

ILLINOIS FINANCE AUTHORITY

March 8, 2022

Regular Meeting of the Members

9:30 a.m.

Met pursuant to notice via video and audio
conference.

Before:

William Hobert, Chair
Drew Beres, Member
Arlene Juracek, Member
George Obernagel, Member
Roger Poole, Member
Tim Ryan, Member
Eduardo Tobon, Member
Jennifer Watson, Member
Randal Wexler, Member
Jeffrey Wright, Member

Also present:

Chris Meister, Executive Director
Brad Fletcher, Vice President and Assistant
Secretary
Ximena Granda, Manager of Finance & Administration
Sara Perugini, Vice President, Healthcare/CCRC
Rich Frampton, Executive Vice President
Craig Holloway, Procurement Agent

Bridges Court Reporting
By: Michael J. Duffy, CER
Notary Public

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. FLETCHER: Good morning. This is Brad
5 Fletcher, Assistant Secretary of the Authority.
6 Today's date is Tuesday, March 8, 2022, and this
7 regular meeting of the Authority has been called to
8 order by Chair Hobert, the time is 9:31 a.m.

9 The Governor of the State of Illinois
10 issued Gubernatorial Disaster Proclamations on
11 February 4, 2022 and March 4, 2022, finding that,
12 pursuant to the provisions of the Illinois Emergency
13 Management Agency Act, a disaster exists within the
14 State of Illinois related to public health concerns
15 caused by COVID-19 and declaring all counties in the
16 State of Illinois as a disaster area, each of which
17 remains in effect for 30 days from its issuance 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, March 8, 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
4 currently in the Authority's Chicago office at the
5 location of the meeting and also participating by video
6 and audio conference, all Members will attend this
7 meeting via video or audio conference.

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

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

14 MR. FLETCHER: Certainly. This is Brad Fletcher.
15 With all Members attending via video or audio
16 conference, I will call the roll.

17 Mr. Beres.

18 MEMBER BERES: Here.

19 MR. FLETCHER: Ms. Juracek.

20 MEMBER JURACEK: Here.

21 MR. FLETCHER: Mr. Obernagel.

22 MEMBER OBERNAGEL: Here.

23 MR. FLETCHER: Mr. Poole.

24 MEMBER POOLE: Present.

1 MR. FLETCHER: Thank you. Mr. Ryan.

2 MEMBER RYAN: Here.

3 MR. FLETCHER: Thank you. Mr. Tobon.

4 MEMBER TOBON: Here.

5 MR. FLETCHER: Thank you. Ms. Watson.

6 MEMBER WATSON: Here.

7 MR. FLETCHER: Thank you. Mr. Wexler.

8 MEMBER WEXLER: Here.

9 MR. FLETCHER: Thank you. Mr. Wright.

10 MEMBER WRIGHT: Here.

11 MR. FLETCHER: And finally, Chair Hobert.

12 CHAIR HOBERT: Here.

13 MR. FLETCHER: Hearing no more Members, Chair
14 Hobert, in accordance with Subsection (e) of Section 7
15 of the Open Meetings Act, as amended, a quorum of
16 Members has been constituted.

17 Before we begin making our way through
18 today's agenda, I would like to request that each
19 Member mute their audio when possible to eliminate any
20 background noise unless you are making or seconding a
21 motion, voting, or otherwise providing any comments for
22 the record. If you are participating via video, please
23 use your mute button found on your task bar on the
24 bottom of your screen. You will be able to see the

1 control bar by moving your mouse or touching the screen
2 of your tablet.

3 For any Member or anyone from the
4 public participating by phone, to mute and unmute your
5 line, you may press star 6 on your keypad if you do not
6 have that feature on your phone.

7 As a reminder, we are being recorded,
8 and a court reporter is transcribing today's
9 proceedings. For the consideration of the court
10 reporter, I would also like to ask that each Member
11 state their name before making or seconding a motion or
12 otherwise providing any comments for the record.

13 Finally, I'd like to confirm that all
14 members of the public attending in person or via video
15 or audio conference can hear this meeting clearly.
16 Chris, can you confirm that this video and audio
17 conference is clearly heard at the physical location?

18 EXECUTIVE DIRECTOR MEISTER: This is Executive
19 Director Chris Meister. Thank you, Brad. I am
20 physically present here in the conference room on the
21 10th floor, of 160 North LaSalle Street in Chicago,
22 Illinois. I can confirm that I can hear all
23 discussions, presentations, and votes at this morning's
24 physical meeting location. I've advised the security

1 guards on the first floor that we have two public
2 meetings today, of which this is one. The agendas for
3 both meetings have been posted both on this floor as
4 well as on the first floor of this building and on the
5 Authority's website as of last Thursday, March 3, 2022.
6 Building security has been advised that any members of
7 the public who choose to do so and who choose to comply
8 with the building's public health and safety
9 requirements may come to this room and listen to this
10 morning's proceedings. Back to you, Brad.

11 MR. FLETCHER: This is Brad Fletcher. Thank you,
12 Chris. If any members of the public participating via
13 video or audio conference find that they cannot hear
14 the proceedings clearly, please call (312) 651-1300 or
15 write info@il-fa.com immediately to let us know, and we
16 will endeavor to solve the audio issue.

