

# **ILLINOIS FINANCE AUTHORITY**

**November 12, 2019**

**9:30 a.m.**

## **REGULAR MEETING**

**Michael A. Bilandic Building**

**160 North LaSalle Street**

**Suite S-1000**

**Chicago, Illinois 60601**

- I. Call to Order & Roll Call
- II. Approval of Agenda
- III. Public Comment
- IV. Chairman's Remarks
- V. Message from the Executive Director
- VI. Committee Reports
- VII. Presentation and Consideration of New Business Items
- VIII. Presentation and Consideration of Financial Reports
- IX. Monthly Procurement Report
- X. Correction and Approval of Minutes
- XI. Consideration and Action Regarding Whether to Open Closed Session Minutes  
from September 11, 2018, June 11, 2019, and October 8, 2019
- XII. Other Business
- XIII. Closed Session
- XIV. Adjournment

## NEW BUSINESS

### CONDUIT FINANCING PROJECTS

Tab	Project Name	Location	Amount	New Jobs	Const. Jobs	Staff
<b>Private Activity Bonds - Revenue Bonds</b> <i>Final (One-Time Consideration)</i>						
1	Lutheran Life Communities Obligated Group	Illinois: Arlington Heights (Cook County), Bloomington (McLean County), Ottawa (LaSalle County); and Indiana: Crown Point (Lake County)	\$210,000,000	-	30	SP
2	Illinois Institute of Technology	Chicago (Cook County) and Wheaton (DuPage County)	\$140,000,000	-	-	RF/BF
<b>Local Government Program Bonds - Revenue Bonds</b> <i>Final (One-Time Consideration)</i>						
3	Township High School District Number 86, DuPage and Cook Counties	Burr Ridge, Clarendon Hills, Darien, Hinsdale, Oak Brook, Westmont, Willowbrook (DuPage and Cook Counties)	\$34,910,000	-	30	RF/BF
<b>Property Assessed Clean Energy Bonds - Revenue Bonds</b> <i>Final (One-Time Consideration)</i>						
4	Enhanced PACE Finance, LLC	Statewide	\$100,000,000	-	-	BF
<b>TOTAL CONDUIT FINANCING PROJECTS</b>			<b>\$484,910,000</b>	<b>-</b>	<b>60</b>	
<b>GRAND TOTAL</b>			<b>\$484,910,000</b>	<b>-</b>	<b>60</b>	

### RESOLUTIONS

Tab	Action	Staff
<b>Governance, Personnel, and Ethics</b>		
5	Appointment of Assistant Secretary of the Illinois Finance Authority and Matters Related Thereto	CM

### SUBJECT MATTER-ONLY

Tab	Action	Staff
<b>Direct and Alternative Financings</b>		
6	Non-SRF Water Infrastructure Financing Transformation Initiative Update	LB
7	Transformation Initiative: Authority's Role with respect to the Report of the Governor's Pension Consolidation Task Force; Proposed Legislation (Senate Bill 616, "SB 616")	WA

Date: November 12, 2019

To: Eric Anderberg, Chairman  
Michael W. Goetz, Vice Chairman  
James J. Fuentes  
William Hobert  
Mayor Arlene A. Juracek  
Lerry Knox  
Lyle McCoy  
Bradley A. Zeller

Roxanne Nava  
George Obernagel  
Terrence M. O'Brien  
Roger Poole  
Beth Smoots  
Randal Wexler  
Jeffrey Wright

From: Christopher B. Meister, Executive Director

Subject: ***Message from the Executive Director***

Dear Member of the Authority:

***Transformation Initiative Update: Strengthening and Expanding Organizational Capacity***

The Authority is delighted to report continuing progress pursuant to the ***Transformation Initiative*** by adding six new team members. The new talent adds skills and experience, allows for segregation of duties, provides for capacity redundancy and a possible succession framework, and appropriately staffs key organizational functions. This new cohort also demonstrates the validity of the Authority employer-employee value proposition in a tight employment market.

***Bill Atwood*** has transitioned to the role of Vice President, Institutional Investments and Infrastructure. This title accurately reflects the scope and depth of Bill's work at the Authority. In this new role he will identify opportunities to broaden and deepen our impact within the scope of his expertise.

***Mike Moss*** joined us on October 28<sup>th</sup> as Associate General Counsel. He will act as legal advisor for the administrative and operational functions of the Authority and also provide technical and legal recommendations on a wide variety of important issues. He is joining the Authority from Family Health Network Inc. where he served as General Counsel and brings a breadth of experience from a variety of legal and operational roles in both the private and public sector.

***Sabrina Kirkwood*** joined the Authority on November 1<sup>st</sup> as an Accountant/Debt Management Specialist. She will be adding value in many areas, including but not limited to general ledger accounting and internal audit, as well as providing support to the accounting team. Sabrina previously was a Staff Accountant for Porter Wright and brings significant accounting expertise from working with a number of prior organizations.

***Crishon Jones*** joined the Authority as an Accounting/HR Administrator on October 28<sup>th</sup>. She will be responsible for administrative support duties in the HR and Accounting areas. Crishon has experience working as the Accounts Payable Coordinator at Baker and McKenzie, LLP and has had a number of positions in Accounting/HR Administrator and Office Manager.



**Malcolm Simmons** transitioned from his fellowship to a Business Analyst role on November 1<sup>st</sup>. Malcolm has done great work for the Authority since he started as an intern in June 2018. He will provide broad analytical and project support across various lines of business and programs. Malcolm is a recent graduate of Eastern Illinois University where he studied economics.

**Logan Wilhelm** joined the Authority on November 1<sup>st</sup> as a Business Analyst. He will also be providing broad analytical and project support across various lines of business and programs. Logan is a recent graduate of The Ohio State University with a degree in Finance.

We are thrilled to welcome this new cohort of talented individuals. Collectively, our new team members will strengthen our organization's capacity to fulfill the Authority's public mission in a transparent, predictable, and accountable manner.

### ***Core Business: Diverse Conduit Bond Agenda***

We are proud to present for consideration bond resolutions for qualified borrowers seeking to benefit from the tax-exempt financing market and the Authority's continual excellent customer service, including **Lutheran Life Communities Obligated Group** (a multistate project), **Illinois Institute of Technology, and Township High School District Number 86, DuPage and Cook Counties** (Burr Ridge, Clarendon Hills, Darien, Hinsdale, Oak Brook, Westmont, Willowbrook).

On November 6<sup>th</sup>, the Authority successfully issued bonds on behalf of **Waste Management, Inc.**, which was previously approved at our October meeting. Waste Management, the leading comprehensive waste management environmental service in North America as well as a longtime borrower of the Authority and predecessors, last worked with us in 2007. After a hiatus, we are happy to have closed this bond transaction in continuance of this successful collaboration.

### ***Transformation Initiative Updates: Pension Consolidation and Water Finance***

Finally, we will provide updates with respect to the Authority's ongoing **Transformation Initiative** work with respect to local pension consolidation and water finance.

As always, I look forward to continuing to work with you in support of jobs and financing capital expansion projects throughout our state.

Respectfully,

---

Christopher B. Meister  
Executive Director

November 12, 2019

## **\$210,000,000 (not-to-exceed) Lutheran Life Communities Obligated Group**

### **REQUEST**

**Purpose:** Bond proceeds will be used by one or more members of the Obligated Group (as defined below) (the “Borrowers”) to (i) pay or reimburse the Borrowers for, or refinance, the costs of acquiring, constructing, remodeling, renovating and equipping the Borrowers’ continuing care retirement communities described below (the “Project”); (ii) refund all or a portion of the (a) Illinois Finance Authority Revenue Bonds, Series 2006A (Luther Oaks Project) (the “Series 2006A Bonds”), (b) Illinois Finance Authority Revenue Bonds, Series 2006B (Luther Oaks Project) Extendable Rate Adjustable Securities<sup>SM</sup> (EXTRAS<sup>SM</sup>) (the “Series 2006B Bonds”), (c) City of Crown Point, Indiana Economic Development Revenue Bonds, Series 2009A (Wittenberg Village Project) (the “Series 2009A Bonds”), (d) Upper Illinois River Valley Development Authority Revenue Bonds, Series 2010 (Pleasant View Luther Home Project) (the “Series 2010 Bonds”), (e) Upper Illinois River Valley Development Authority Revenue Bonds, Series 2012 (Pleasant View Luther Home Project) (the “Series 2012 Pleasant View Bonds”), and (f) Illinois Finance Authority Revenue Bonds, Series 2012 (Lutheran Home and Services Obligated Group) (the “Series 2012 Bonds” and, together with the Series 2006A Bonds, the Series 2006B Bonds, the Series 2009A Bonds, the Series 2010 Bonds and the Series 2012 Pleasant View Bonds, the “Prior Bonds”); (iii) establish a debt service reserve fund (“DSRF”) with respect to the Series 2019A Bonds, if deemed necessary or advisable by the Illinois Finance Authority (the “Authority”) and/or the Borrowers; (iv) pay a portion of the interest on the Bonds, if deemed necessary or advisable by the Authority and/or the Borrowers; (v) provide working capital to the Borrowers, if deemed necessary or advisable by the Authority and/or the Borrowers; and (vi) pay certain expenses in connection with the issuance of the Bonds and the refunding of the Prior Bonds (“COI”).

It is contemplated that the Bonds will be issued in two series, the Series 2019A and Series 2019B.

- The Series 2019A Bonds will be tax-exempt and publicly offered. The proceeds will be used to refund the currently callable Series 2006A Bonds, Series 2006B Bonds, Series 2009A Bonds and Series 2012 Pleasant View Bonds of the Borrowers, refinance non-callable Series 2010 Bonds and Series 2012 Bonds that the holders agree to surrender at a negotiated premium, fund the Project, fund the DSRF, and pay COI.
- The Series 2019B Bonds will be taxable bonds, directly purchased by a bank. The proceeds will be used to refinance the currently non-callable Series 2010 Bonds and Series 2012 Bonds that holders do not surrender, and pay COI. The Series 2019B Bonds are “Cinderella” bonds which are issued taxable, but have the ability to be converted to tax-exempt on the first optional redemption date of such Series 2010 Bonds and Series 2012 Bonds, upon satisfaction of certain tax, Authority and other requirements as provided in the bond documents.
- The Project will be located across the four campuses and will be used for general capital expenditures in an amount totaling approximately \$10 million dollars.
- A portion of the proceeds of the Series 2019A Bonds will be used to refinance prior bonds issued for, and for capital expenditures at, Wittenberg Village, a senior living community located in Crown Point, Indiana.

