright. Mr. Wright, you may be
16 on mute.
17 MR. WRIGHT: Yes.
18 MR. MEYER: Mr. Zeller.
19 MR. ZELLER: Yes.
20 MR. MEYER: Chair Hobert.
21 CHAIR HOBERT: Yes.
22 MR. MEYER: Again, this is Mark Meyer. Chair
23 Hobert, the ayes have it, the motion carries.
24 CHAIR HOBERT: This is Will Hobert. Thank you,

1 Mark. Next on the agenda is public comment.

2 MR. MEYER: This is Mark Meyer. If anyone from
3 the public participating via video wishes to make a
4 comment, please indicate your desire to do so by
5 using the raise hand function. Click on the raise
6 hand option located at the center of your control bar
7 at the bottom of your screen. You'll be able to see
8 the task bar by moving your mouse or touching the
9 screen of your tablet.

10 If anyone from the public participating via
11 phone wishes to make a comment, please indicate your
12 desire to do so by using the raise hand function by
13 pressing star 9.

14 CHAIR HOBERT: This is will Hobert. Is there any
15 public comment for the Members? Hearing none,
16 welcome to the regularly scheduled June 14, 2022
17 meeting of the Illinois Finance Authority. On this
18 morning's agenda we have Dominican University in
19 River Forest, a supported living housing project in
20 DeKalb, three Beginning Farmer bonds and amendments
21 to existing outstanding bonds.

22 The Authority will also consider and adopt
23 our regular meeting schedule for fiscal year 2023.
24 As has been our practice, it is anticipated that all

1 meetings will take place on the second Tuesday of
2 each month, with the exception of November when we
3 plan to meet on the second Thursday, November 10th,
4 due to a conflict with election day, a state holiday.

5 Importantly, the Authority is nearing the end
6 of fiscal year 2022, which will end on June 30.

7 Today we will consider and adopt the Authority's
8 budget for fiscal year 2023 beginning on July 1,
9 2022. As you know, revenues over the past year as
10 well as the two prior years have been difficult.

11 Staff has highlighted the volatility of tax exempt
12 markets as well as the multiple challenges created by
13 the interest rate environment, the federal tax code
14 specific issues facing the Authority, borrowers in
15 the economic sectors and, more recently, inflation
16 and international conflict.

17 Because of voluntary departures, the staff
18 team has shouldered additional duties so that the
19 Authority can meet our duties to our borrowers and
20 our stakeholders. All of this has taken place in an
21 extended remote work environment due to the pandemic
22 and construction in our building.

23 So to our staff team as a whole, on behalf
24 of the Authority Members, thank you very much. We

1 appreciate your commitment to the Authority, to our
2 borrowers and to our public mission. We recognize
3 your work to develop relationships with borrowers and
4 to understand their needs and then to prepare and
5 present the resolutions in context each month.

6 Following our consideration and approval of each
7 project, you then work to meet the time sensitive
8 needs of each individual borrower and its team of
9 professionals, often with complex and fact specific
10 negotiations to execute and deliver the necessary
11 documents to close each bond or loan transaction.

12 The Members of the Authority thank you,
13 support you and are invested in you. Our
14 appreciation and support of you, the staff, is not
15 limited simply to the Authority Members. Governor
16 Pritzker and his team recognize and appreciate your
17 professionalism, your creativity, your innovation,
18 your flexibility and your hard work. This is why the
19 Governor has taken care to ensure that the Authority
20 has a full complement of members. This is also why
21 the Governor has entrusted the Authority with the
22 important task of combatting climate change through
23 finance as the climate bank.

24 On behalf of the Governor's office we, the

1 Authority Members, also thank our staff team. As we
2 move forward together, I am confident in the future
3 of the Authority. Are there any questions? Hearing
4 none, Chris, I turn it over to you.

5 MR. MEISTER: Thank you, Will. This is Chris
6 Meister. On behalf of our staff colleagues, I also
7 thank you, Will, all the Members of the Authority and
8 the Governor's office for your continued support.

9 As Will highlighted, earlier today in the
10 Audit Plus Committee and in my written message, I
11 have said the proposed Authority fiscal year 2023
12 budget estimates net income to be approximately
13 \$88,000, with combined operating and interest and
14 investment income or non-operating revenues of
15 approximately \$3.3 million over total operating
16 expenses of just over \$3.2 million. It is a solid
17 budget built on realistic assumptions despite the
18 uncertain and challenging times.

19 Later in this meeting our colleague, Brad
20 Fletcher will present the financial report. Our
21 colleague Six Granda is not available today due to a
22 long-standing family commitment. Are there any
23 questions? If not, I'll also be available to answer
24 questions on Item Number 7 later on in the agenda.

1 Hearing none, I turn it back to you, Will. Thank
2 you.

3 CHAIR HOBERT: This is Will Hobert. Thank you,
4 Chris. Now we turn to committee reports. Member
5 Amaro.

6 MR. AMARO: This is Peter Amaro. Thank you,
7 Will. The Audit Plus Committee met earlier this
8 morning and we voted unanimously to recommend for
9 approval of the budget of the Illinois Finance
10 Authority for fiscal year 2023. Member Wright.