17 Chair Hobert.

18 CHAIR HOBERT: This is Will Hobert. Thank you,
19 Brad. Does anyone wish to make any additions, edits,
20 or corrections to today's agenda?

21 (No verbal response.)

22 CHAIR HOBERT: Hearing none, I'd like to request
23 a motion to approve the agenda. Is there such a
24 motion?

1 MEMBER BERES: This is Drew Beres. So moved.

2 MEMBER JURACEK: This is Arlene Juracek. Second.

3 CHAIR HOBERT: This is Will Hobert. Will the
4 Assistant Secretary please call the roll.

5 MR. FLETCHER: This is Brad Fletcher. On the
6 motion by Member Beres and second by Member Juracek, I
7 will call the roll.

8 Mr. Beres.

9 MEMBER BERES: Yes.

10 MR. FLETCHER: Ms. Juracek.

11 MEMBER JURACEK: Yes.

12 MR. FLETCHER: Mr. Obernagel.

13 MEMBER OBERNAGEL: Yes.

14 MR. FLETCHER: Mr. Poole.

15 MEMBER POOLE: Yes.

16 MR. FLETCHER: Mr. Ryan.

17 MEMBER RYAN: Yes.

18 MR. FLETCHER: Mr. Tobon.

19 MEMBER TOBON: Yes.

20 MR. FLETCHER: Thank you. Ms. Watson.

21 MEMBER WATSON: Yes.

22 MR. FLETCHER: Thank you. Mr. Wexler.

23 MEMBER WEXLER: Yes.

24 MR. FLETCHER: Thank you, Mr. Wright.

1 MEMBER WRIGHT: Yes.

2 MR. FLETCHER: Thank you. And finally, Chair
3 Hobert.

4 CHAIR HOBERT: Yes.

5 MR. FLETCHER: Again, this is Brad Fletcher.
6 Chair Hobert, the ayes have it and the motion carries.

7 CHAIR HOBERT: This is Will Hobert. Thank you,
8 Brad. If anyone from the public participating via
9 video wishes to make a comment, please indicate your
10 desire to do so by using the "Raise Hand" function.
11 Click on the "Raise Hand" option located at the center
12 of your control bar at the bottom of the screen. You
13 will be able to see the task bar by moving your mouse
14 or touching the screen of your tablet. If anyone from
15 the public participating via phone wishes to make a
16 comment, please indicate your desire to do so by using
17 the "Raise Hand" function by pressing star 9.

18 Is there any public comment for the
19 Members?

20 (No verbal response.)

21 CHAIR HOBERT: Hearing none.

22 This is Will Hobert. Welcome to the
23 regular scheduled, March 8, 2022, meeting of the
24 Illinois Finance Authority.

1 This morning we welcome NorthShore
2 University HealthSystem, the Borrower, on behalf of
3 NorthShore-Edward-Elmhurst Credit Group. This project
4 is expected to be among the largest conduit bonds ever
5 issued by the Authority. This project is expected to
6 have a great and positive impact on healthcare for the
7 residents of Lake, Cook, and DuPage Counties. In
8 particular, we thank Doug Welday, NorthShore's CFO and
9 the entire transaction team for giving the Authority
10 the opportunity to work with the Borrower on this major
11 high impact transaction.

12 We also welcome Smith Crossing
13 appearing on this morning's agenda as Washington and
14 Jane Smith Community - Orland Park, a regular Authority
15 conduit borrower. We appreciate the work of Ray
16 Marneris, the CFO of Smith Crossing, who we will hear
17 from and his transaction team on this important senior
18 living project.

19 Also, we welcome the Erikson Institute,
20 another regular Authority conduit borrower to the
21 agenda. We will also consider amendments involving
22 conduit bonds on behalf of Plymouth Place and the
23 Shirley Ryan AbilityLab appearing on the agenda as The
24 Rehabilitation Institute of Chicago as well as two

1 Beginning Farmer Bonds.

2 I miss face-to-face meetings. As the
3 threat of COVID continues to recede, I hope our next
4 meeting on April 12th will be in person. I understand
5 that there is some construction going on on the 10th
6 floor of the Bilandic Building, so we could also be --
7 so that could also be an obstacle. Barring any yet
8 unknown COVID variants, I asked Chris and the team to
9 plan for the April 12th in-person meeting and to keep
10 us all posted on the plans.

11 Next is a message from our Executive
12 Director. Chris.

13 EXECUTIVE DIRECTOR MEISTER: Thanks, Will. This
14 is Chris Meister. In February, I highlighted the
15 market volatility that has made the forecasting and
16 closing of conduit bond projects both unpredictable and
17 challenging. Russia's invasion of Ukraine has added to
18 the volatile and unpredictable market environment.
19 Similar to our financial presentation last month, we
20 will share revenues and expenses for the eight months
21 ended February 28, 2022, with a forward forecast for
22 the two-month period ending on April 30, 2022. Back to
23 you, Will.