**Program:** Conduit 501(c)(3) Revenue Bonds (Multi-State)

**Extraordinary Conditions:** The Borrowers are requesting a waiver of the Board Policy as set forth in the IFA Bond Program Handbook that non-rated bonds be offered to the public, or privately placed with a bank, in minimum denominations of \$100,000. The Borrowers have informed the Authority that the Borrowers will satisfy the conditions for such waiver because the Borrowers are not currently in default on any bonds, the Borrowers have not missed a payment date relative to any bonds in the

	immediately preceding three year, and the Borrowers will secure an Examination of Financial Forecast examined by CliftonLarsonAllen LLP demonstrating the financial viability of the Project and the Bonds are being issued to refund the Prior Bonds, which are non-rated bonds, and such refunding will result in a positive impact on the financial viability of the Borrowers.																							
BOARD ACTIONS	Final Bond Resolution ( <i>one-time consideration</i> )																							
MATERIAL CHANGES	None. This is the first time this project is being presented to the Board.																							
JOB DATA	657 177 N/A	Current jobs (IL FTEs) Current jobs (IN FTEs) Retained jobs	0  30 20	New jobs projected (FTEs)  FTEs Construction jobs projected in IL FTEs Construction jobs projected in IN																				
DESCRIPTION	<ul style="list-style-type: none"><li>In connection with the financing it is anticipated that a new obligated group will be formed, the Lutheran Life Communities Obligated Group (the “Obligated Group”), which will consist of six members:<ul style="list-style-type: none"><li>Lutheran Home for the Aged, Inc., which owns and operates The Lutheran Home senior living community located in Arlington Heights, Illinois/Cook County, and Lutheran Home and Services for the Aged, Inc., which provides management services to Lutheran Home for the Aged, Inc.</li><li>Luther Oaks, Inc., which owns and operates Luther Oaks senior living community located in Bloomington, Illinois/McLean County</li><li>Pleasant View Luther Home, Inc., which owns and operates Pleasant View senior living community located in Ottawa, Illinois/LaSalle County</li><li>Wittenberg Lutheran Village, Inc., and Wittenberg Lutheran Village Endowment Corporation which own and operate Wittenberg Village senior living community located in Crown Point, Indiana</li></ul></li><li>Lutheran Life Ministries is the sole corporate member of each of the Obligated Group members set forth above and will serve as obligated group representative under the Master Trust Indenture, but will not be a member of the Obligated Group.</li><li>Upon completion of the financing, the Obligated Group will operate four senior living communities in two states with an aggregate of 1,103 total units, including 233 independent living units, 231 assisted living units, 22 sheltered care beds, and 617 licensed nursing units.</li><li>For a more detailed description of the Obligated Group and its members, please see pages 7-8.</li></ul>																							
CREDIT INDICATORS	<ul style="list-style-type: none"><li>The Bonds will not carry a rating.</li><li>With respect to the Series 2019A Bonds, the Borrowers are requesting a waiver of the Board Policy that non-rated bonds be offered to the public in minimum denominations of \$100,000. (Note: The Borrowers will satisfy the conditions for granting such a waiver as set forth in the IFA Bond Program Handbook – see detailed explanation under the “Board Action” section on p. 3.)</li></ul>																							
SECURITY/MATURITY	<ul style="list-style-type: none"><li>The Bonds are expected to be secured by an obligation of the Obligated Group issued under a Master Trust Indenture. Such obligation will include a pledge of revenues, a debt service reserve fund with respect to the Series 2019A Bonds and mortgages on each of the four senior living communities.</li><li>The Bonds will fully mature not later than 11/15/2049 (30 years).</li></ul>																							
STRUCTURE	<ul style="list-style-type: none"><li>The plan of finance contemplates a combination issuance of (i) Series 2019A Tax-Exempt Fixed Rate Bonds through a public offering by B.C. Ziegler and Company and Herbert J. Sims &amp; Co., Inc.; and (ii) Series 2019B Taxable “Cinderella” Bonds Bank Direct Purchase by First Midwest Bank.</li></ul>																							
ESTIMATED SOURCES AND USES	<table><tr><td><b>Sources of Funds:</b></td><td><b>2019A</b></td><td><b>2019B</b></td><td><b>Total</b></td></tr><tr><td>Par Amount</td><td>\$149,055,000.00</td><td>\$30,000,000.00</td><td>\$179,055,000.00</td></tr><tr><td>Net Original Issue Premium</td><td>\$8,955,224.40</td><td>\$0.00</td><td>\$8,955,224.40</td></tr><tr><td>Trustee-Held Funds</td><td><u>\$10,705,536.05</u></td><td><u>\$4,198,105.73</u></td><td><u>\$14,903,641.78</u></td></tr><tr><td><b>Total Sources of Funds</b></td><td><b><u>\$168,715,760.45</u></b></td><td><b><u>\$34,198,105.73</u></b></td><td><b><u>\$202,913,866.18</u></b></td></tr></table>				<b>Sources of Funds:</b>	<b>2019A</b>	<b>2019B</b>	<b>Total</b>	Par Amount	\$149,055,000.00	\$30,000,000.00	\$179,055,000.00	Net Original Issue Premium	\$8,955,224.40	\$0.00	\$8,955,224.40	Trustee-Held Funds	<u>\$10,705,536.05</u>	<u>\$4,198,105.73</u>	<u>\$14,903,641.78</u>	<b>Total Sources of Funds</b>	<b><u>\$168,715,760.45</u></b>	<b><u>\$34,198,105.73</u></b>	<b><u>\$202,913,866.18</u></b>
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	<b><u>Uses of Funds:</u></b>			
	Refunding of Prior Bonds	\$145,716,053.05	\$33,938,843.39	\$179,654,896.44
	Debt Service Reserve Fund	\$10,669,750.00	\$0.00	\$10,669,750.00
	Project Fund	\$10,000,000.00	\$0.00	\$10,000,000.00
	Cost of Issuance	<u>\$2,329,957.40</u>	<u>\$259,262.34</u>	<u>\$2,589,219.74</u>
	<b>Total Uses of Funds</b>	<b><u>\$168,715,760.45</u></b>	<b><u>\$34,198,105.73</u></b>	<b><u>\$202,913,866.18</u></b>
<b>RECOMMENDATION</b>	Project Review Committee recommends approval.			

**ILLINOIS FINANCE AUTHORITY  
BOARD SUMMARY  
November 12, 2019**

**Project: Lutheran Life Communities Obligated Group**

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**STATISTICS**

Project Number: 12465	Amount: \$210,000,000 (Not-to-Exceed)
Type: 501(c)(3) Revenue Bonds	IFA Staff: Sara Perugini
Locations: Arlington Heights, IL; Bloomington, IL; Ottawa, IL; and Crown Point, IN	Counties/Regions: Cook County /Northeast Region; McLean and LaSalle Counties/North Central Region; Lake County, IN

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**BOARD ACTION**

Final Bond Resolution Conduit 501(c)(3) Bonds (Multi-State)	No IFA funds at risk The Borrowers are requesting a waiver of the Board Policy as set forth in the IFA Bond Program Handbook that non-rated bonds be offered to the public, or privately placed with a bank, in minimum denominations of \$100,000. The Borrowers have informed the Authority that the Borrowers will satisfy the conditions for such waiver because the Borrowers are not currently in default on any bonds, the Borrowers have not missed a payment date relative to any bonds in the immediately preceding three year, and the Borrowers will secure an Examination of Financial Forecast examined by CliftonLarsonAllen LLP demonstrating the financial viability of the Project and the Bonds are being issued to refund the Prior Bonds, which are non-rated bonds, and such refunding will result in a positive impact on the financial viability of the Borrowers.
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Project Review Committee recommends approval.

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**PURPOSE**

Bond proceeds will be used by one or more members of the Obligated Group (as defined below) (the “Borrowers”) to (i) pay or reimburse the Borrowers for, or refinance, the costs of acquiring, constructing, remodeling, renovating and equipping the Borrowers’ continuing care retirement communities described below (the “Project”); (ii) refund all or a portion of the (a) Illinois Finance Authority Revenue Bonds, Series 2006A (Luther Oaks Project) (the “Series 2006A Bonds”), (b) Illinois Finance Authority Revenue Bonds, Series 2006B (Luther Oaks Project) Extendable Rate Adjustable Securities<sup>SM</sup> (EXTRAS<sup>SM</sup>) (the “Series 2006B Bonds”), (c) City of Crown Point, Indiana Economic Development Revenue Bonds, Series 2009A (Wittenberg Village Project) (the “Series 2009A Bonds”), (d) Upper Illinois River Valley Development Authority Revenue Bonds, Series 2010 (Pleasant View Luther Home Project) (the “Series 2010 Bonds”), (e) Upper Illinois River Valley Development Authority Revenue Bonds, Series 2012 (Pleasant View Luther Home Project) (the “Series 2012 Pleasant View Bonds”), and (f) Illinois Finance Authority Revenue Bonds, Series 2012 (Lutheran Home and Services Obligated Group) (the “Series 2012 Bonds” and, together with the Series 2006A Bonds, the Series 2006B Bonds, the Series 2009A Bonds, the Series 2010 Bonds and the Series 2012 Pleasant View Bonds, the “Prior Bonds”); (iii) establish a debt service reserve fund (“DSRF”) with respect to the Series 2019A Bonds, if deemed necessary or advisable by the Illinois Finance Authority (the “Authority”) and/or the Borrowers; (iv) pay a portion of the interest on the Bonds, if deemed necessary or advisable by the Authority and/or the Borrowers; (v) provide working capital to the Borrowers, if deemed necessary or advisable by the Authority and/or the Borrowers; and (vi) pay certain expenses in connection with the issuance of the Bonds and the refunding of the Prior Bonds (“COI”).

It is contemplated that the Bonds will be issued in two series, the Series 2019A and Series 2019B. The Series 2019A Bonds will be tax-exempt and publicly offered. The proceeds will be used to refund the currently callable



Series 2006A Bonds, Series 2006B Bonds, Series 2009A Bonds and Series 2012 Pleasant View Bonds of the Borrowers, refinance non-callable Series 2010 Bonds and Series 2012 Bonds that the holders agree to surrender at a negotiated premium, fund the Project, fund the DSRF, and pay COI. The Project will be located across the four campuses and will be used for general capital expenditures in an amount totaling approximately \$10 million dollars. A portion of the proceeds of the Series 2019A Bonds will be used to refinance prior bonds issued for, and for capital expenditures at, Wittenberg Village, a senior living community located in Crown Point, Indiana. The Series 2019B Bonds will be taxable bonds, directly purchased by a bank. The proceeds will be used to refinance the currently non-callable Series 2010 Bonds and Series 2012 Bonds that holders do not surrender, and pay COI. The Series 2019B Bonds are "Cinderella" bonds which are issued taxable, but have the ability to be converted to tax-exempt on the first optional redemption date of such Series 2010 Bonds and Series 2012 Bonds, upon satisfaction of certain tax, Authority and other requirements as provided in the bond documents.

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### IFA PROGRAM AND CONTRIBUTION

501(c)(3) Bonds are a form of municipal bonds that 501(c)(3) corporations can use to finance capital projects that will be used to further their charitable mission. The Authority's issuance will convey federal income tax-exempt status on interest earned on the Bonds paid to bondholders and thereby reducing the borrower's interest expense.

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### VOLUME CAP

501(c)(3) bond issues do not require Volume Cap.