11 MR. WRIGHT: This is Jeffrey Wright. Thank you,
12 Peter. The Conduit Financing Committee met earlier
13 this morning and voted unanimously to recommend for
14 approval the following New Business Items on today's
15 agenda. Dominican University, DeKalb SLF LP,
16 beginning farmer Austin G. Kopplin, beginning farmer
17 Addison James Kopplin, beginning farmer Nathan and
18 Jennifer Sampson, Joint Commission on Accreditation
19 of Healthcare Organizations, Blessing Hospital and
20 Beginning Farmer amendment, Jake Brian and Devin
21 Brian. Thank you. Back to Will.

22 CHAIR HOBERT: This is Will Hobert. Thank you,
23 Peter and Jeffrey. I would now like to ask for the
24 general consent of the Members to consider the New

1 Business Items 1, 2, 3(a), 3(b), 3(c), 4, 5, 6, 7 and
2 8 collectively and have the subsequent recorded vote
3 applied to each respective, individual New Business
4 Item unless there are any specific New Business Items
5 a Member would like to consider separately.

6 Does any Member need to recuse themselves or
7 abstain from a vote? Hearing no need for a recusal,
8 I would like to consider New Business Items 1, 2,
9 3(a), 3(b), 3(c), 4, 5, 6, 7 and 8 under the consent
10 agenda and take a roll call vote. Rich.

11 MR. FRAMPTON: This is Rich Frampton. Thank you,
12 Chair Hobert. At this time I would like to note that
13 for each Conduit New Business Item presented on
14 today's agenda, the Members are considering the
15 approval only of the resolution and the not to exceed
16 amount contained therein.

17 Item 1 is for Dominican University. Item 1
18 is a 501(c)(3) bond request. Staff requests approval
19 of a one time final bond resolution for Dominican
20 University, hereinafter Dominican or the University,
21 in an amount not to exceed \$30 million. The Series
22 2022 bonds are expected to consist of approximately
23 \$25 million of refunding bonds and \$5 million of new
24 money bonds that will finance miscellaneous building

1 upgrades and other general capital improvements at
2 Dominican's campus in River Forest. Bond proceeds
3 will also fund cost of issuance on the Series 2022
4 bond, including the refunding bonds that will
5 refinance 100 percent of the University's outstanding
6 Series 2009A, Series 2009B and Series 2014 bonds.

7 Dominican is currently a non-rated higher
8 education institution but has applied to S&P Global
9 Ratings for a ratings assignment for the Series 2022
10 bonds. As contemplated, the bonds would be
11 underwritten by J.P. Morgan Securities, LLC, sold
12 into the market based on the rating assigned by S&P,
13 which is expected to be assigned shortly. All of
14 Dominican's outstanding bonds which will be refunded
15 in whole are non-rated and currently held by Fifth
16 Third Bank as the direct lender and investor.

17 Based on market rates as of May 27, 2022,
18 anticipated debt service payments on the Series 2022
19 bonds are expected to approximate payment on the
20 outstanding bonds to be refunded. The Series 2022
21 bonds will be sold at one or more fixed rates and
22 amortized over 30 years. As anticipated, the Series
23 2022 bonds will enable Dominican to convert its
24 outstanding bond debt to true fixed rate debt while

1 also establishing a known repayment schedule to final
2 maturity in 2052.

3 Dominican University is a private 501(c)(3)
4 coeducational higher education institution
5 established in 1901. The University has been located
6 in River Forest since 1922 and was known as Rosary
7 College until 1997. Dominican's fall 2021 head count
8 enrollment was 3,066 students. As of fall 2021,
9 approximately 90 percent of Dominican's student body
10 is from Illinois and approximately 60 percent of its
11 student body consists of Hispanic, African-American
12 and Asian students. Does any Member have any
13 questions or comments?

14 Moving on next, Item 2 is for DeKalb SLF LP.
15 Item 2 is a conduit affordable rental housing revenue
16 bond request. Staff requests approval of a one time
17 final bond resolution for DeKalb SLF LP, hereinafter
18 the borrower, in an amount not to exceed \$8 million.
19 The Series 2022A and B bonds will be issued in one
20 tax exempt series and one taxable series. Heartland
21 Bank and Trust Company of Sycamore, Illinois will be
22 the direct purchaser and investor. Accordingly,
23 Heartland Bank has approved all terms of this
24 financing, including the proposed uses of proceeds.

1 Proceeds of the tax exempt Series 2022A
2 refunding bonds and taxable Series 2022B new money
3 bonds will be combined with other funds and used to,
4 one, refund the outstanding balance of the borrower's
5 IFA Series 2007 bonds; two, pay distributions to the
6 limited partner under the 2007 partnership agreement
7 for the project and, three, pay costs of issuance on
8 the Series 2022 refunding bonds and taxable bonds.

9 Proceeds of the taxable Series 2022B bonds
10 will be used to pay for all or a portion of, one, a
11 limited partner distribution and, two, the cost of
12 issuance on the Series 2022A and Series 2022B bonds.
13 Proceeds of the original IFA Series 2007 bonds were
14 used to provide construction and permanent financing
15 for the DeKalb supported living facility project, a
16 76 unit affordable assisted living project licensed
17 under the Illinois supported living facility program
18 which is described in the accompanying report.

19 Savings derived from refunding the Series
20 2007 bonds are expected to be sufficient to offset
21 most or all new debt service payments on the
22 \$1.21 million taxable Series 2022B new money bonds.
23 The Series 2007 bonds currently bear a fixed interest
24 rate of 6.1 percent. The Series 2022 bonds will

1 result in a blended interest rate as estimated to be
2 up to two percent lower than that borne on the
3 current bonds.