24 CHAIR HOBERT: This is Will Hobert. Thank you,

1 Chris. Now we turn to committee reports. Member
2 Wright.

3 MEMBER WRIGHT: This is Jeffrey Wright. Thank
4 you, Will.

5 The Conduit Financing Committee met
6 earlier this morning and voted unanimously to recommend
7 for approval the following New Business Items on
8 today's agenda: NorthShore University HealthSystem,
9 Washington and Jane Smith Community - Orland Park d/b/a
10 Smith Crossing, Erikson Institute, Beginning Farmer
11 Austin Timmermann, Beginning Farmer Tyger Clodfelter,
12 Plymouth Place, Incorporated, and Rehabilitation
13 Institute of Chicago, d/b/a Shirley Ryan AbilityLab.

14 CHAIR HOBERT: This is Will Hobert. Thank you,
15 Jeffrey. I would now like to ask for the general
16 consent of the Members to consider the New Business
17 Items 1, 2, 3, 4A, 4B, 5, and 6 collectively, and to
18 have the subsequent recorded vote applied to each
19 respective individual New Business Item, unless there
20 are any specific New Business Items that a Member would
21 like us to consider separately.

22 (No verbal response.)

23 CHAIR HOBERT: Hearing no need for recusal, I
24 would like to consider New Business Items 1, 2, 3, 4A,

1 4B, 5, and 6 under the consent agenda and take a roll
2 call vote. Rich.

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

9 We'll begin with the conduit financing
10 projects. Item 1: NorthShore University HealthSystem,
11 NorthShore-Edward-Elmhurst Credit Group. Item 1 is a
12 501(c)(3) bond request. Staff requests approval of a
13 one-time Final Bond Resolution for NorthShore
14 University HealthSystem (hereinafter, the "Borrower")
15 in an amount not to exceed \$1.1 billion.

16 Pursuant to the Final Bond Resolution,
17 the Bonds may be issued in one more fixed and/or
18 variable rate, tax-exempt and/or taxable series to be
19 (1) sold in a public offering underwritten by Goldman
20 Sachs & Co., LLC, J.P. Morgan Securities LLC (or an
21 affiliate thereof), and/or other underwriters selected
22 by the Borrower; and/or (2) directly purchased by TD
23 Bank, N.A., PNC Bank, National Association, and/or
24 other banks selected by the Borrower.

Bond proceeds will be used to (1) pay or reimburse the Borrower and/or certain other Users for the costs of acquiring, constructing, renovating, remodeling, expanding, rehabilitating, and equipping certain health facilities owned by the Borrower or any User and all necessary attendant or related facilities, equipment, site work and utilities thereto, including but not limited to, an expansion of the number of surgical operating rooms and recovery rooms at Skokie Hospital and expansion of the cardiovascular surgical space at Glenbrook Hospital; (2) refund, redeem or defease all or a portion of one or more series of outstanding Authority bonds (collectively, the "Prior Bonds"); (3) fund one or more debt service reserve funds, fund working capital, and/or pay a portion of the interest on the Bonds, if deemed necessary or desirable by the Borrower and/or the Authority; (4) pay certain fees and expenses relating to the termination of the swap agreements; and (5) pay certain expenses incurred in connection with the issuance of the Bonds and the refunding, redemption and/or defeasance of the Prior Bonds, including the cost of any credit or liquidity enhancement.

The current long-term underwrite --

1 underlying credit ratings for the Borrower are 'Aa3',
2 with a stable outlook by Moody's as of February 15,
3 2022, and 'AA-' with a stable outlook by S&P Global
4 Ratings & Co. LLC (hereinafter, "S&P") as of
5 February 15, 2022. The publicly offered Bonds are
6 expected to also be rated by Moody's and S&P. One or
7 more series of the publicly offered variable rate bonds
8 will be backed by a standby bond purchase agreement
9 provided by JPMorgan Chase Bank, National Association,
10 or other provider, carrying a long term rating of 'AA-'
11 or better. The directly purchased bonds will not be
12 rated due to the Bank direct purchase structure and
13 will be sold in \$100,000 denominations.

14 Does any Member have any comments or
15 questions?

16 (No verbal response.)

17 MR. FRAMPTON: Moving next on to Item 2. Item 2
18 is a 501(c)(3) Bond request. Staff requests approval
19 of a one-time Final Bond Resolution for Washington and
20 Jane Smith Community - Orland Park, d/b/a Smith
21 Crossing (hereinafter, "the Borrower") in an amount not
22 to exceed \$65 million.

23 The Borrower operates the Smith
24 Crossing continuing care retirement community in Orland

1 Park, featuring 173 independent living units, 46
2 traditional assisted living units, 16 memory care
3 assisted living units and 92 skilled nursing beds.

4 Bond proceeds will be used to (1)
5 refund all or a portion of one or more series of
6 outstanding Authority bonds (collectively, the "Prior
7 Bonds"); (2) fund a service -- debt service reserve
8 fund and/or a portion of the interest on the Bonds, if
9 deemed necessary or desirable by the Borrower and/or
10 the Authority, (3) terminate three existing swaps held
11 with two banks on the Prior Bonds, and (4) pay certain
12 expenses incurred in connection with the issuance of
13 the Bonds and the refunding of the Prior Bonds.

14 The Bonds have been assigned a rating
15 of 'BBB-', Stable Outlook, by Fitch Ratings as of
16 February 23, 2022.

17 Now, I'd like to turn things over to
18 Sara Perugini, who has been the primary contact on the
19 Smith Crossing financing, to introduce our guest who is
20 on the line.