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### JOBS

Current employment:	657 IL FTEs; 177 IN FTEs	Projected new jobs:	0 FTEs
Retained jobs:	N/A	Construction jobs:	30 IL FTEs; 20 IN FTEs

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### ESTIMATED SOURCES AND USES OF FUNDS

<b>Sources of Funds:</b>	<b>2019A</b>	<b>2019B</b>	<b>Total</b>
Par Amount	\$149,055,000.00	\$30,000,000.00	\$179,055,000.00
Net Original Issue Premium	\$8,955,224.40	\$0.00	\$8,955,224.40
Trustee-Held Funds	\$10,705,536.05	\$4,198,105.73	\$14,903,641.78
<b>Total Sources of Funds</b>	<b><u>\$168,715,760.45</u></b>	<b><u>\$34,198,105.73</u></b>	<b><u>\$202,913,866.18</u></b>
<b>Uses of Funds:</b>			
Refunding of Prior Bonds	\$145,716,053.05	\$33,938,843.39	\$179,654,896.44
Debt Service Reserve Fund	\$10,669,750.00	\$0.00	\$10,669,750.00
Project Fund	\$10,000,000.00	\$0.00	\$10,000,000.00
Cost of Issuance	\$2,329,957.40	\$259,262.34	\$2,589,219.74
<b>Total Uses of Funds</b>	<b><u>\$168,715,760.45</u></b>	<b><u>\$34,198,105.73</u></b>	<b><u>\$202,913,866.18</u></b>

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### FINANCING SUMMARY/STRUCTURE

Security:	The Bonds are expected to be secured by an obligation of the Obligated Group issued under a Master Trust Indenture. Such obligation will include a pledge of revenues, a debt service reserve fund, with respect to the Series 2019A Bonds, and mortgages on each of the four senior living communities.
Structure:	The plan of finance contemplates a combination issuance of (i) Series 2019A Tax-Exempt Fixed Rate Bonds through a public offering by B.C. Ziegler and Company and Herbert J. Sims & Co., Inc.; and (ii) Series 2019B Taxable "Cinderella" Bonds Bank Direct Purchase by First Midwest Bank.

Interest Rate: The Series 2019A Bonds will be issued as fixed rate bonds at an estimated interest rate of 5%. First Midwest Bank will set the interest rate on the Series 2019B Bonds on the day of pricing and it is estimated to be between 3% and 6%.

Credit Enhancement: None

Maturity: The Bonds will fully mature no later than 11/15/2049.

Rating: The Bonds will not be rated. The Borrowers are requesting a waiver of the Board Policy as set forth in the Bond Handbook that non-rated bonds be offered to the public, or privately placed with a bank, in minimum denominations of \$100,000.

Estimated Closing Date: December 19, 2019

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### PROJECT SUMMARY

Bond proceeds will be used by one or more Borrowers to (i) pay or reimburse the Borrowers for the Project; (ii) refund all or a portion of Prior Bonds; (iii) establish a DSRF with respect to the Series 2019A Bonds, if deemed necessary or advisable by the Authority and/or the Borrowers; (iv) pay a portion of the interest on the Bonds, if deemed necessary or advisable by the Authority and/or the Borrowers; (v) provide working capital to the Borrowers, if deemed necessary or advisable by the Authority and/or the Borrowers; and (vi) pay COI.

It is contemplated that the Bonds will be issued in two series, the Series 2019A and Series 2019B. The Series 2019A Bonds will be tax-exempt and publicly offering. The proceeds will be used to refund the currently callable Series 2006A Bonds, Series 2006B Bonds, Series 2009A Bonds and Series 2012 Pleasant View Bonds of the Borrowers, refinance non-callable Series 2010 Bonds and Series 2012 Bonds that the holders agree to surrender at a negotiated premium, fund the Project, fund the DSRF, and pay COI. The Project will be located across the four campuses and will be used for general capital expenditures in an amount totaling approximately \$10 million dollars. A portion of the proceeds of the Series 2019A Bonds will be used to refinance prior bonds issued for, and for capital expenditures at, Wittenberg Village, a senior living community located in Crown Point, Indiana. The Series 2019B Bonds will be taxable bonds, directly purchased by a bank. The proceeds will be used to refinance the currently non-callable Series 2010 Bonds and Series 2012 Bonds that holders do not surrender, and pay COI. The Series 2019B Bonds are "Cinderella" bonds which are issued taxable, but have the ability to be converted to tax-exempt on the first optional redemption date of such Series 2010 Bonds and Series 2012 Bonds, upon satisfaction of certain tax, Authority and other requirements as provided in the bond documents.

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### BUSINESS SUMMARY

Lutheran Life Ministries ("LLM") is an Illinois not-for-profit corporation formed in 2005 for the purpose of developing new and innovative services for seniors, establishing a senior living system and providing supervision and management to the senior living facilities. During the 2013 fiscal year, LLM changed its name from Lutheran Life Communities to Lutheran Life Ministries. LLM's subsidiaries were established through a common religious heritage with the Evangelical Lutheran Church in America and the Lutheran Church-Missouri Synod. LLM has grown from a single campus to a multi-site system through both new development and acquisitions/affiliations. In connection with the financing it is anticipated that a new obligated group will be formed, the Lutheran Life Communities Obligated Group (the "Obligated Group") which will consist of six of LLM's subsidiaries: Lutheran Home and Services for the Aged, Inc., Lutheran Home for the Aged, Inc., Luther Oaks, Inc., Pleasant View Luther Home, Inc., Wittenberg Lutheran Village, Inc. and Wittenberg Lutheran Village Endowment Corporation. LLM will serve as obligated group representative under the Master Trust Indenture, but will not be a member of the Obligated Group. Below is a summary of each of the six members of the Obligated Group and the four LLM communities they own and operate:

Lutheran Home and Services for the Aged, Inc. and Lutheran Home for the Aged, Inc.: The Lutheran Home—Arlington Heights, IL

Lutheran Home for the Aged, Inc. is an Illinois not-for-profit corporation that owns and operates The Lutheran Home, a full service short- and long-term care facility located in Arlington Heights, Illinois. The Lutheran Home

has been serving the elderly population of the northwest Chicago area since 1892. It was moved to its current 74-acre campus in Arlington Heights in 1953 and currently consists of 100 assisted living apartments, a 78-unit short-term rehabilitation unit, and a 298 licensed nursing-bed facility for Medicare, Medicaid, insured, private pay and charity care residents. The community is located on 16.5 acres of this 74-acre campus. A senior cooperative consisting of 684 units is located on the remaining 57.5 acres immediately to the north of The Lutheran Home and adjoining the property creating a virtual life plan community. The Lutheran Home has no ownership interest in, nor does it operate or provide any level of service to residents of the senior cooperative apart from security and transportation services. Arlington Heights, Illinois is located along the Metra Northwest Train Line, approximately 30 miles northwest of Chicago. To fulfill the Lutheran Life mission, The Lutheran Home has consistently worked to bring new services and physical improvements to its campus in Arlington Heights. Lutheran Home and Services for the Aged, Inc. is an Illinois not-for-profit corporation that provides management services to Lutheran Home for the Aged, Inc.

Luther Oaks, Inc.: Luther Oaks – Bloomington, IL

Luther Oaks, Inc. is an Illinois not-for-profit corporation that owns and operates Luther Oaks. Luther Oaks is a community LLM developed which opened for occupancy in 2007 in Bloomington, Illinois. The community is located on a 12-acre portion of a 48-acre tract of land owned by the Trinity Lutheran Church. The community entered into a 99-year land lease with Trinity Lutheran Church at the time of the development of the community. The community currently consists of 90 independent living apartments, 39 assisted living units, 18 skilled nursing beds, and 18 memory support assisted living units.

Pleasant View Luther Home, Inc.: Pleasant View – Ottawa, IL

Pleasant View Luther Home, Inc. is an Illinois not-for-profit corporation that owns and operates Pleasant View. Pleasant View has been serving the senior population of LaSalle County since 1936 on the site of the former Pleasant View Luther College following the college's closing in that year. LLM and Pleasant View affiliated in December 2005 after which LLM embarked on a significant repositioning and refreshing of the 17.3-acre campus. Pleasant View currently consists of 34 independent living units, 41 assisted living units, and 90 skilled nursing beds.

Wittenberg Lutheran Village, Inc. and Wittenberg Lutheran Village Endowment Corporation: Wittenberg Village – Crown Point, IN

Wittenberg Lutheran Village, Inc. and Wittenberg Lutheran Village Endowment Corporation, (collectively "Wittenberg") are Indiana nonprofit corporations that own and operate Wittenberg Village. Wittenberg has been serving the seniors of Northwest Indiana since 1978. Wittenberg was originally formed by a group of churches to provide skilled nursing services and independent living services to seniors in Northwest Indiana. The church group developed a skilled nursing facility in 1978 and was originally known as Lutheran Home of Northwest Indiana. From 1995 through 1997 Wittenberg expanded to include assisted living services and independent living units. Wittenberg renovated the skilled nursing care building in 1998. LLM and Wittenberg affiliated in 2001. LLM embarked on significant improvements to the campus starting in 2009 that included new apartment and duplex villa homes and common areas. These became available for occupancy in the period from 2010 through 2012. The current configuration of the campus consists of 109 independent living apartments, duplex villas and quads, 33 assisted living apartments and 155 skilled nursing beds.

Upon completion of the financing, the new Obligated Group will include the six members of the Obligated Group that represent the above four senior living communities in two states operating an aggregate of 1,103 total units, including 233 independent living units, 213 assisted living units, 18 memory support units, 22 sheltered care beds, and 617 skilled licensed units.

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**OWNERSHIP / ECONOMIC DISCLOSURE STATEMENT**

Project name: Lutheran Life Communities Obligated Group  
Applicant: Lutheran Life Communities Obligated Group  
Address: 3150 Salt Creek Lane, Arlington Heights, IL 60005  
Contact: Jesse Jantzen, Chief Executive Officer  
Website: <https://www.lutheranlifecommunities.org/>  
Borrower: Lutheran Life Communities Obligated Group  
Organization: 501(c)(3) Not-for-Profit Corporations

State: Illinois and Indiana

Board Members: Michael Renetzky (Chair), Mark Van Scharrel, (Vice Chair), Paula Parks (Secretary), Jesse Jantzen (President/CEO), Curt Gielow, Nicholas Terrell, and Rev. Sara VanDeBerg

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**PROFESSIONAL & FINANCIAL**

Borrower's Counsel:	Chuhak and Tecson PC	Chicago	Andrew Tecson Kim Boike
Bond Counsel:	Chapman and Cutler LLP	Chicago	John Bibby Amy Curran
Underwriter:	B.C. Ziegler and Co.	Chicago	Will Carney Steve Johnson Jennifer Lavelle Matt Mule
Co-Manager:	Herbert J. Sims & Co	Rockville, MD	Aaron Rulnick Jim Bodine Siamac Afshar
Underwriter's Counsel:	Gilmore & Bell	Kansas City, MO	Rick Wright Bill Burns
Bank:	First Midwest Bank	Chicago	Diana Poole Mike Taylor
Bank Counsel:	Polsinelli	Kansas City, MO	Jessica Zaiger
Auditor/Financial Forecast:	CliftonLarsonAllen LLP	Minneapolis, MN	Jeff Vrieze
IFA Counsel:	Greenberg Traurig, LLP	Chicago	Chris Manderfield
IFA Financial Advisor:	Sycamore Advisors LLC	Chicago	Thomas Smith Diana Hamilton Courtney Tobin