4 Ownership of the project is disclosed on
5 pages 8 and 9 of the report. Limited partner NEF
6 Acquisition Corporation is an affiliate of the
7 nonprofit Chicago based National Equity Fund and
8 holds a 99.99 percent ownership interest in the
9 borrower and is the only person or entity that owns
10 more than a 7.5 percent ownership interest in the
11 borrower.

12 The DeKalb SLF project has been managed from
13 its 2008 inception by Gardant Management Solutions,
14 Inc. of Bourbonnais, Illinois. Separately, an
15 affiliate of Gardant is also the managing member of
16 the limited liability company that controls the
17 general partner that owns DeKalb SLF LP, the
18 borrower. County of DeKalb also owns a membership
19 interest in the general partner and leases the
20 project site through a related not-for-profit
21 organization to the borrower pursuant to an
22 approximately 99 year ground lease that began in
23 2007.

24 Gardant was a pioneer in developing and

1 managing affordable assisted living projects in
2 Illinois for residents eligible under the Illinois
3 healthcare and family services supportive living
4 facility program beginning in the late 1990's.
5 Gardant now has over 22 years of experience in
6 managing assisted living projects in urban, suburban
7 and rural locations and has emerged as the largest
8 manager of assisted living facilities in Illinois,
9 with 41 facilities, over 2,400 employees and
10 3,889 units under management.

11 In June 2021, Argentum.org ranked Gardant as
12 the tenth largest assisted living provider in the
13 United States, with 54 facilities and 5,491 units
14 nationally. In May 2022, U.S. News and World Report
15 released its inaugural 2022-23 report rating assisted
16 living and memory care facility nationally. The
17 report identified over 20 Gardant managed communities
18 including the subject Heritage Woods of DeKalb SLF
19 project as being among the best assisted living
20 projects in the nation based on resident and family
21 surveys.

22 The SLF program benefits the State of
23 Illinois because Medicaid expenses associated with
24 the SLF program are generally less than expenditures

1 necessary for nursing home care. Medicaid service
2 reimbursement rates in Illinois are set at 54.3
3 percent of the regional nursing home per diem rate.
4 The SLF program also enables Medicaid eligible
5 residents who do not require skilled nursing care but
6 need assistance with certain daily activities to live
7 more autonomously. As direct bond purchaser,
8 Heartland Bank and Trust Company has approved all
9 proposed terms with the borrower and will be assuming
10 100 percent of the default risk on the Series 2022
11 bonds. Does any Member have any questions or
12 comments?

13 Next we'll move on to the Beginning Farmer
14 bonds, beginning with Item 3(a), a Beginning Farmer
15 bond for Austin G. Kopplin. Item 3(a) is a Beginning
16 Farmer bond request. Staff requests approval of a
17 one time final bond resolution for Austin G. Kopplin
18 in an amount not to exceed \$300,000. Mr. Austin G.
19 Kopplin is purchasing approximately 66 acres of
20 farmland located in Effingham County. First Mid Bank
21 and Trust Company NA is the direct purchasing bank
22 for this conduit transaction. Does any Member have
23 any questions or comments?

24 Next is Item 3(b), a Beginning Farmer bond

1 for Addison James Kopplin. Item 3(b) is a Beginning
2 Farmer bond request. Staff requests approval of a
3 one time final bond resolution for Addison James
4 Kopplin in a not to exceed amount of \$235,800.

5 Mr. Addison James Kopplin is purchasing approximately
6 52 acres of farmland located in Effingham County.
7 First Mid Bank and Trust NA is the purchasing bank
8 for this conduit transaction. Does any Member have
9 any questions or comments?

10 Next is Item 3(c), a Beginning Farmer bond
11 for Nathan and Jennifer Sampson. Item 3(c) is a
12 Beginning Farmer bond request. Staff requests
13 approval of a one time final bond resolution for
14 Nathan and Jennifer Sampson in a not to exceed amount
15 of \$107,500. Mr. Nathan and Mrs. Jennifer Sampson
16 are purchasing approximately 41 acres of farmland in
17 Wayne County, Illinois. Peoples National Bank is the
18 purchasing bank for this conduit transaction. Does
19 any Member have any questions or comments?

20 Next we'll move on to the resolutions in
21 Item 4 for the Joint Commission on Accreditation of
22 Healthcare Organizations. Item 4 is a resolution
23 relating to the Series 2015 bond previously issued by
24 the Authority on behalf of the Joint Commission on

1 Accreditation of Healthcare Organizations,
2 hereinafter the borrower. The Series 2015 bond was
3 purchased by DNT Asset Trust, an affiliate of J.P.
4 Morgan Chase Bank NA, hereinafter DNT Asset Trust.
5 Such bond bears interest at a fixed rate until
6 July 31, 2022. On August 1, 2022, the bond is
7 subject to mandatory tender and the borrower has
8 requested that DNT Asset Trust retain the bond. DNT
9 Asset Trust has agreed to hold the bond for a new
10 interest rate period at a new fixed rate.

11 In connection with DNT Asset Trust retaining
12 the bond, certain amendments are being made to the
13 bond and loan agreement pursuant to which the Series
14 2015 bond was issued. The proposed Authority
15 resolution will authorize and approve the execution
16 and delivery of, one, a first amendment to the bond
17 and loan agreement; two, any and all documents that
18 may be necessary to implement the amendments. The
19 amendments are being made in accordance with the bond
20 and loan agreement.