21 MS. PERUGINI: Thank you, Rich. This is Sara
22 Perugini. I am pleased to introduce and welcome Ray
23 Marneris, the Chief Financial Officer of Smith
24 Crossing. Mr. Marneris would like to address the

1 Members. Ray.

2 MR. MARNERIS: Thank you, Sara. Yes. On behalf
3 of myself, the Board of Trustees, Kevin McGee, our CEO,
4 and the 290 residents at Smith Crossing, we'd like to
5 thank the Board for your support of our community.
6 Washington and Jane Smith has been serving seniors on
7 the Southwest Side of Chicago since 1924 and at Smith
8 Crossing in Orland Park since 2003.

9 With the savings provided by this
10 financing, you are making it possible for us to
11 continue providing high quality service and care for
12 the seniors we serve. And I'd like to thank the Board
13 for your support.

14 MS. PERUGINI: Thank you, Ray. This is Sara
15 Perugini. The Authority looks forward to working with
16 you and the rest of the Smith Crossing financing team
17 on this transaction.

18 I will now turn things back over to
19 Mr. Frampton. Rich.

20 MR. FRAMPTON: This is Rich Frampton. Thank you,
21 Sara. Does any Member have any questions or comments?

22 (No verbal response.)

23 MR. FRAMPTON: Okay. Next, we'll move on to
24 Item 3 for the Erikson Institute. Item 3 is a

1 501(c)(3) Revenue Bond request. Staff requests
2 approval of a one-time Final Bond Resolution for the
3 Erikson Institute (hereinafter, "Erikson" or the
4 "Corporation") in an amount not to exceed twenty-five
5 million seven hundred thousand dollars (\$25,700,000).

6 Bond proceeds will be used by Erikson
7 Institute to prospectively (i) refund and redeem all or
8 a portion of the outstanding Illinois Finance Authority
9 Revenue Refunding Bond, Series 2017A (hereinafter, the
10 "Series 2017A Bond"), (ii) refund and redeem all or a
11 portion of the outstanding Illinois Finance Authority
12 Revenue Refunding Bond, Series 2017B (hereinafter
13 reported together as the Series 2017 Bond and
14 collectively with Series 2017A Bond, the Series 2017
15 Bonds), (iii) pay a portion of the interest on the
16 Series 2022 Bond, if deemed necessary or desirable by
17 the Corporation, (iv) fund a debt service reserve fund,
18 if deemed necessary or desirable by the Corporation,
19 and (v) pay certain costs relating to the issuance of
20 the Series 2022 Bond, if deemed necessary or desirable
21 by the Corporation.

22 Erikson was founded in 1966 to provide
23 graduate and continuing professional education
24 programming for early childhood education and childcare

1 professionals beginning with inception of the Head
2 Start Program.

3 The Series 2022 Refunding Bonds will be
4 purchased directly by the Northern Trust in a private
5 placement.

6 Does any Member have any questions or
7 comments?

8 (No verbal response.)

9 MR. FRAMPTON: Hearing none. Next, I will move
10 on to the Beginning Farmer Bonds.

11 Item 4A is a Beginning Farmer Bond
12 request. Staff requests approval of a one-time Final
13 Bond Resolution for Austin Timmermann in an amount not
14 to exceed \$558,000.

15 Mr. Timmermann is purchasing
16 approximately 117 acres of farmland located in Clinton
17 County. The Germantown Trust & Savings Bank is the
18 purchasing bank for this conduit transaction.

19 Does any Member have any questions or
20 comments?

21 (No verbal response.)

22 MR. FRAMPTON: Next is Item 4 -- Item 4B rather.
23 Item 4B is a Beginning Farmer Bond request. Staff
24 requests approval of a one-time Final Bond Resolution

1 for Tyger Clodfelter in an amount not to exceed
2 \$100,000. Mr. Clodfelter is purchasing approximately
3 38 acres of farmland located in Wabash County. The
4 Citizens National Bank of Albion is the purchasing bank
5 for this conduit transaction.

6 Does any Member have any questions or
7 comments?

8 (No verbal response.)

9 MR. FRAMPTON: Next, we'll move on to the conduit
10 financing resolutions first with Item 5 for Plymouth
11 Place Incorporated.

12 Item 5 is a Resolution relating to the
13 Series 2021B Bonds previously issued by the Authority
14 on behalf of Plymouth Place, Inc. (hereinafter, the
15 "Borrower.")

16 The Series 2021B Bonds were issued to
17 refund the outstanding Authority Series 2015 Bonds.
18 All the Series 2021B Bonds are held by Barclays
19 Capital, Inc. (hereinafter, the "Bank"). The Series
20 2021B Bonds currently bear interest at a taxable rate
21 and are convertible to tax-exempt interest rates on or
22 after February 15, 2025 (hereinafter, the "Tax-Exempt
23 Conversion Date.")

24 The Series 2021B Bonds currently bear

1 interest at taxable interest rates based on SOFR. The
2 terms of the Bond Indenture currently provide that
3 after the Tax-Exempt Conversion Date, upon satisfaction
4 of certain conditions, the Series 2021B Bonds will bear
5 interest rates based on SIFMA plus an Applicable
6 Spread.