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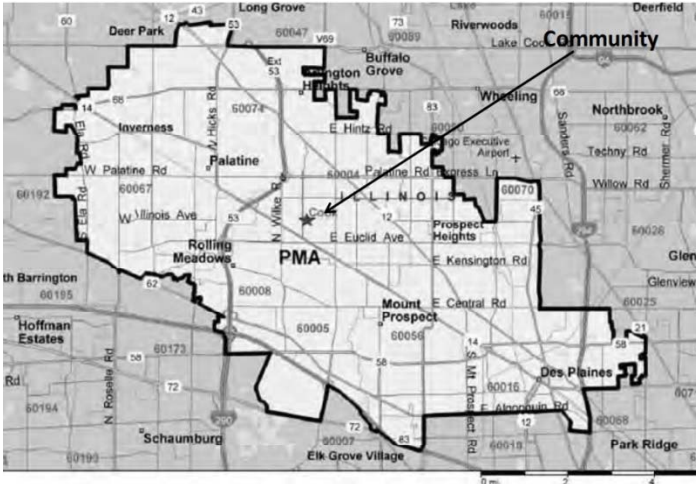
**LEGISLATIVE DISTRICTS**

Congressional: 9, 13 and 16  
State Senate: 38, 44 and 66  
State House: 54, 76 and 88

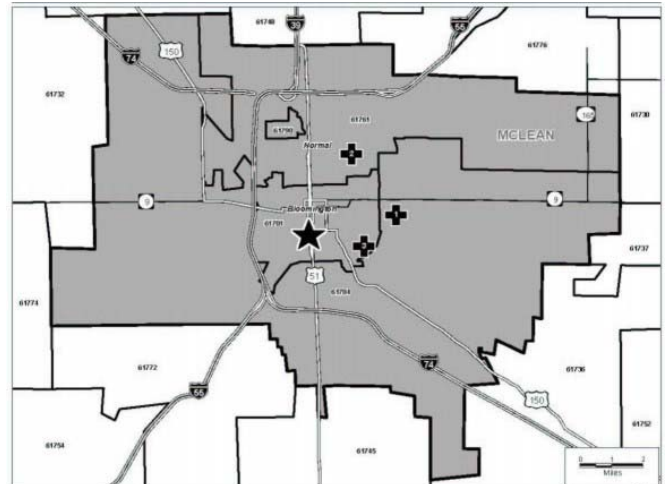
## SERVICE AREA

Lutheran Home is located in Arlington Heights, Illinois, just northwest of Chicago. Luther Oaks is located in Bloomington, Illinois approximately 135 miles southwest of Chicago. Pleasant View is located in Ottawa, Illinois along the Illinois River in LaSalle County, approximately 85 miles southwest of Chicago. Wittenberg Village is located in Crown Point, Indiana, is approximately 25 miles west of Valparaiso, Indiana, 45 miles southeast from downtown Chicago, 70 miles southwest of South Bend, and 145 miles north of Indianapolis. The following maps depict the primary market areas and locations of the four communities of the Obligated Group:

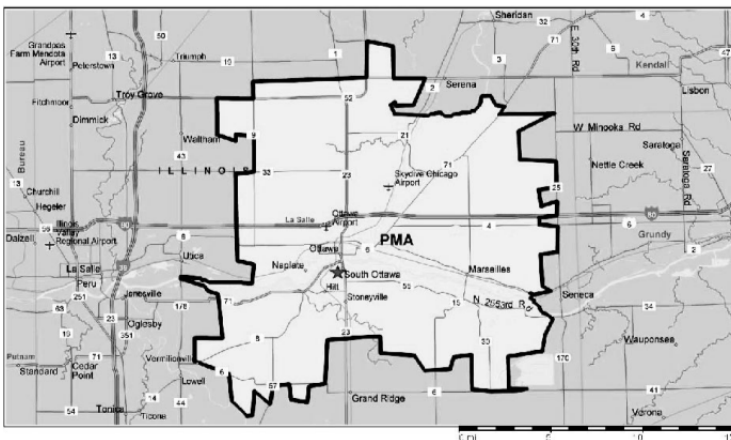
**Lutheran Home**



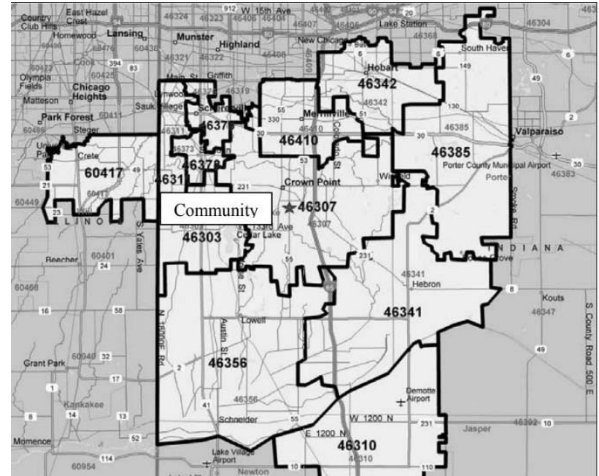
**Luther Oaks**



**Pleasant View**



**Wittenberg Village**



November 12, 2019

## \$140,000,000 (not-to-exceed) Illinois Institute of Technology

REQUEST	<p><b>Purpose:</b> Bond proceeds, to be issued in one or more series, in an aggregate principal amount not to exceed \$140,000,000 will be loaned to <b>Illinois Institute of Technology</b> (“<b>Illinois Tech</b>”, the “<b>Borrower</b>”, or the “<b>University</b>”), an Illinois not for profit corporation, to provide the Borrower with all or a portion of the funds to assist the Illinois Tech in providing all or some of the funds necessary to do any or all of the following: (i) refund all or a portion of the outstanding Illinois Finance Authority Revenue Bonds, Illinois Institute of Technology, Series 2006A (the “<b>2006A Bonds</b>”), (ii) pay a portion of the interest on the Bonds, if deemed necessary or advisable by the Borrower, (iii) and a debt service reserve fund, if deemed necessary or advisable by the Borrower, and (iv) pay certain expenses incurred in connection with the issuance of the Bonds and the refunding of the Series 2006A Bonds (collectively, the “<b>Financing Purposes</b>”).</p> <p><b>Program:</b> Conduit 501(c)(3) Revenue Bonds</p> <p><b>Extraordinary Conditions:</b> None.</p>			
BOARD ACTION	Final Bond Resolution ( <i>One-time consideration</i> )			
MATERIAL CHANGES	None. This is the first time this financing has been presented to the Board of Directors.			
JOB DATA	*719 Faculty *602 Staff N/A * pursuant to Continuing Disclosure Report posted as of 11/5/19 for FYE 5/31/2019	Current (FT+PT) Current (FT+PT) Retained jobs	N/A N/A	New jobs projected (Refunding Bonds) Construction jobs projected (Refunding Bonds)
BORROWER DESCRIPTION	<ul style="list-style-type: none"><li>• Locations (Financed with Bond Proceeds): Chicago / Cook County / Northeast and Wheaton / DuPage County/ Northeast</li><li>• Type of entity: The Illinois Institute of Technology is a private co-educational, non-sectarian institute of higher education established in 1940. The University is a result of the merger of the Armour Institute of Technology and the Lewis Institute. The Institute of Design, created in 1937, joined the University in 1949. The Chicago Kent School of Law merged with the University in 1969.</li><li>• Illinois Tech’s mission is to provide a world-class education for students from the United States and around the world, and continue to serve as an institute for research.</li><li>• Illinois Tech currently serves approximately 6,143 (Fall 2019 - FTEs) undergraduate and graduate students at its campuses and research facilities located in Chicago (2 locations), Wheaton, and Bedford Park.</li></ul>			
STRUCTURE	<ul style="list-style-type: none"><li>• The plan of finance contemplates that Tax-Exempt will be underwritten by <b>Wells Fargo Securities, LLC</b> (the “<b>Underwriter</b>”) and sold through a public offering in one or more series or subseries. Additionally, the Bond Resolution authorizes one or more series of Bonds to be sold on a private placement basis pursuant to an investor letter that limits sale to (i) accredited investors and (ii) qualified institutional buyers (and satisfying conditions set forth in IFA’s Bond Program Handbook.</li></ul>			
CREDIT INDICATORS/ SECURITY	<ul style="list-style-type: none"><li>• The Series 2006A Bonds to be refunded are currently rated Baa3/BB (Moody’s/Fitch). Moody’s affirmed IIT’s Baa3 rating with Negative Outlook as of 5/9/2019 and Fitch affirmed the University’s BB rating with Positive Outlook as of 1/9/2018. IIT plans to apply to Moody’s for a long-term rating on the proposed IFA Series 2019 Refunding Bonds. Although details of the campus improvements and programming associated with IIT’s recently announced \$150MM donation for Scholarships and Facilities (announced Friday 10/25/2019) have not been released, this funding commitment is likely to be viewed as a positive credit development (and could prospectively influence a revision in Outlook by the rating agencies).</li><li>• The Series 2019 Refunding Bonds will be secured by an unsecured General Obligation of IIT payable from any of its revenues (just as with the Series 2006A Bonds to be refunded.</li></ul>			
INTEREST RATE	<ul style="list-style-type: none"><li>• Fixed interest rates to be determined based on market conditions.</li></ul>			
MATURITY	<ul style="list-style-type: none"><li>• For IFA Bond Resolution parameter purposes, not to exceed 40 years from the date of issuance.</li></ul>			
SOURCES AND USES (PRELIMINARY, SUBJECT TO CHANGE)	<b>Sources:</b> IFA Series 2019 Bonds \$140,000,000 Equity <u>850,000</u> <b>Total</b> <u><b>\$140,850,000</b></u>		<b>Uses:</b> Refund IFA Series 2006A Bonds \$140,000,000 Costs of Issuance <u>850,000</u> <b>Total</b> <u><b>\$140,850,000</b></u>	
RECOMMENDATION	Project Review Committee recommends approval.			

**ILLINOIS FINANCE AUTHORITY  
PROJECT SUMMARY REPORT  
November 12, 2019**

**INFORMATIONAL – PRELIMINARY, SUBJECT TO CHANGE**

**Project:** Illinois Institute of Technology

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**STATISTICS**

Project Number:	12467	Amount:	Not to exceed \$140,000,000
Type:	501(c)(3) Revenue Bonds	IFA Staff:	Rich Frampton and Brad R. Fletcher
Location:	Chicago, Wheaton	County/	
		Region:	Cook County and DuPage County/Northeast

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**BOARD ACTION**

Final Bond Resolution ( <i>One-Time Consideration</i> )	No Extraordinary Conditions
Conduit 501(c)(3) Revenue Bonds	No IFA Funds at Risk

Project Review Committee recommends approval of the Final Bond Resolution to be presented for consideration in connection with this financing.