21 DNT Asset Trust, J.P. Morgan Chase Bank NA is
22 bond holder representative under the bond and loan
23 agreement and the borrower will approve the
24 amendments. Chapman and Cutler LLP is expected to

1 provide an opinion that the amendments will not
2 adversely affect exclusion of interest on the bond
3 from gross income for federal income tax purposes.

4 Does any Member have any questions or comments?

5 Moving on next to Item 5 for Blessing
6 Hospital, Item 5 is a resolution relating to the
7 Series 2019A bonds and Series 2019B bonds previously
8 issued by the Authority on behalf of Blessing
9 Hospital, hereinafter the borrower. All the Series
10 2019A bonds were purchased by BMO Harris Bank NA and
11 currently bear interest at a rate equal to a fixed
12 rate in the initial private placement rate period
13 until a mandatory tender on June 24, 2024. On such
14 date the borrower expects to convert the Series 2019A
15 bonds to a new private placement rate period with a
16 new rate.

17 DNT Asset Trust, an affiliate of J.P. Morgan
18 Bank NA, hereinafter DNT Asset Trust, will be the new
19 purchaser. All the Series 2019B bonds were purchased
20 by DNT Asset Trust and currently bear interest at a
21 fixed rate in the initial private placement rate
22 period until the earlier of the mandatory tender on
23 June 27, 2026 or a conversion prior to such day. On
24 or about June 30, 2022, the borrower and DNT Asset

1 Trust expect to convert the Series 2019 bonds to a
2 new private placement rate period with a new rate.
3 As a result of their early conversion, the Series
4 2019B bonds will be deemed reissued for tax purposes.

5 The proposed Authority resolution will
6 authorize and approve certain amendments to bond
7 indentures pursuant to which the Series 2019A and
8 Series 2019B bonds were issued and any other
9 documents necessary to implement such amendments.
10 The amendments are authorized by the existing terms
11 of the bond indentures. DNT Asset Trust will consent
12 to such amendments. Chapman and Cutler LLP is
13 expected to provide a separate opinion for each
14 series of 2019 bonds, that the conversion of such
15 bonds and amendments will not adversely affect the
16 tax exempt status of such bonds. Does any Member
17 have any questions or comments?

18 Next is Item 6, a Beginning Farmer bond
19 amendment for Jake Brian and Devin Brian. Item 6
20 is a request from Jake Brian and Devin Brian,
21 hereinafter the co-borrowers, and the Peoples State
22 Bank of Newton, the bank, to seek the Authority's
23 consent authorizing and approving amendments to
24 and/or the replacement of certain documents to

1 effectuate a release of a co-borrower as the result
2 of a divorce decree accepted by the bank.

3 The co-borrowers closed on the purchase of
4 approximately 92 acres of farmland in Stark County on
5 November 1, 2016, with proceeds of \$242,500 of IFA
6 Beginning Farmer bonds that were purchased by the
7 bank as the direct lender and investor. The
8 outstanding balance of the subject Beginning Farmer
9 bond was approximately \$216,726 as of May 1, 2022.

10 Pursuant to terms of a recent divorce decree,
11 the former Mrs. Devin Brian will be signing a
12 quitclaim deed releasing her ownership interest in
13 the subject property to her former husband, Mr. Jake
14 Brian. The bank has approved the co-borrower's
15 request. Peoples National Bank of Newton is the
16 secured lender on the transaction and, as bond
17 holder, bears 100 percent of the default risk on the
18 subject IFA Beginning Farmer bond. Nevertheless,
19 given the Authority's involvement as conduit issuer
20 of the Beginning Farmer bond, the bank has requested
21 the Authority's concurrence to proceed with the
22 release of Devin Brian as co-borrower.

23 As is true for all conduit Beginning Farmer
24 bond financings, the Authority bears no credit risk.

1 Accordingly, the proposed release of Devin Brian
2 would have no impact on the Authority. The
3 accompanying resolution authorizes the Authority to
4 consent to the release of Devin Brian as co-borrower
5 as requested. Does any Member have any questions or
6 comments? Okay, thank you.

7 Next, we will move on to Item 7, the fiscal
8 year 2023 budget. Item 7 is a resolution adopting
9 the budget of the Illinois Finance Authority for
10 fiscal year 2023.

11 MR. MEISTER: And Rich, this is Chris Meister,
12 executive director. I can go into some greater
13 detail for the members as I did earlier at the Audit
14 Plus Committee. I'm pleased to present for
15 consideration by the Members the fiscal year 2023
16 budget of the Illinois Finance Authority. Under both
17 statute and our bylaws, after June 30, 2022, the
18 Authority cannot incur any costs until the budget and
19 its appropriations are considered and approved. And
20 this is what this particular item does.

21 As mentioned in my opening remarks, the
22 proposed or tentative, as it's known, as it's
23 referred to in the bylaws, Authority fiscal year 2023
24 budget estimates net income to be approximately

1 \$88,000, with combined operating and as well as
2 interest and investment income or non-operating
3 revenues of approximately \$3.3 million over total
4 operating expenses of just over \$3.2 million.