7 In order to take advantage of current
8 market conditions, the Borrower and the Bank have
9 agreed to amend the Bond Indenture to provide that
10 after the Tax-Exempt Conversion Date, the Series 2021B
11 Bonds will bear interest at rates equal to a percentage
12 of SOFR plus an Applicable Spread. The Bank will
13 approve the amendments. Chapman and Cutler LLP is
14 expected to provide an opinion that the amendments will
15 not adversely affect the validity of the Series 2021B
16 Bonds.

17 Does any Member have any questions or
18 comments?

19 (No verbal response.)

20 MR. FRAMPTON: Moving on. Next, Item 6. Item 6
21 is a Resolution relating to the Series 2016C Bonds and
22 Series 2016D Bonds previously issued by the Authority
23 on behalf of The Rehabilitation Institute of Chicago
24 d/b/a Shirley Ryan AbilityLab (hereinafter, the

1 "Borrower").

2 All Series 2016 Bonds currently bear
3 interest at an Index Floating Rate based on LIBOR. PNC
4 Bank, National Association purchased and holds the
5 Series 2016 Bonds and Banc of America Public Capital
6 Corp (hereinafter, the "Bank") purchased and holds the
7 Series 2016D Bonds. In order to take advantage of
8 current market conditions, the Borrower and the Bank
9 have agreed to convert the interest rate on the Series
10 2016 Bonds to an Index Floating Rate based on
11 Bloomberg's Short-Term Bank Yield Index, or "BSBY" for
12 new Index Floating Rate periods. The Borrower expects
13 that (1) the Bank will purchase and hold the Series
14 2016C Bonds for the new Index Floating Rate period and
15 (2) the Bank will continue to hold the Series 2016D
16 Bonds for the new Index Floating Rate period. In
17 connection with the conversions, the Borrower and the
18 Bank wish to amend certain definitions in the Bond
19 Indentures and make other amendments necessary to
20 reflect new Index Floating Rate periods. The Bank will
21 approve the amendments.

22 As a result of the amendments, one or
23 more series of the Series 2016 Bonds may be deemed
24 reissued for tax purposes. Chapman and Cutler LLP is

1 expected to provide an opinion that the amendments will
2 not adversely affect the tax-exempt status of any of
3 the Series 2016 Bonds. Does any Member have any
4 questions or comments?

5 (No verbal response.)

6 CHAIR HOBERT: This is Will Hobert. Thank you,
7 Rich. I would like to request a motion to pass and
8 adopt the following New Business Items: Items 1, 2, 3,
9 4A, 4B, 5, and 6. Is there such a motion?

10 MEMBER OBERNAGEL: Yes. This is George
11 Obernagel. So moved.

12 MEMBER POOLE: Yes. Roger Poole. Second.

13 CHAIR HOBERT: This is Will Hobert; will the
14 Assistant Secretary please call the roll.

15 MR. FLETCHER: Certainly. This is Brad Fletcher.
16 On the motion by Member Obernagel and second by Member
17 Poole, I will call the roll.

18 Mr. Beres.

19 MEMBER BERES: Yes.

20 MR. FLETCHER: Thank you. Ms. Juracek.

21 MEMBER JURACEK: Yes.

22 MR. FLETCHER: Thank you. Mr. Obernagel.

23 MEMBER OBERNAGEL: Yes.

24 MR. FLETCHER: Thank you. Mr. Poole.

1 MEMBER POOLE: Yes.

2 MR. FLETCHER: Thank you. Mr. Ryan.

3 MEMBER RYAN: Yes.

4 MR. FLETCHER: Thank you. Mr. Tobon.

5 MEMBER TOBON: Yes.

6 MR. FLETCHER: Thank you. Ms. Watson.

7 MEMBER WATSON: Yes.

8 MR. FLETCHER: Thank you. Mr. Wexler.

9 MEMBER WEXLER: Yes.

10 MR. FLETCHER: Thank you. Mr. Wright.

11 MEMBER WRIGHT: Yes.

12 MR. FLETCHER: Thank you. And finally, Chair
13 Hobert.

14 CHAIR HOBERT: Yes.

15 MR. FLETCHER: Thank you. Again, this is Brad
16 Fletcher. Chair Hobert, the ayes have it and the
17 motion carries.

18 CHAIR HOBERT: This is Will Hobert. Thank you,
19 Brad.

20 Six, will you please present the
21 financial reports.

22 MS. GRANDA: Good morning. This is Six Granda.
23 Thank you, Chair Hobert.

24 Following up on my February

1 presentation, we reflect increased volatility in the
2 conduit bond market. Our 10-month forecast revenues
3 through April 30th includes: (1) actual revenues for
4 the eight months ended February 28, 2022, plus (2)
5 forecast revenues for the two-month period ending
6 April 30th of 2022. The budget comparison compares the
7 10-month forecast results to the 10-month budget.

8 The 10-month revenues of 2.4 million
9 were 774,000 or 24.5 percent below budget due to lower
10 than expected bond closing fees and a net loss of
11 approximately 67,000 from investments, which primarily
12 reflect a year-to-date mark to market of 315,000
13 noncash reduction in the current fair market value of
14 the Authority's investments. Because the Authority
15 expects to hold these investments until maturity, these
16 mark-to-market adjustments are not material and are
17 currently -- can be deducted from the results when
18 analyzing the Authority's profitability on a cash flow
19 basis.