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**IFA PROGRAM AND CONTRIBUTION**

501(c)(3) Bonds are a form of municipal bond financing that 501(c)(3) corporations can use to finance capital projects that will be used to further their charitable mission. IFA's issuance will convey federal income tax-exempt status on interest earned on the Bonds paid to bondholders, thereby reducing the Borrower's interest expense.

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**VOLUME CAP**

501(c)(3) Bonds do not require Volume Cap.

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**FINANCING SUMMARY**

Structure/  
Security: The IFA Series 2019 Bonds will be general obligations of Illinois Tech payable from any of its revenues. The Series 2019 Bonds will be issued under and secured by the terms set forth in the Trust Indenture. The Bonds may be issued in one or more series, of which any such series may be issued in two or more subseries. *In addition to selling certain of the series in a rated public offering, the Bond Resolution authorizes one or more series or subseries to be sold on a private placement basis to institutional investors subject to satisfying IFA Bond Program Handbook requirements.*

It is anticipated that the Bonds shall be subject to serial maturities or mandatory bond sinking fund provisions as provided in the Trust Indenture.

Rating: The Series 2006A Bonds to be refunded (with proceeds of the IFA Series 2019 Bonds) are currently assigned long-term ratings of Baa3/BB (Moody's/Fitch). Moody's most recently affirmed IIT's Baa3 rating with Negative Outlook as of 5/9/2019 and Fitch most recently affirmed the University's BB rating with Positive Outlook as of 1/9/2018. IIT plans to apply to Moody's for a long-term rating on the proposed IFA Series 2019 Refunding Bonds. Although details of the campus improvements and programming associated with IIT's recently announced (on Friday 10/25/2019) \$150MM donation for Scholarships and Facilities have not been publicly released, this funding commitment is likely to be viewed as a positive credit development by the rating agencies.

Interest Rate: It is anticipated that the Bonds shall bear interest at one more stated fixed interest rates which will be determined based on market conditions at the time of pricing based on each maturity and Illinois Tech's rating (as described above).

Maturity:	Pursuant to the draft Bond Resolution, the not-to-exceed parameter on the final maturity date for the IFA Series 2019 Bonds is currently set at not later than 40 years from the date of issuance.
Estimated Closing Date:	November 2019 or December 2019 (the timing of issuance will depend on the release of Illinois Tech's audit (for FYE 5/31/2019) and the assignment of Moody's and S&P long-term ratings based on the 2019 audit and proposed terms contained within the plan of finance (including the draft bond documents)).
Rationale:	The Series 2019 Bonds will provide for the current refunding of the University's IFA Series 2006A Bonds at a lower interest rate, thereby improving the University's liquidity, enabling the University Tech to apply savings to funding its operations, including both student education and the University's research mission.

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### BUSINESS SUMMARY

**Description:** The **Illinois Institute of Technology** ("IIT", "Illinois Tech" or the "University") is a private co-educational, non-sectarian institution of higher learning located in Chicago. The University was established in 1940 through the merger of the Armour Institute of Technology and the Lewis Institute. The Institute of Design, founded in 1937, joined the University in 1949. The Chicago-Kent College of Law merged with the University in 1969.

The Borrower is a 501(c)(3) not-for-profit corporation exempt from federal income taxes under the Internal Revenue Code.

Illinois Tech is governed by a 67-member Board of Trustees (see pp. 5-6).

**Background:** The University's main campus (now known as the "Mies Campus") is located approximately four miles south of downtown Chicago adjacent to the Dan Ryan Expressway (I-90/I-94) and consists of a 128-acre complex of approximately 50 buildings based on a master plan developed by Ludwig Mies van der Rohe.

In 1991, the University opened its Daniel F. and Ada L. Rice Campus (the "Rice Campus") in Wheaton, Illinois. The Rice Campus offers engineering, computer science, and applied technology courses aimed at working professionals.

In 1992, the University opened its Downtown Campus at 565 W. Adams Street to house the Chicago-Kent College of Law, Stuart Graduate School of Business, and the IIT Institute of Design.

In, 1988, IIT established its Moffat Campus, which provides degree and certification programs in food safety and technology, in Summit-Argo after CPC International, Inc.'s donated its corporate research facility to the University.

IIT offers its degreed educational programs through the following colleges:

- Armour College of Engineering
- Chicago-Kent College of Law
- College of Architecture
- Lewis Collect of Human Sciences
- College of Science
- Institute of Design
- School of Applied Technology, and
- Stuart School of Business.

Illinois Tech is accredited by the Higher Learning Commission, which most recently affirmed Illinois Tech's accreditation in 2016.

In addition to comprehensive, University-wide accreditation, specific academic units and professional programs are accredited or approved by the Accreditation Board of Engineering and



Technology, the National Architectural Accrediting Board, the National Association of Schools of Art, the American Chemical Society, the Council on Rehabilitation Education, and the American Bar Association, among other accrediting bodies that review Illinois Tech's programs.

As of Fall 2019, the University had total enrollment of 6,566 students, including approximately 2,922 undergraduate students, 3,381 graduate and professional students, and 263 visiting/non-degree/continuing education/certificate students. Total new Fall 2019 undergraduates (new and transfer) totaled 889 while the first-to-second year retention rate (2018 student cohort) was 88%.

IIT welcomes a high percentage of international students to Illinois including approximately (i) 57% of IIT's graduate students and (ii) 17% of undergraduate students. 89 countries are represented by Illinois Tech's student body.

In 2018, PayScale, Inc. (PayScale.com) ranked IIT as #1 in Illinois and #62 in the U.S. among universities for the salary potential of its graduates who earn a bachelor's degree.

According to the University, Illinois Tech is ranked #1 in Illinois and #32 in the nation for lifting students from families in the bottom 20% of income to the top 20% and #2 in the nation for overall upward mobility by The Equality of Opportunity Project and *The New York Times*.

Additionally, in its most recent published evaluation, *U.S. News & World Report* ranked Illinois Tech as one of the top 36 best value universities in the U.S., while ranking the University #117 overall.

#### Research Institutes

& Affiliations: IIT operates the following research institutes and affiliates:

- **The Institute for Food Safety and Health (IFSH)**: is a world-renowned food science research institute focusing on food safety, food defense, and nutrition for stakeholders in government, industry, and academia located in Bedford Park.
- **Pritzker Institute of Biomedical Science and Engineering** is an umbrella organization that supports biomedical science and engineering research activities at Illinois Tech.
- **Wanger Institute for Sustainable Energy Research (WISER)** is an umbrella organization that supports energy and sustainability research with educational activities across the colleges and institutes at Illinois Tech.
- **IIT Research Institute ("IITRI")** is an independent, not-for-profit, contract research organization focusing on the life sciences, including pharmaceutical, biotech, veterinary, agrichemical and nutraceuticals industries. *IITRI is a stand-alone 501(c)(3) corporate entity that had approximately \$6.4 million of IFA Bonds outstanding as of 6/1/2018.*
- **University Technology Park ("UTP") at Illinois Tech** is a state-of-the-art, 4-building research park composed of 300,000 SF of laboratories, office space, and an incubator to assist science and technology startups and growing businesses. According to the [www.universitytechnologypark.com/about/fast-facts.php](http://www.universitytechnologypark.com/about/fast-facts.php), as of 10/25/2019, the Technology Park is currently home to 18 tenants (link: <http://www.universitytechnologypark.com/about/tenants.php>).

According to the university, UTP has been home to 45 "graduate companies" (the details of which are posted on the UTP website). Startups have included companies in materials, life sciences, biomedical engineering, medical devices and diagnostics, green and clean energy technology, food safety, information technology and other fields. Tenants have included new companies established by IIT faculty and students as well as faculty from nearby research institutions, including The University of Chicago, University of Illinois at Chicago (UIC), and Rush Medical Center.

- **Ed Kaplan Family Institute for Innovation and Tech Entrepreneurship (the "Kaplan Institute")**: IIT held a ribbon-cutting event for the new, two-story, 70,000 SF Kaplan Institute facility in October 2018. The new Kaplan Institute is the first new academic building to open on IIT's main campus in over 40 years. In April 2018, Mr.

Howard Tullman, formerly of the 1871 business incubator, was named the first Executive Director for the Kaplan Institute, which will be a hub for discovery, innovation, and business creation, giving students the skills and experience needed to make their innovations commercially viable.

### **Recent**

**Development:** **\$150 Million Donation for Scholarships and Facilities (announced October 25, 2019):** On October 25, 2019, Illinois Tech announced a total of \$150 million of donations from a group of donors. This \$150 million gift represents the largest donation in the institution's history. Illinois Tech has reported the funds will be used for scholarships and to improve campus facilities. According to published reports posted on 10/25/2019, details of the campus improvements to be financed remain in negotiation with the donors.

### **Outstanding**

**IFA Bond Issues:** The University had approximately \$175.375MM of IFA Bonds outstanding, comprised of (i) the outstanding balance of the IFA Series 2006A Bonds (\$135.125MM) to be refunded with the proposed IFA Series 2019 Bonds and (ii) the University's IFA Series 2018 Bonds (\$40.25MM), for which a portion of the proceeds refunded the outstanding balance of IIT's Series 2009 Bonds. Payments on all outstanding and prior IFA (IEFA) Bond issues have been paid as scheduled.

### **ECONOMIC DISCLOSURE STATEMENT**

**Applicant:** Illinois Institute of Technology, 10 W. 35th Street, Suite 1900, Chicago, IL 60616  
**Contact:** Mr. Michael Horan, Vice President for Finance and Administration, IIT Tower, 10 West 35th St., Suite 1900, Chicago, IL 60616; (T) 312.567.3825; email: mhoran1@iit.edu  
**Website:** <http://www.iit.edu>  
**Project name:** IFA Educational Facilities Revenue Refunding Bonds (Illinois Institute of Technology Project), Series 2019

### **Board of**

**Trustees:** Illinois Tech's Board of Trustees is listed below (as of 10/23/2019):

<b>First Name</b>	<b>Last Name</b>	<b>IIT Board Title</b>	<b>Title</b>	<b>Company Name</b>
Jimmy	Akintonde	Trustee	President and CEO	Ujamaa Construction Inc.
Judson B	Althoff	Trustee	Executive Vice President	Worldwide Commercial Business - Microsoft Corporation
William	Bartholomay	Life Trustee	Vice Chairman	Willis Towers Watson
Andrea	Berry	Trustee	Self-Employed Consultant	
John	Calamos Sr.	Life Trustee	Founder, Chairman, CEO and Co-Chief, Investment Officer	Calamos Asset Management, Inc.
Frank	Clark III	Trustee	Managing Partner	Centurion Enterprises Group
Martin	Cooper	Life Trustee	Chairman	DYNA LLC
Robert	Cornog	Life Trustee		
James	Cowie	Life Trustee		
<b>Alan W.</b>	<b>Cramb</b>	<b>President</b>	<b>President</b>	<b>Illinois Institute of Technology</b>
David	Crowell	Trustee	Managing Director and CEO	RMC International
<b>A. Steven</b>	<b>Crown</b>	<b>Vice Chair</b>	<b>General Partner</b>	<b>Henry Crown and Company</b>
<b>Craig</b>	<b>Duchossois</b>	<b>University Regent</b>	<b>CEO</b>	<b>The Duchossois Group, Inc.</b>
James	Dugan	Trustee	CEO & Founder	OCA Ventures
Bryan	Dunn	Life Trustee	Managing Partner	Kinship Trust Company, LLC
Carter H	Eckert Sr.	Trustee	President and CEO	
<b>Michael</b>	<b>Galvin</b>	<b>Chairman of the Board</b>	<b>President</b>	<b>Galvin Enterprises, Inc.</b>
Chris	Gladwin	Trustee	CEO	OCIENT
Jamshyd	Godrej	Life Trustee	Chairman and Managing Director	Godrej & Boyce Manufacturing Company, Ltd.
Michael	Graff	Trustee	Chairman and CEO	American Air Liquide Holdings, Inc.