5 Of the approximate \$3.3 million in revenues,
6 highlights include approximately \$1.8 million in
7 conduit closing fees, the majority of which are
8 federally tax exempt conduit bonds, healthcare,
9 senior living, other conduit and higher ed and
10 general nonprofit as well as C-PACE, which is a
11 taxable product. Just under \$320,000 in interest on
12 an existing loan portfolio, just over \$220,000 in
13 anticipated expense reimbursement for the anticipated
14 federal SSBCI program through the U.S. Treasury.
15 Other states to date have received their allocations
16 of SSBCI. To date Illinois and DCEO, which is the
17 primary recipient, has not, but we built in the
18 expense reimbursement into this budget.

19 Number 4, we have just under \$175,000 in
20 annual fees. And finally, just under \$750,000 in
21 non-operating revenue, interest and investment income
22 managed by Main Street, an outside vendor.

23 Going into the, or highlighting the
24 \$3.2 million in expenses, highlights include just

1 over \$1.9 million in employee related expenses,
2 representing a reduction from the fiscal year 2022
3 budget of nearly \$360,000, largely through voluntary
4 departures. Approximately \$855,000 in total
5 professional expenses, highlights that include
6 \$300,000 in legal, while that's a \$50,000 increase
7 from last year's budget, it also reflects actual
8 expenditures in the current fiscal year. \$150,000 in
9 IT, which is flat, and approximately \$200,000 in
10 audit. That's a decline only to having the one year
11 financial audit rather than the combined financial
12 and two year compliance audit as we did in the last
13 fiscal year.

14 In the event that we do receive the federal
15 funds, we anticipate being subject to a federal
16 single audit. It is worth noting that the auditor
17 general's office, we've talked about this in the
18 past, has indicated that they expect a reduction in
19 hours in this cost in this upcoming one to two year
20 audit cycle, but we have nothing in writing on that.
21 And finally, approximately \$284,000 in general
22 administration, which the majority, approximately
23 \$200,000 is D&O insurance.

24 Going back to the \$1.9 million in employee

1 related expenses, in that we've included a modest
2 cost of living adjustment for the nine staff members,
3 not including the three highest paid members, myself,
4 general counsel Weber and Executive Vice President
5 Frampton. We would anticipate, we wanted to
6 highlight that for everyone and will be presenting
7 the details of that to our colleagues on the staff in
8 the very near future should this be adopted.

9 This is a very solid budget. It's built on
10 realistic assumptions despite the uncertain and
11 highly challenging times. Later in this meeting our
12 colleague, Brad Fletcher will present the financial
13 report. Our colleague Six Granda is not available
14 today due to a long-standing family commitment. I'll
15 take any questions now.

16 I'll also take the next item as highlighted
17 by Chair Hobert at the beginning of the meeting.
18 Item 8 is a resolution approving the schedule of
19 regular meetings for fiscal year 2023 beginning on
20 July 1, 2022. The meeting dates proposed maintain
21 the Authority's practice of meeting on the second
22 Tuesday of each month. However, for the month of
23 November the Authority will be meeting on the second
24 Thursday, which is November 10, 2022, due to a state

1 holiday, election day that conflicts on the second
2 Tuesday. I'll turn it back to you, Chair Hobert.

3 CHAIR HOBERT: This is Will Hobert. Thank you,
4 Rich and Chris. I would like to request a motion to
5 pass and adopt the following New Business Items,
6 Items 1, 2, 3(a), 3(b), 3(c), 4, 5, 6, 7 and 8. Is
7 there such a motion?

8 MR. FUENTES: This is Jim Fuentes. So moved.

9 MS. JURACEK: This is Arlene Juracek. I second.

10 CHAIR HOBERT: This is Will Hobert. Will the
11 Assistant Secretary please call the roll.

12 MR. MEYER: This is Mark Meyer. On the motion by
13 Member Fuentes and second by Member Juracek, I will
14 call the roll. Mr. Amaro.

15 MR. AMARO: Yes.

16 MR. MEYER: Mr. Beres.

17 MR. BERES: Yes.

18 MR. MEYER: Mr. Fuentes.

19 MR. FUENTES: Yes.

20 MR. MEYER: Ms. Juracek.

21 MS. JURACEK: Yes.

22 MR. MEYER: Ms. Nava.

23 MS. NAVA: Yes.

24 MR. MEYER: Mr. Obernagel.

1 MR. OBERNAGEL: Yes.

2 MR. MEYER: Mr. Poole.

3 MR. POOLE: Yes.

4 MR. MEYER: Mr. Strautmanis.

5 MR. STRAUTMANIS: Yes.

6 MR. MEYER: Ms. Watson.

7 MS. WATSON: Yes.

8 MR. MEYER: Mr. Wexler.

9 MR. WEXLER: Yes.

10 MR. MEYER: Mr. Wright.

11 MR. WRIGHT: Yes.

12 MR MEYER: Mr. Zeller.

13 MR. ZELLER: Yes.

14 MR. MEYER: Chair Hobert.

15 CHAIR HOBERT: Yes.

16 MR. MEYER: Again, this is Mark Meyer. Chair
17 Hobert, the ayes have it and the motion carries.

18 CHAIR HOBERT: This is Will Hobert. Thank you,
19 Mark. Brad, will you please present the financial
20 reports.

21 MR. FLETCHER: Certainly. This is Brad Fletcher.
22 Thank you, Chair Hobert. Good morning, everyone.
23 Today I'll be presenting the financial reports for
24 your consideration in Six's absence. The financial

1 reports under consideration begin on page 64 of the
2 confidential board book that was disseminated to
3 Members this past Friday. Please note that all
4 information is preliminary and unaudited and all
5 operating and non-operating activity reported today
6 includes the actual results for the first 11 months
7 through May 31st plus one month of forecast revenues
8 through June 30, 2022, the end of the Authority's
9 fiscal year.