20 Now, running through other revenue line
21 items for the 10-month forecast period through
22 April 30th of 2022. Importantly, for the second half
23 of the fiscal year 2022 Authority's budget, we base our
24 revenue forecast on the then-reasonable expectation of

1 positive changes to the federal law with respect to
2 conduit tax-exempt bonds. These changes to the federal
3 law did not occur.

4 But a rising interest rate environment
5 did occur, and with this rising rate environment came
6 an upswing in conduit bond interest and activity that
7 we could not foresee in June of 2021. However, this
8 upswing in conduit bond interest that has been
9 accompanied by market volatility that led the conduit
10 borrowers to not proceed to close their bond issues
11 according to their original timeline. We know that,
12 generally speaking, and as long as the parameters of
13 the transaction remained the same, bond resolutions
14 approved by the Authority are generally deemed
15 acceptable by bond counsel for up to 12 months after
16 approval.

17 Now, moving on to some forecasts. The
18 forecast for closing fees for the 10-month period
19 ending April 30th of 2022 are forecast at 1.8 million,
20 which would be 554,000 below budget. In comparison to
21 last months forecast through April 30, 2022, bond
22 closing fee revenues are up in this month's 10-month
23 forecast by 94,000. The 10-month year-to-date
24 administrative service fees are forecast at 108,000,

1 which is 32,000 above budget. An increase of 12,000
2 compared to the 10-month revenue forecast presented
3 last month.

4 The forecast 10-month accrued interest
5 income from loans in coordination with a former
6 Illinois local government bond bank direct loan
7 portfolio and other loans are forecast at 322,000.

8 In February, the Authority received
9 interest and principal payments of 1.2 million from the
10 local government direct loan portfolio. As I have
11 noted before, this is a long term legacy portfolio that
12 is a declining asset as the underlying loans are all
13 amortizing loans. In comparison to the forecast
14 presented last month, the 10-month forecast revenues
15 have increased by 104,000.

16 Moving on to the expenses. The
17 10-month forecast expenses through April 30, 2022,
18 include, again, the actual expenses for the eight
19 months ended February 28, 2022, plus (2) the forecast
20 expenses for the two-month period ending April 30th of
21 2022.

22 The Authority will post forecast
23 10-month expenses of 2.9 million which would be 140,000
24 or 4.6 percent below budget, reflecting the

1 below-budget spending on employee-related expenses.

2 Now, running through other expense line
3 items for the 10 months ended April 30th of 2022. The
4 10-month employee-related expenses are forecast at 1.6
5 million which would be 318,000 or 16.7 percent below
6 budget. In February, employee-related expenses were
7 slightly higher than the previous month due to the
8 staff time spent in the application process for the
9 U.S. Treasury's SSBCI loan program.

10 The 10-month professional expenses are
11 forecast at 855,000, which would be 206,000 or
12 31.8 percent above budget. In February, professional
13 services were higher than the budgeted amount due to an
14 upgrade of the Authority's accounting system.

15 The 10-month forecast occupancy expense
16 are forecast at 158,000 which would be 2.8 percent over
17 budget.

18 The 10-month forecast general and
19 administrative expenses of 252,000 would be
20 12.1 percent below budget.

21 The forecast for the 10-month net loss
22 is 493,000, which is 70,000 less the last month's
23 forecast.

24 Now, moving on to the two-month

1 forecast highlights. The forecast closing fees and
2 administrative service fees for the two-month period
3 from March 1, 2022, through April 30th of 2022, are
4 548,000, which is 54,000 above the two-month budgeted
5 amount of 494, for combined closing fees and
6 administrative fees. The forecast total revenues for
7 the two-month period ending April 30, 2022, are going
8 to be 644,000. The forecast operating revenues for the
9 two-month period from March 1, 2022, through April 30th
10 of 2022, are forecast at (inaudible) which is 37,000
11 below the two-month budgeted amount of 602,000.

12 THE COURT REPORTER: Excuse me. This is the
13 court reporter. You cut out on the last sentence.

14 MS. GRANDA: So the forecast operating revenues
15 for the two-month period from March 1, 2022, through
16 April 30th of 2022, are forecast at approximately
17 565,000 which is 37,000 below the two-month budgeted
18 amount of 602,000.

19 The Authority's two-month forecast
20 operating income, which excludes nonoperating items, is
21 approximately at 79,000.

22 Now, moving to some audits. In
23 February, we underscored the high expense and resource
24 burden of the state external audit process. This high

1 burden has continued as we worked through the two-year
2 compliance audit. As of Friday, March 4, 2022, we
3 received various findings in connection with a two-year
4 compliance audit. The Authority has a 14-day clock
5 running from March 4 to respond. So we are very close
6 to the end of this process. Once final, we expect the
7 Office of the Auditor General, along with a Special
8 Assistant Audit Auditor, RSM US LLP, to finalize the
9 audit and publish the two-year compliance audit on the
10 auditor's website. The process will then move to the
11 Authority's Staff, presenting both the previous
12 published one year financial audit and the two-year
13 compliance audit to the Authority audit plus committee
14 and to the full membership. Both audits will then move
15 to the General Assembly Legislative Audit Commission
16 for consideration and closing. We also have three
17 internal audits underway, and at this time, the
18 Authority Staff has nothing to report.