First Name	Last Name	IIT Board Title	Title	Company Name
Marc	Hannah	Life Trustee	Partner	SUDA, LLC
James	Hill Jr.	Life Trustee		Mitchell & Titus
Robert	Hoel	Trustee		
Martin	Jischke	Life Trustee	President Emeritus	Purdue University
<b>Ellen</b>	<b>Jordan</b>	<b>Vice Chair</b>	<b>President and Founder</b>	<b>America's Food Technologies, Inc.</b>
Norbert	Kaiser	Life Trustee	Chairman, Chairman of the Board	SSWhite Dental, Inc.
Edward	Kaplan	Life Trustee	President	Nalpak, Inc.
Jeff	Karp	Trustee	CEO	Power Construction Company, LLC
Patrick	Kelly	Life Trustee	CEO	DP Holdings, Inc.
Karen	Klein	Trustee		
Jules	Knapp	Life Trustee	Chairman and CEO	Grisham Security Doors
Kaarina	Koskenalusta	Life Trustee	Partner/Shareholder	SandPointe, LLC
Joel	Krauss	Trustee	Co-Founder and Managing Partner	Market Strategy Group, LLC
John	Krehbiel	Life Trustee	Partner	KF Partners LLC
Thomas	Lancot	Vice Chair	CEO	Catholic Investment Services (Boston, MA)
Eric	Larson	Life Trustee		Tilia Holdings, LLC
Richard Neil	Levy	Trustee	CEO and Founder	Victory Park Capital
Bruce	Liimatainen	Life Trustee		
Sherrie B	Littlejohn	Trustee		
Victor	Lo	Trustee	Chairman and CEO	Gold Peak Industries (Holdings Ltd.)
David	Miniat	Trustee	CEO	Miniat Holdings, LLC
Rosemarie	Mitchell	Life Trustee		
Douglas Michael	Monieson	Trustee	Executive Chairman	UICO, LLC
Victor	Morgenstern	Life Trustee	President	Resolute Advisors, Inc.
Anita	Nagler	Life Trustee		
Victoria	Noonan	Trustee	Managing Principal, Chicago Market Leader	Cushman & Wakefield
John	Olin	Trustee	Chairman and Founder	Sierra Instruments, Inc.
Robert	Potter	Life Trustee	President	R. J. Potter Company
Mayari	Pritzker	Trustee	President	Robert and Mayari Pritzker Family Foundation
<b>John</b>	<b>Rowe</b>	<b>University Regent</b>	<b>Chairman Emeritus</b>	<b>Exelon Corporation</b>
Carole Browne	Segal	Life Trustee	President	Segal Family Foundation
Michael Steven	Seedman	Trustee	Executive Partner	Siris Capital Group, LLC
Harold	Singleton	Trustee	Consultant	
Carl	Spetzler	Life Trustee	CEO	Strategic Decisions Group
Efthimios "Tim"	Stojka	Life Trustee	CEO	Agentis, Inc.
Steve	Urrutia	Trustee	Managing Director, Operations Executive	JP Morgan Chase
Eric	Vassilatos	Trustee	Co-Owner	Skybox Capital
Pallavi	Verma	Trustee	Senior Managing Director	US Midwest Accenture
David	Vitale	Life Trustee		
John C	Walden	Trustee	CEO	Inversion LLC
Brian	Walker	Trustee	Vice President, Digital Architecture and Operations	W.W. Grainger, Inc.
Priscilla	Walter	Life Trustee	Of Counsel	Drinker, Biddle & Reath, LLP
<b>Ralph</b>	<b>Wanger</b>	<b>University Regent</b>	<b>Owner</b>	<b>RW Investments</b>
Robert	Washlow	Trustee	Manager	Bay West Management, LLC
<b>Bud</b>	<b>Wendorf</b>	<b>University Regent</b>	<b>Former Chairman, President and CEO</b>	<b>Sargent &amp; Lundy</b>
Kevin	Willer	Trustee	Partner	Chicago Ventures

## PROFESSIONAL & FINANCIAL

Auditor:	Crowe	Chicago, IL	Stuart Miller
Borrower's Counsel:	IIT (in-house counsel)	Chicago, IL	Anthony D'Amato
Financial Advisor to Borrower:	Starshak Winzenburg & Co.	Chicago, IL	Joseph Starshak Thomas Starshak
Bond Counsel:	Chapman & Cutler LLP	Chicago, IL	Nancy Burke
Underwriter:	Wells Fargo Securities	Chicago, IL	Nicole Michienzi
Underwriter's Counsel:	Mayer Brown LLP	Chicago, IL	David Narefsky
Bond Trustee:	BNY Mellon	Chicago, IL	Eydie Wrobel
IFA Counsel:	Hardwick Law Firm, LLC	Chicago, IL	Scott Bremer
IFA Financial Advisor:	Acacia Financial Group, Inc.	Chicago, IL	Phoebe Selden Brittany Whelan

## LEGISLATIVE DISTRICTS - (IIT Series 2006A/2019 Project sites only)

### Main Campus – Chicago – 10 W. 35<sup>th</sup> St., Chicago, IL 60616

Congressional:	1
State Senate:	13
State House:	26

### 565 W. Adams - Chicago – Downtown Campus

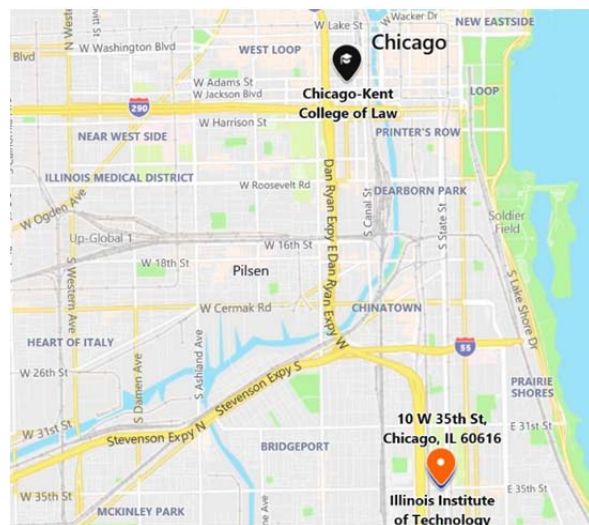
Congressional:	7
State Senate:	5
State House:	9

### Wheaton - IIT Rice Campus – 201 E. Loop Rd., Wheaton, IL 60189

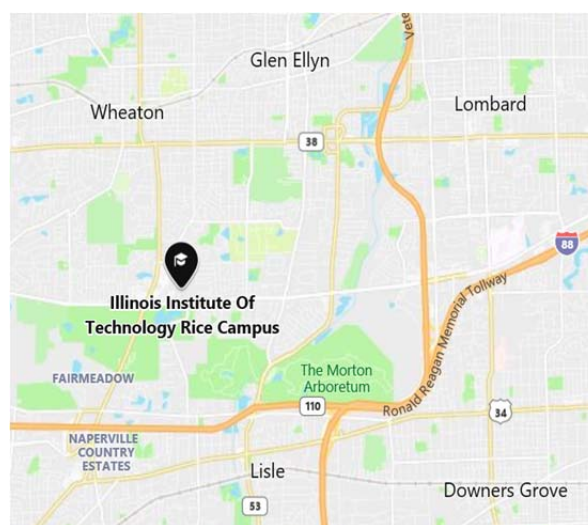
Congressional:	14
State Senate:	21
State House:	42

## PROJECT SITE MAPS

### Chicago Campuses



### IIT Rice Campus – Wheaton



November 12, 2019 **\$34,910,000 (not-to-exceed amount)**  
**Township High School District Number 86, DuPage and Cook Counties**

REQUEST	<p><b>Purpose:</b> Proceeds of the IFA Series 2019 Bonds will be used to purchase General Obligation School Bonds, Series 2019A (the “Local Government Securities”) issued by <b>Township High School District Number 86, DuPage and Cook Counties, Illinois</b> (the “<b>District</b>”) to (i) improve the sites of, renovate, alter, repair and equip and replace portions of the Hinsdale South High School Campus and Hinsdale Central High School Campus, including, but not limited to, installing school safety and emergency response systems and equipment; making facilities <i>Americans with Disabilities Act</i> accessible to persons with disabilities; repairing 60-year old infrastructure; and improving the electrical capacity and lighting in older classrooms, and pay costs associated with the issuance of the Bonds and the Local Government Securities.</p> <p><b>Program:</b> Local Government Revenue Bonds</p> <p><b>IFA/State Funds at Risk:</b> None</p>			
BOARD ACTIONS	Final Bond Resolution (One-time consideration)			
MATERIAL CHANGES	None. This is the first time this matter has been presented to the IFA Board of Directors.			
JOB DATA	620	Current jobs	0	New jobs projected
	N/A	Retained jobs	30	Construction jobs (FTE over 18-month construction period attributable to this financing)
BORROWER DESCRIPTION	<ul style="list-style-type: none"><li>• The District is located in the southeastern portion of DuPage County (approximately 95% of the District’s 2018 EAV) and southwestern Cook County (approximately 5% of the District’s 2018 EAV) and includes a portion of the communities of Hinsdale, Oak Brook, Burr Ridge, Westmont, Willowbrook, Clarendon Hills and Darien.</li><li>• Construction on the Project is expected to commence in the late spring or early summer of 2020. The Project is expected to be completed by fall/winter of 2022.</li><li>• The District developed a Master Facility Plan (MFP) which was vetted and prioritized by a Community Task Force and the Board of Education. The Project includes improving the sites of, renovating, altering, repairing and equipping and replacing portions of the Hinsdale South High School Campus and Hinsdale Central High School Campus, including, but not limited to, installing school safety and emergency response systems and equipment; making facilities Americans with Disabilities Act accessible to persons with disabilities; replacement of pools, renovation of the student services, special education, fine arts, STEM, libraries, and cafeteria spaces; repairing 60-year old infrastructure (roofs, parking lots, masonry, etc.); and improving the electrical capacity and lighting in older classrooms.</li></ul>			
STRUCTURE	<ul style="list-style-type: none"><li>• The plan of finance contemplates that Tax Exempt Bonds will be sold by competitive bid by <b>PMA Securities, LLC</b> (the “<b>Financial Advisor</b>”).</li><li>• The District’s voters approved a referendum in April 2019 to issue up to approximately \$139.82 million of bonded indebtedness to pay for all or a portion of the costs the Project.</li><li>• Issuance of the anticipated \$31.83 million IFA Series 2019 Bonds in December 2019 will constitute the second (but not final) bond issue in a series of financings contemplated in connection with the approximate \$139.82 million Project. The District previously issued its \$62.26 million General Obligation School Bonds on July 15, 2019; accordingly, it will have remaining authorization of approximately \$45.73 million after the proposed bond issue closes in December 2019.</li></ul>			
CREDIT INDICATORS/ SECURITY	<ul style="list-style-type: none"><li>• The IFA Series 2019 Bonds will be competitively bid based on the District’s current long-term debt rating of ‘AAA’ (Outlook: Stable) from S&amp;P, assigned as of May 23, 2019.</li><li>• The Local Government Securities will be issued as “General Obligation Bonds” and will be payable from (i) any funds of the District legally available for such purpose, and (ii) all taxable property in the District that is subject to the levy of taxes to pay the same without limitation as to rate or amount (the “<b>Pledged Taxes</b>”).</li></ul>			
INTEREST RATE	<ul style="list-style-type: none"><li>• Fixed interest rates on serial bonds to be determined at pricing. Interest on the Bonds will be payable each January 15 and July 15, commencing July 15, 2020.</li></ul>			
MATURITY	<ul style="list-style-type: none"><li>• Bonds will be a mix of serial maturities, ranging from January 15, 2021 through July 15, 2039.</li></ul>			
SOURCES AND USES (PRELIMINARY, SUBJECT TO CHANGE)	<b>Sources:</b>		<b>Uses:</b>	
	Series 2019 Bonds	\$31,830,000	Project Costs	\$34,560,900
	Bond Premium	<u>3,080,000</u>	Costs of Issuance	<u>349,100</u>
	<b>Total</b>	<b><u>\$34,910,000</u></b>	<b>Total</b>	<b><u>\$34,910,000</u></b>
RECOMMENDATION	Project Review Committee recommends approval.			