10 Beginning with operating results, 12 month
11 forecast operating revenues of \$2,800,000 are
12 \$978,000 or approximately 26 percent lower than
13 budget. This is primarily attributable to the
14 Authority posting annual closing fee revenue, there
15 will be an estimated \$839,000 lower than budget,
16 while annual fees plus application fees will be an
17 estimated total of \$15,000 lower than budget.

18 Somewhat bucking the trend, however, the
19 Authority anticipates generating administrative
20 services fee revenue of \$201,000, which would be
21 \$110,000 higher than budget due to a significant
22 increase in bank amendments and outstanding conduit
23 bonds with the Authority to reset loan terms amid a
24 rising interest rate environment and banks beginning

1 to prepare for LIBOR cessation and an interest rate
2 benchmark and related loan agreements.

3 Despite these operating challenges, 12 month
4 forecast operating expenses of \$3,500,000 are
5 \$145,000 or approximately four percent lower than
6 budget. This is primarily attributable to the
7 Authority posting annual employee related expense
8 that will be an estimated \$399,000 lower than budget
9 due to reduced staff head count.

10 Additionally, 12 month forecast general and
11 administrative expense will be approximately \$39,000
12 lower than budget. Even so, Authority management
13 anticipates posting annual professional service
14 expense that will be approximately \$292,000 higher
15 than budget and somewhat offset the savings otherwise
16 achieved, mostly through staff vacancies.

17 Taken together, the Authority forecasts
18 posting an annual operating loss of approximately
19 \$659,000. This 12 month forecast operating loss is
20 inclusive of the Authority generating closing fee
21 revenue and administrative service fee revenue that
22 will total an estimated \$157,000 in the month of
23 June.

24 Regarding non-operating activity, 12 month

1 forecast annual interest income from outstanding
2 loans in connection with the former Illinois rural
3 bond bank local government borrowers and other loans
4 would total \$363,000. However, this non-operating
5 revenue will be mostly negated by the Authority
6 posting an estimated \$340,000 mark to market non-cash
7 reduction in its investment portfolio. This non-cash
8 reduction, coupled with an approximate \$25,000
9 realized loss on the sale of certain of the
10 Authority's investments, result in a 12 month
11 forecast investment income position that is \$254,000
12 lower than budget. More specifically, the Authority
13 forecasts posting an approximate \$4,000 loss in its
14 annual investment position.

15 The annual forecast operating loss of
16 approximately \$659,000 and the annual forecast
17 investment position loss of \$4,000 results --

18 (Whereupon a brief interruption occurred.)

19 MR. FLETCHER: Is there a question?

20 MR. BERES: I apologize. I unmuted by accident.
21 My apologies.

22 MR. FLETCHER: Sure. Continuing on, the annual
23 forecast operating loss of approximately \$659,000 and
24 the annual forecast investment position loss of

1 \$4,000 will result in a forecast annual net loss of
2 approximately \$663,000.

3 Moving on to the Authority's balance sheet,
4 in the general fund, the general fund has no
5 restricted assets. Unrestricted cash and investment
6 balances total more than \$42 million, including
7 approximately \$3,700,000 in cash that is available to
8 support, in part, the 12 month forecast operating
9 loss of approximately \$659,000 and pay off accrued
10 liabilities due within the next year that totaled
11 approximately \$422,000 as of May 31st.

12 Unrestricted non-current assets in the
13 general fund of more than \$16 million is primarily
14 attributable to notes receivable from the former
15 Illinois rural bond bank local government borrowers
16 in the aggregate amount of approximately \$5 million
17 and other loans receivable totaling approximately
18 \$8 million.

19 Total liabilities of approximately \$2 million
20 in the Authority's general fund were primarily
21 attributable to \$1,380,000 that is due to be
22 transferred to other funds in the aforesaid accrued
23 liabilities. As a result, the Authority reports a
24 total net position of approximately \$58,400,000 as of

1 May 31st.

2 Next, Authority audits and regulatory
3 updates. On May 19th, the Authority received a final
4 locally held funds audit report from the CMS bureau
5 of internal audit which contains one observation.
6 Importantly, the Authority is already working on a
7 corrective action plan for the singular observation
8 and will provide the final audit report at the July
9 meeting. More recently, on May 31st Authority staff
10 learned, at a meeting to discuss audit planning for
11 the fiscal year 2022 financial audit at the office of
12 the auditor general and RSM, that the Authority's
13 entrance conference will be this next Tuesday,
14 June 21st.

15 And finally on June 2nd, Authority staff
16 received a draft of the purchasing, contracting and
17 leasing audit which is now under final review by
18 Authority staff. Six anticipates that this audit
19 will be final before the end of the month along with
20 all other audits that remain in progress. If any
21 Member has any questions or comments, you may direct
22 them to Chris or myself in Six's absence. Thank you.

23 MS. NAVA: This is Roxanne Nava. I just wanted
24 to make a comment. I recognize that we have

1 turbulent times financially and I still, I want to
2 commend Director Meister that despite that, you have
3 a very transparent and sound fiscal management. So
4 thank you.