19 Are there any questions or comments?

20 (No verbal response.)

21 MS. GRANDA: Hearing none. I will turn it over
22 to Chair Hobert. Thank you.

23 CHAIR HOBERT: This is Will Hobert. Thank you,
24 Six.

1 I would like to request a motion to
2 accept the preliminary and unaudited financial reports
3 for the eight-month period ending February 28, 2022,
4 and not the forecast as presented through April 30,
5 2022. Is there such a motion?

6 MEMBER RYAN: This is Tim Ryan. So moved.

7 MEMBER TOBON: This is Eduardo Tobon. Second.

8 CHAIR HOBERT: This is Will Hobert. Will the
9 Assistant Secretary please call the roll?

10 MR. FLETCHER: Certainly. This is Brad Fletcher.
11 On the motion by Member Ryan and second by Member
12 Tobon, I'll call the roll,

13 Mr. Beres.

14 MEMBER BERES: Yes.

15 MR. FLETCHER: Ms. Juracek.

16 MEMBER JURACEK: Yes.

17 MR. FLETCHER: Thank you. Mr. Obernagel.

18 MEMBER OBERNAGEL: Yes.

19 MR. FLETCHER: Thank you. Mr. Poole.

20 MEMBER POOLE: Yes.

21 MR. FLETCHER: Thank you. Mr. Ryan.

22 MEMBER RYAN: Yes.

23 MR. FLETCHER: Thank you. Mr. Tobon.

24 MEMBER TOBON: Yes.

1 MR. FLETCHER: Thank you. Ms. Watson.

2 MEMBER WATSON: Yes.

3 MR. FLETCHER: Thank you. Mr. Wexler.

4 MEMBER WEXLER: Yes.

5 MR. FLETCHER: Thank you. Mr. Wright.

6 MEMBER WRIGHT: Yes.

7 MR. FLETCHER: Thank you. And finally, Chair
8 Hobert.

9 CHAIR HOBERT: Yes.

10 MR. FLETCHER: Again, this is Brad Fletcher.

11 Chair Hobert, the ayes have it and the motion carries.

12 CHAIR HOBERT: Thank you, Brad. This is Will
13 Hobert. Craig, will you please present the procurement
14 report.

15 MR. HOLLOWAY: This is Craig Holloway. The March
16 Procurement report to support the Authority operations.
17 The report also includes expiring contracts into July
18 of 2022.

19 The Authority recently executed a
20 contract with Mazarini Incorporated to replace our
21 server-room door to prevent the service from
22 overheating. Thanks, Chair Hobert.

23 CHAIR HOBERT: Okay. This is Will Hobert. Thank
24 you, Craig. Does anyone wish to make any additions,

1 edits, or corrections to the minutes from February 8,
2 2022?

3 (No verbal response.)

4 CHAIR HOBERT: Hearing none, I'd like to request
5 a motion to approve the minutes. Is there such a
6 motion?

7 MEMBER WATSON: This is Jennifer Watson. So
8 moved.

9 MEMBER WEXLER: This is Randy Wexler. Second.

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

12 MR. FLETCHER: Certainly. This is Brad Fletcher.
13 On the motion by Member Watson and a second by Member
14 Wexler. I call the roll.

15 Mr. Beres.

16 MEMBER BERES: Yes.

17 MR. FLETCHER: Thank you. Ms. Juracek.

18 MEMBER JURACEK: Yes.

19 MR. FLETCHER: Thank you. Mr. Obernagel.

20 MEMBER OBERNAGEL: Yes.

21 MR. FLETCHER: Thank you. Mr. Poole.

22 MEMBER POOLE: Yes.

23 MR. FLETCHER: Thank you. Mr. Ryan.

24 MEMBER RYAN: Yes.

1 MR. FLETCHER: Thank you. Mr. Tobon.

2 MEMBER TOBON: Yes.

3 MR. FLETCHER: Thank you. Ms. Watson.

4 MEMBER WATSON: Yes.

5 MR. FLETCHER: Thank you. Mr. Wexler.

6 MEMBER WEXLER: Yes.

7 MR. FLETCHER: Thank you. Mr. Wright.

8 MEMBER WRIGHT: Yes.

9 MR. FLETCHER: Thank you. And finally, Chair
10 Hobert.

11 Chair Hobert: Yes.

12 MR. FLETCHER: Again, this is Brad Fletcher.

13 Chair Hobert, the ayes have it and the motion carries.

14 CHAIR HOBERT: This is Will Hobert. Thank you,
15 Brad. Is there any other business to come before the
16 Members?

17 MR. FLETCHER: Chairman, this is Brad Fletcher.
18 Members Amaro, Fuentes, Nava, and Zeller were unable to
19 participate today.

20 CHAIR HOBERT: This is Will Hobert. Thank you,
21 Brad. I would like to request a motion to excuse the
22 absences of Members Amaro, Fuentes, Nava, and Zeller.
23 Is there such a motion?

24 MEMBER WRIGHT: This is Jeffrey Wright. So

1 moved.

2 MEMBER BERES: This is Drew Beres. Second.

3 CHAIR HOBERT: This is Will Hobert. Can the
4 Assistant Secretary please call the roll.

5 MR. FLETCHER: Certainly. This is Brad Fletcher.
6 On a motion by Member Wright and second by Member
7 Beres, I will call the roll.