**ILLINOIS FINANCE AUTHORITY  
BOARD SUMMARY  
November 12, 2019**

**Project: Township High School District Number 86, DuPage and Cook Counties**

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**STATISTICS**

Project Number:	12464	Amount:	\$34,910,000 ( <i>not-to-exceed amount</i> )
Type:	Local Government Revenue Bonds	IFA Staff:	Rich Frampton & Brad R. Fletcher
Location:	Burr Ridge, Clarendon Hills, Darien, Hinsdale, Oak Brook, Westmont, Willowbrook	County/Region:	DuPage and Cook Counties/Northeast

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**BOARD ACTION**

Final Bond Resolution ( <i>One-Time Consideration</i> )	No Extraordinary Conditions
Local Government Revenue Bonds	No IFA Funds at Risk

Project Review Committee recommends approval of the Final Bond Resolution presented for consideration in connection with this financing.

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**IFA PROGRAM AND CONTRIBUTION**

IFA's Local Government Bond Program assists units of local government, including school districts, in financing capital improvement projects. IFA's issuance conveys state tax-exempt status on interest earned on the Bonds paid to Illinois bondholders, thereby reducing the unit of local government's interest expense.

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**VOLUME CAP**

No Volume Cap is required for Local Government Revenue Bond financing.

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**BUSINESS SUMMARY**

**Description:** Township High School District Number 86, DuPage and Cook Counties, Illinois (the "District") operates Hinsdale Central High School and Hinsdale South High School.

The District is governed by an elected 7-member Board. The day to day affairs of the District are conducted by a full time staff, including but not limited to Superintendent Tammy Prentiss.

**Background:** The District contains single-family homes, apartment complexes, shopping centers, office buildings, research and development facilities and industrial plants.

The District's transportation network includes the Tri-State, Veterans Memorial (North-South) and East-West Tollways, Interstate 55 and Eisenhower Expressway, as well as U.S. 34 and Illinois 83. Driving time to Chicago's Loop is approximately 30 minutes. Midway International and O'Hare International Airports are 25 and 45 minutes away, respectively. Rail commuters can take the Burlington Northern Santa Fe Railroad for a 22-minute express ride to the Loop.

Higher education opportunities nearby include Elmhurst College in Elmhurst, Community College District No. 502 in Glen Ellyn, Community College District No. 524 in Palos Hills and Benedictine University in Lisle.

**Employees:** The District has approximately 620 employees of whom 389 are certified employees and 231 are non-certified. Of the total number, the Hinsdale Township High School Teachers' Association represents 371 members. The contract expires on June 30, 2020. The Hinsdale Township High

School Support Staff Association represents 118 members. The contract expires on June 30, 2021. The Service Employees International Union represents 31 members. The contract expires on June 30, 2020.

Financial

Condition: The District was certified to have the second-best of four financial profile designations (i.e. “Financial Review”) assigned by the Illinois State Board of Education (“ISBE”) in the two most recent fiscal years (i.e., 2017, 2018). In 2016, the District was certified to have the best financial profile designation (i.e., Financial Recognition).

According to the District, it expects that ISBE will assign a Financial Recognition certification again for the 2019 fiscal year in March 2020

State Aid: The State provides aid to local school districts on an annual basis as part of the State’s appropriation process. Many school districts throughout the State rely on such “State Aid” as a significant part of their budgets. For the fiscal year ended June 30, 2019, only 4.10% of the District’s General Fund revenue came from State sources, including State Aid.

The State’s Fiscal Year 2018 Budget appropriated General State Aid in an amount \$350 million greater than the appropriation for fiscal year 2017 and required such additional funds to be distributed to school districts under an Evidence-Based Funding Model. The Evidence-Based Funding Model provided for in Public Act 100-465 set forth a new school funding formula which ties individual district funding to 27 evidence-based best practices that certain research shows enhance student achievement in the classroom.

For the 2019-2020 school year, the District received approximately \$5,217 of New State Funds.

Outstanding

Debt: The District’s outstanding long-term debt obligations as of June 30, 2019 were comprised of its (i) Series 2012 Limited School Bonds, outstanding in the principal amount of \$2.145MM, (ii) Series 2015 Limited School Bonds, outstanding in the principal amount of \$3.6MM, and (iii) Series 2016 Limited School Refunding Bonds, outstanding in the principal amount of \$14.51MM.

The District issued its \$62.26 million General Obligation School Bonds, Series 2019 on July 15, 2019.

The District has no record of defaults and has met its debt repayment obligations promptly.

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**DISTRICT FACTS**

**Table 1: Enrollment Trends\*:**

<u>Historical</u>		<u>Forecast</u>	
<u>Academic Year</u>	<u>Total Enrollment</u>	<u>Academic Year</u>	<u>Total Enrollment</u>
2014-2015	4,440	2019-2020	4,225
2015-2016	4,412	2020-2021	4,156
2016-2017	4,318	2021-2022	4,170
2017-2018	4,358	2022-2023	4,215
2018-2019	4,221	2023-2024	4,248
Average Enrollment:	4,350	Average Enrollment:	4,203

The District’s forecast 5-year enrollment average (4,203) is slightly lower than the District’s average enrollment (4,350) posted over the previous 5 years (i.e., 2014-15 through 2018-19) as the District has been posting overall declining enrollment recently. Nevertheless, the District anticipates student enrollment will stabilize and being increasing steadily once construction of the Project is complete in 2021-22.

\*Source: Preliminary Offering Statement prepared by Disclosure Counsel.



**Table 2: The Ten Largest Taxpayers in the District:**

The taxpayers listed below are the largest taxpayers in the District and comprise approximately 2.95% of the District's \$5,837,034,421 Equalized Assessed Value ("EAV") posted in 2018, exclusive of tax increment finance EAV totaling \$1,544,880.

<u>Taxpayer</u>	<u>Description</u>	<u>2018 EAV</u>	<u>% of EAV</u>
Butterfield Country Club.....	Country Club.....	\$ 29,523,190	0.51%
McDonald's <sup>(1)</sup> .....	Headquarters, fast food chain....	25,285,820	0.43%
Butler National Golf Club.....	Golf Course.....	21,807,790	0.37%
TGM Willowbrook LLC.....	Apartments.....	17,864,240	0.31%
ASVRF Oak Brook Regency.....	Commercial property.....	16,778,610	0.29%
Ruth Lake Country Club.....	Country Club.....	14,172,900	0.24%
AG Oak Brook Ex Park Vent.....	Commercial property.....	13,942,120	0.24%
Choice Properties US LLC.....	Commercial property.....	12,916,750	0.22%
Adventus US Realty 4 LP.....	Commercial property.....	10,830,150	0.19%
Harlem Irving Companies.....	Commercial property.....	9,069,900	0.16%
Total.....		<u>\$ 172,191,470</u>	<u>2.95%</u>

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**Table 3: The Largest Employers in and near the District:**

Company Name	Product or Service	Location	Approximate employees at location
Argonne National Laboratory.....	Scientific & environmental research.....	Lemont	3,350
G4S Secure Solutions (USA), Inc.....	Security service.....	Willowbrook	948
Novipax, LLC.....	Company headquarters; polystyrene foam food trays & absorbent pads....	Oak Brook	900
RML Specialty Hospital.....	Long-term acute care hospital.....	Hinsdale	800
The District.....	Education.....	Hinsdale	620
CITGO Petroleum Corp., Lemont Refinery.....	Fuel, oil, gasoline, naphtha, solvents & petroleum products.....	Lemont	500
Continental Electrical Construction Co.....	Industrial & commercial electrical contractors.....	Oak Brook	500
Crowe, LLP.....	Accounting, consulting & technology firm for public & private entities....	Oak Brook	500
Hub Group, Inc.....	Corporate headquarters & transportation specialists.....	Oak Brook	500
A. M. Castle & Co.....	Company headquarters & metal processing.....	Oak Brook	400

Source: 2019 Manufacturers' News, Inc. Illinois Manufacturers and Illinois Services Directories

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**DEMOGRAPHIC INFORMATION**

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**Table 4 - Population Growth:**

The District had an estimated population of 74,146 as of 2010 (Source: U.S. Census Bureau).

<b><u>Entity:</u></b>	<b><u>1990</u></b>	<b><u>2000</u></b>	<b><u>2010</u></b>	<b><u>% Change 1990-2010</u></b>
City of Park Ridge	N/A	N/A	74,146	N/A
DuPage County	781,666	904,161	916,824	17.29%
State of Illinois	11,430,602	12,419,293	12,830,632	12.25%

**Unemployment Rates:**

Unemployment statistics are not compiled specifically for the District, but are compiled individually for Burr Ridge, Clarendon Hills, Darien, Hinsdale, Oak Brook, Westmont, and Willowbrook. According to the Illinois Department of Employment Security, the aforementioned Villages and the City of Darien collectively posted an average unemployment rate of 3.0% during calendar 2018. In comparison, Cook County posted an unemployment rate of 3.1% during calendar 2018. This compared with an annual average unemployment rate of 4.3% for the State of Illinois during calendar 2018.