5 CHAIR HOBERT: This is Will Hobert. Thank you,
6 Brad, and thank you, Roxanne, for that comment. I
7 would like to request a motion to accept the
8 preliminary and unaudited financial reports for the
9 11 month period ended May 31, 2022, and not a
10 forecast as presented through June 30, 2022. Is
11 there such a motion?

12 MS. NAVA: This is Roxanne Nava. So moved.

13 MR. OBERNAGEL: This is George Obernagel.
14 Second.

15 CHAIR HOBERT: This is Will Hobert. Will the
16 Assistant Secretary please call the roll.

17 MR. MEYER: This is Mark Meyer. On the motion by
18 Vice Chair Nava and second by Member Obernagel, I
19 will call the roll. Mr. Amaro.

20 MR. AMARO: Yes.

21 MR. MEYER: Mr. Beres.

22 MR. BERES: Yes.

23 MR. MEYER: Mr. Fuentes.

24 MR. FUENTES: Yes.

1 MR. MEYER: Ms. Juracek.

2 MS. JURACEK: Yes.

3 MR. MEYER: Ms. Nava.

4 MS. NAVA: Yes.

5 MR. MEYER: Mr. Obernagel.

6 MR. OBERNAGEL: Yes.

7 MR. MEYER: Mr. Poole.

8 MR. POOLE: Yes.

9 MR. MEYER: Mr. Strautmanis.

10 MR. STRAUTMANIS: Yes.

11 MR. MEYER: Ms. Watson.

12 MS. WATSON: Yes.

13 MR. MEYER: Mr. Wexler.

14 MR. WEXLER: Yes.

15 MR. MEYER: Mr. Wright.

16 MR. WRIGHT: Yes.

17 MR. MEYER: Mr. Zeller.

18 MR. ZELLER: Yes.

19 MR. MEYER: Chair Hobert.

20 CHAIR HOBERT: Yes.

21 MR. MEYER: Again, this is Mark Meyer. Chair
22 Hobert, the ayes have it and the motion carries.

23 CHAIR HOBERT: This is Will Hobert. Thank you,
24 Mark. Craig, will you please present the procurement

1 report.

2 MR. HOLLOWAY: This is Craig Holloway. Thanks,
3 Chair Hobert. The contracts listed in the June
4 procurement report are to support the Authority's
5 operations. The report also includes expiring
6 contracts until August of 2022. The Authority
7 recently executed contracts with Acacia Financial
8 Group and Sycamore Advisors for financial advisory
9 services through June of 2023. Thanks, Chair Hobert.

10 CHAIR HOBERT: This is Will Hobert. Thank you,
11 Craig. Does anyone wish to make any additions, edits
12 or corrections to the minutes from May 10, 2022?
13 Hearing none, I'd like to request a motion to approve
14 the minutes. Is there such a motion?

15 MR. POOLE: Yes, this is Member Roger Poole. So
16 move for the motion.

17 MS. WATSON: This is Jennifer Watson, second.

18 MR. HOBERT: This is Will Hobert. Will the
19 Assistant Secretary please call the roll.

20 MR. MEYER: This is Mark Meyer. On the motion by
21 Member Poole and second by Member Watson, I will call
22 the roll. Mr. Amaro.

23 MR. AMARO: Yes.

24 MR. MEYER: Mr. Beres.

1 MR. BERES: Yes.

2 MR. MEYER: Mr. Fuentes.

3 MR. FUENTES: Yes.

4 MR. MEYER: Ms. Juracek.

5 MS. JURACEK: Yes.

6 MR. MEYER: Ms. Nava.

7 MS. NAVA: Yes.

8 MR. MEYER: Mr. Obernagel.

9 MR. OBERNAGEL: Yes.

10 MR. MEYER: Mr. Poole.

11 MR. POOLE: Yes.

12 MR. MEYER: Mr. Strautmanis.

13 MR. STRAUTMANIS: Yes.

14 MR. MEYER: Ms. Watson.

15 MS. WATSON: Yes.

16 MR. MEYER: Mr. Wexler.

17 MR. WEXLER: Yes.

18 MR. MEYER: Mr. Wright.

19 MR. WRIGHT: Yes.

20 MR. MEYER: Mr. Zeller.

21 MR. ZELLER: Yes.

22 MR. MEYER: Chair Hobert.

23 CHAIR HOBERT: Yes.

24 MR. MEYER: Again, this is Mark Meyer. Chair

1 Hobert, the ayes have it and the motion carries.

2 CHAIR HOBERT: This is Will Hobert. Thank you,
3 Mark. Is there any other business to come before the
4 Members?

5 MR. MEYER: This is Mark Meyer. Chair Hobert,
6 Members Ryan and Tobon were unable to participate
7 today.

8 MR. HOBERT: This is Will Hobert. Thank you,
9 Mark. I'd like to request a motion to excuse the
10 absences of Member Ryan and Member Tobon, who were
11 both unable to participate today. Is there such a
12 motion?

13 MR. WEXLER: This is Randy Wexler. So moved.

14 MS. NAVA: This is Roxanne Nava, second.

15 CHAIR HOBERT: This is Will Hobert. Will the
16 Assistant Secretary please call the roll.

17 MR. MEYER: This is Mark Meyer. On the motion by
18 Member Wexler and the second by Vice Chair Nava, I
19 will call the roll. Mr. Amaro.