8 Mr. Beres.

9 MEMBER BERES: Yes.

10 MR. FLETCHER: Ms. Juracek.

11 MEMBER JURACEK: Yes.

12 MR. FLETCHER: Mr. Obernagel.

13 MEMBER OBERNAGEL: Yes.

14 MR. FLETCHER: Mr. Poole.

15 MEMBER POOLE: Yes.

16 MR. FLETCHER: Mr. Ryan.

17 MEMBER RYAN: Yes.

18 MR. FLETCHER: Mr. Tobon.

19 MEMBER TOBON: Yes.

20 MR. FLETCHER: Ms. Watson.

21 MEMBER WATSON: Yes.

22 MR. FLETCHER: Mr. Wexler.

23 MEMBER WEXLER: Yes.

24 MR. FLETCHER: Mr. Wright.

1 MEMBER WRIGHT: Yes.

2 MR. FLETCHER: And finally, Chair Hobert.

3 Chair Hobert: Yes.

4 MR. FLETCHER: Thank you. Again, this is Brad
5 Fletcher. Chair Hobert, the ayes have it and the
6 motion carries.

7 CHAIR HOBERT: This is Will Hobert. Thank you,
8 Brad. Is there any matter for discussion in closed
9 session?

10 (No verbal response.)

11 CHAIR HOBERT: Hearing none, the next regularly
12 scheduled meeting will hopefully be in person and on
13 April 12, 2022, after 24 remote meetings.

14 At this time, I would like to request a
15 motion to adjourn. Additionally, when responding to
16 the roll call for this motion, I would ask each Member
17 to confirm that they were able to hear the
18 participants, discussions, and testimony in the
19 proceeding. Is there such a motion?

20 MEMBER JURACEK: This is Arlene Juracek. So
21 moved.

22 MEMBER WEXLER: This is Randy Wexler. Second.

23 CHAIR HOBERT: This is Will Hobert. Will the
24 Assistant Secretary please call the roll.

1 MR. FLETCHER: Apologies for the typo in the
2 script everyone. This is Brad Fletcher. On the motion
3 by Member Juracek and second by Member Wexler, if I had
4 that correctly, I'll call the roll.

5 Mr. Beres.

6 MEMBER BERES: Aye. And I confirm that I could
7 hear all participants, discussion, and testimony.

8 MR. FLETCHER: Thank you, Ms. Juracek.

9 MEMBER JURACEK: Aye. And I confirm that I could
10 hear all participants, discussion, and testimony.

11 MR. FLETCHER: Thank you. Mr. Obernagel.

12 MEMBER OBERNAGEL: Aye. And I confirm that I
13 could hear all participants, discussion, and testimony.

14 MR. FLETCHER: Thank you, Mr. Poole.

15 MEMBER POOLE: Aye. And I confirm that I could
16 hear all the participants, discussions, and testimony.

17 MR. FLETCHER: Thank you, Roger. Mr. Ryan.

18 MEMBER RYAN: Aye. And I confirm that I could
19 hear all participants, discussions, and testimony.

20 MR. FLETCHER: Thank you. Mr. Tobon.

21 MEMBER TOBON: Aye. And I confirm that I could
22 hear all participants, discussion, and testimony.

23 MR. FLETCHER: Thank you. Ms. Watson.

24 MEMBER WATSON: Aye. And I confirm that I could

1 hear all participants, discussion, and testimony.

2 MR. FLETCHER: Thank you. Mr. Wexler.

3 MEMBER WEXLER: Aye. And I confirm that I could
4 hear all participants, discussion, and testimony.

5 MR. FLETCHER: Thank you. Mr. Wright.

6 MEMBER WRIGHT: Aye. And I confirm I could hear
7 all participants, all discussion, and testimony.

8 MR. FLETCHER: Thank you. And finally, Chair
9 Hobert.

10 CHAIR HOBERT: Aye. And I confirm that I could
11 hear all participants, discussion, and testimony.

12 MR. FLETCHER: Again, this is Brad Fletcher.
13 Chair Hobert, the ayes have it and the motion carries.

14 The time is currently 10:10 a.m., and
15 this regular meaning of the Authority is adjourned.
16 Thank you, everyone.

17 CHAIR HOBERT: Thank you, everyone.

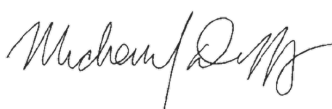
18 (Which were all the proceedings had at
19 this time, date and place.)
20
21
22
23
24

1 STATE OF ILLINOIS)
2) SS.
3 COUNTY OF DUPAGE)

4 Michael Duffy, being first duly sworn, on oath
5 says that he is a Certified Electronic Reporter doing
6 business in the City of Wheaton, County of DuPage and
7 State of Illinois.

8 That he reported the proceedings had at the
9 foregoing regular meeting of the Illinois Finance
10 Authority.

11 And that the foregoing is a true and correct
12 transcript of the reported proceedings so taken
13 aforesaid and contains all the proceedings had at said
14 meeting.

15
16 

17 Michael J. Duffy

18 Certified Electronic Reporter

19 Notary Public
20
21
22
23
24