20 MR. AMARO: Yes.

21 MR. MEYER: Mr. Beres.

22 MR. BERES: Yes.

23 MR. MEYER: Mr. Fuentes.

24 MR. FUENTES: Yes.

1 MR. MEYER: Ms. Juracek.
2 MS. JURACEK: Yes.
3 MR. MEYER: Ms. Nava.
4 MS. NAVA: Yes.
5 MR. MEYER: Mr. Obernagel.
6 MR. OBERNAGEL: Yes.
7 MR. MEYER: Mr. Poole.
8 MR. POOLE: Yes.
9 MR. MEYER: Mr. Strautmanis.
10 MR. STRAUTMANIS: Yes.
11 MR. MEYER: Ms. Watson.
12 MS. WATSON: Yes.
13 MR. MEYER: Mr. Wexler.
14 MR. WEXLER: Yes.
15 MR. MEYER: Mr. Wright.
16 MR. WRIGHT: Yes.
17 MR. MEYER: Mr. Zeller.
18 MR. ZELLER: Yes.
19 MR. MEYER: Chair Hobert.
20 CHAIR HOBERT: Yes.
21 MR. MEYER: Again, this is Mark Meyer. Chair
22 Hobert, the ayes have it and the motion carries.
23 Additionally, before we move on to other business,
24 please note that in the meeting materials, each

1 Member will find some press that Executive Director
2 Meister and Mari Moni wanted to share.

3 CHAIR HOBERT: This is Will Hobert. Thank you,
4 Mark. Is there any matter for discussion in closed
5 session? Hearing none, the next regularly scheduled
6 meeting will be July 12, 2022. I would like to
7 request a motion to adjourn. Additionally, when
8 responding to the roll call for this motion, I would
9 ask each Member to confirm that they were able to
10 hear the participants, discussion and testimony of
11 the proceedings. Is there a such a motion?

12 MR. WRIGHT: This is Jeffrey Wright. So moved.

13 MR. FUENTES: This is Jim Fuentes. Second.

14 CHAIR HOBERT: This is Will Hobert. Will the
15 Assistant Secretary please call the roll.

16 MR. MEYER: This is Mark Meyer. On the motion by
17 Member Wright and second by Member Fuentes, I will
18 call the roll. Mr. Amaro.

19 MR. AMARO: Aye, and I can confirm that I could
20 hear all participants, discussion and testimony.

21 MR. MEYER: Mr. Beres.

22 MR. BERES: Aye, and I confirm that I could hear
23 all participants, discussion and testimony.

24 MR. MEYER: Mr. Fuentes.

1 MR. FUENTES: Aye, and I confirm that I could
2 hear all participants, discussion and testimony.

3 MR. MEYER: Ms. Juracek.

4 MS. JURACEK: Aye, and I confirm that I could
5 hear all participants, discussion and testimony.

6 MR. MEYER: Ms. Nava.

7 MS. NAVA: Aye, and I confirm that I could hear
8 all participants, discussion and testimony.

9 MR. MEYER: Mr. Obernagel.

10 MR. OBERNAGEL: Aye, and I confirm that I could
11 hear all the participants, discussion and testimony.

12 MR. MEYER: Mr. Poole.

13 MR. POOLE: Aye, and I confirm that I could hear
14 all testimony -- participants and discussion and
15 testimony.

16 MR. MEYER: Mr. Strautmanis.

17 MR. STRAUTMANIS: Aye, and I can confirm I could
18 hear all the participants, discussion and testimony.

19 MR. MEYER: Ms. Watson.

20 MS. WATSON: Aye, and I confirm I could hear all
21 participants, discussion and testimony.

22 MR. MEYER: Mr. Wexler.

23 MR. WEXLER: Aye, and I can confirm I could hear
24 all participants, all discussion, all testimony.

1 MR. MEYER: Mr. Wright.

2 MR. WRIGHT: Aye, and I confirm that I could hear
3 all participants, discussion and testimony.

4 MR. MEYER: Mr. Zeller.

5 MR. ZELLER: Aye, and I confirm that I could hear
6 all participants, discussion and testimony.

7 MR. MEYER: Chair Hobert.

8 CHAIR HOBERT: Aye, and I can confirm that I
9 could hear all participants, discussion and
10 testimony.

11 MR. MEYER: Again, this is Mark Meyer. Chair
12 Hobert, the ayes have it and the motion carries. The
13 time is 10:21 a.m. and the meeting is adjourned.

14 CHAIR HOBERT: Thank you, everyone.

15 MR. MEISTER: Thank you, everyone.

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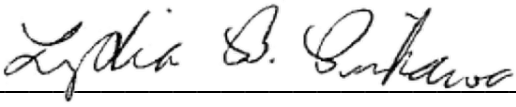
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1 STATE OF ILLINOIS)
2) SS.
3 COUNTY OF C O O K)

4 I, LYDIA B. PINKAWA, CSR, do hereby certify
5 that I reported in shorthand the proceedings had at
6 the meeting aforesaid, and that the foregoing is a
7 true, complete and accurate transcript of the
8 proceedings at said hearing as appears from my
9 stenographic notes so taken and transcribed under my
10 personal direction this 26th day of June, 2022.

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14 Certified Shorthand Reporter

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16 CSR No. 84-002342
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