**Median Household Income:**

According to the U.S. Census Bureau, 2013 - 2017 American Community Survey, the District had a median household income of \$98,555. This compares with \$84,442 for DuPage County and with \$61,229 for the State of Illinois.

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**ECONOMIC DISCLOSURE STATEMENT**

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Applicant/Borrower: Township High School District Number 86, DuPage and Cook Counties

Contact: Josh Stephenson, Chief Financial Officer  
5500 South Grant Street  
Hinsdale, IL 60521  
Phone: 630-570-8087

Website: <https://d86.hinsdale86.org/>

Entity: Illinois Public High School District

Board of Education:

<b><u>Title</u></b>	<b><u>Name</u></b>	<b><u>Current Term Expires</u></b>
President.....	Nancy Pollak	April 2021
Vice President.....	Kevin Camden	April 2021
Secretary.....	Kathleen Hirsman	April 2023
Member.....	Keith Chval	April 2021
Member.....	Cynthia Hanson	April 2023
Member.....	Erik Held	April 2023
Member.....	Marty Turek	April 2021
School Treasurer.....	Josh Stephenson	Appointed

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**PROFESSIONAL & FINANCIAL**

Auditor:	Klein Hall CPAs	Aurora, IL	
Bond Counsel:	Chapman and Cutler LLP	Chicago, IL	Erin Bartholomy Joe Saverino
Disclosure Counsel:	Chapman and Cutler LLP	Chicago, IL	Anjali Vij Kelly Kost
Borrower Financial Advisor:	PMA Securities, LLC	Naperville, IL	Robert Lewis Jen Currier Michelle Harris
Bond Registrar and Paying Agent:	Amalgamated Bank	Chicago, IL	Donna Howard
Issuer's Counsel:	Charity & Associates, P.C.	Chicago, IL	Tim Hinchman
Construction Manager:	Pepper Construction	Chicago, IL	
Architect:	ARCON Associates, Inc.	Lombard, IL	
Financial Advisor:	Sycamore Advisors LLC	Chicago, IL	Diana Hamilton Courtney Tobin

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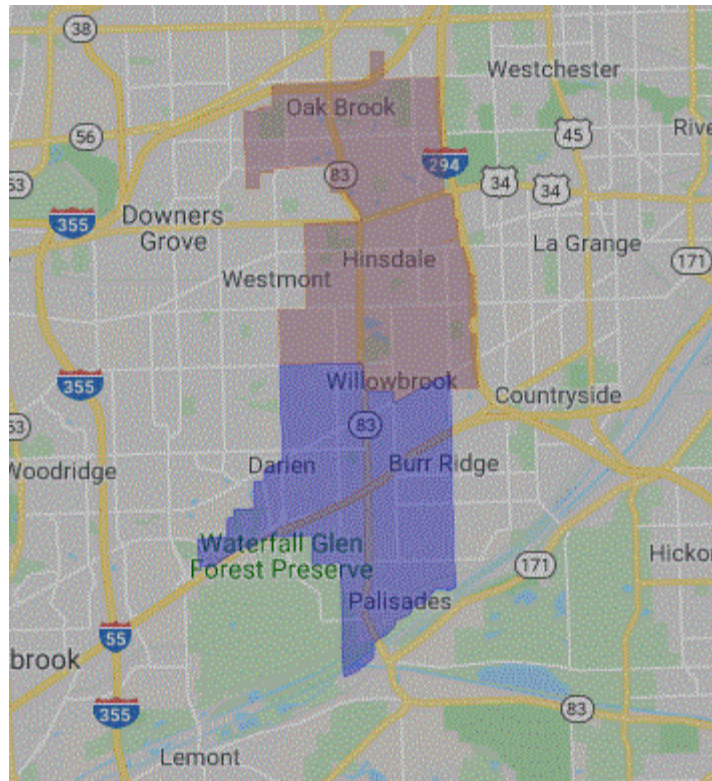
**LEGISLATIVE DISTRICTS**

Congressional:	6
State Senate:	24
State House:	47

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**TOWNSHIP HIGH SCHOOL DISTRICT NUMBER 86 (HINSDALE) MAP**



Date: November 12, 2019

To: Eric Anderberg, Chairman  
James J. Fuentes  
Michael W. Goetz  
William Hobert  
Mayor Arlene A. Juracek  
Lerry Knox  
Lyle McCoy  
Roxanne Nava

George Obernagel  
Terrence M. O'Brien  
Roger Poole  
Beth Smoots  
J. Randal Wexler  
Jeffrey Wright  
Bradley A. Zeller

From: Brad R. Fletcher, Vice President

Subject: ***Issuance of Property Assessed Clean Energy Revenue Bonds***

At the request of Enhanced PACE Finance, LLC, a Delaware limited liability company (the “**Capital Provider**” and any designated transferee as “**Initial Purchaser**”), I transmit herewith a Property Assessed Clean Energy (“**PACE**”) Bond Resolution authorizing the issuance of revenue bonds by the Illinois Finance Authority to be purchased by the Initial Purchaser or its designated transferee.

Respectfully submitted,

/s/ Brad R. Fletcher

Vice President

## **PACE BOND RESOLUTION**

### **RESOLUTION AUTHORIZING THE ISSUANCE IN ONE OR MORE SERIES OF NOT TO EXCEED \$100,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF ILLINOIS FINANCE AUTHORITY TAXABLE PROPERTY ASSESSED CLEAN ENERGY REVENUE BONDS FOR PURCHASE BY ENHANCED PACE FINANCE, LLC OR ITS DESIGNATED TRANSFEREE.**

**WHEREAS**, the Illinois Finance Authority (the “Authority”) has been created by, and exists under, the Illinois Finance Authority Act, as amended (20 ILCS 3501/801-1 *et seq.*) (the “Act”);

**WHEREAS**, the Authority is authorized pursuant to the Act in general and Article 825 thereof specifically, and further authorized in Section 35(a) of the Property Assessed Clean Energy Act (50 ILCS 50/5) (the “PACE Act”) to issue revenue bonds to finance, among other things, “PACE Projects” (as defined or provided for in the Act);

**WHEREAS**, pursuant to the PACE Act, governmental units (as defined in the PACE Act) may create a property assessed clean energy program (a “PACE Program”) within their respective jurisdictional boundaries known as a “PACE area” (as defined in the PACE Act, each a “PACE Area” hereunder), and may further delegate the administration of such PACE Program to a program administrator (a “Program Administrator”);

**WHEREAS**, pursuant to the PACE Act, a “record owner” (as defined in the PACE Act, and a “Record Owner” hereunder) of “property” (as defined in the PACE Act) within a PACE Area may apply to a governmental unit or its Program Administrator for funding to finance or refinance certain “energy projects” (as defined in the PACE Act, and “PACE Projects” as defined in the Act, which are hereafter defined as “Energy Projects”) and that the governmental unit may impose an assessment under a PACE Program pursuant to the terms of the recorded assessment contract (“Assessment Contract”) with the Record Owner of the property to be assessed;

**WHEREAS**, the Authority is authorized under the PACE Act to issue property assessed clean energy revenue bonds (“PACE Bonds”) or provide a warehouse fund, in each case to provide liquidity for the financing or refinancing of certain Energy Projects for Record Owners that have complied with the requirements of the PACE Act and the rules and guidelines of a PACE Program administered on behalf of or at the discretion of a governmental unit by a Program Administrator;

**WHEREAS**, Enhanced PACE Finance, LLC, a Delaware limited liability company (the “Capital Provider”) wishes to purchase PACE Bonds, or have such PACE Bonds purchased by its transferee or designee, secured by Assessment Contracts related to a PACE Program administered on behalf of or at the direction of a governmental unit by a Program Administrator;

**WHEREAS**, such PACE Bonds shall be issued pursuant to a Master Indenture (a “Master Indenture”) among the Authority, the applicable Program Administrator and a bank or other financial institution selected by the Capital Provider or the applicable Program Administrator to serve as bond trustee (a “Bond Trustee”), setting out the parameters, terms and conditions pursuant to which a series of PACE Bonds may be issued pursuant to an Issuance Certificate (an “Issuance Certificate”) among the Authority, the applicable Program Administrator, the Bond Trustee and the Capital Provider as Initial Purchaser (or its Designated Transferee as defined in the applicable Issuance Certificate); and

**WHEREAS**, PACE Bonds shall be secured by certain related Assessment Contracts assigned to the Authority by the applicable governmental unit (acting at the direction of the applicable Program

Administrator and the Capital Provider) pursuant to an Assignment Agreement (an “Assignment Agreement” and together with the Master Indenture and Issuance Certificate, the “PACE Bond Documents”), executed by the Authority and the applicable governmental unit.

**NOW, THEREFORE, BE IT RESOLVED** by the Members of the Illinois Finance Authority as follows:

**Section 1. Bonds.** In order to obtain the funds to loan to certain Record Owners party to Assessment Contracts to be used for the purposes of financing or refinancing Energy Projects, the Authority hereby authorizes the issuance of PACE Bonds subject to the terms and conditions set forth in a Master Indenture and a related Issuance Certificate in substantially the form attached to such Master Indenture, along with the execution and delivery of Master Indentures and related Issuance Certificates in substantially the forms previously provided to and on file with the Authority, and with such changes as are permitted by Section 2 hereof. PACE Bonds shall be issued, executed and delivered under and secured by applicable Assessment Contracts (“Assigned Contracts”) assigned to the Authority pursuant to one or more Assignment Agreements, and shall have the terms and provisions set forth in the Master Indenture and an applicable Issuance Certificate, subject to the following limitations:

- (a) the aggregate principal amount of PACE Bonds that may be issued pursuant a Master Indenture and any Issuance Certificate and purchased by the Capital Provider or an affiliate thereof as “Initial Purchaser” (as defined in the applicable Master Indenture) or its Designated Transferee (as defined in the Master Indenture) collectively, “PACE Bond Purchaser”) shall not exceed \$100,000,000;
- (b) the PACE Bonds for sale to the PACE Bond Purchaser may be issued in one or more series, of which any such series may be issued in two or more subseries, with such additional series or subseries designated in such manner as approved by an Authorized Officer (as defined herein) of the Authority, which approval shall be evidenced by such Authorized Officer’s execution and delivery of a Master Indenture and applicable Issuance Certificate;
- (c) no PACE Bonds for sale to the PACE Bond Purchaser shall have a maturity later than 40 years from the date of their issuance, provided the PACE Bonds may be subject to serial maturities or mandatory bond sinking fund redemption as provided in a Master Indenture and applicable Issuance Certificate;
- (d) no PACE Bonds for sale to the PACE Bond Purchaser shall bear interest at stated rates exceeding 20.00% per annum;
- (e) no PACE Bonds for sale to the PACE Bond Purchaser shall be issued pursuant to a Master Indenture and a related Issuance Certificate after the date that is three (3) years after the date of approval of this Resolution;
- (f) PACE Bonds for sale to the PACE Bond Purchaser shall be subject to optional, mandatory and extraordinary redemption and be payable all as set forth in a Master Indenture and the applicable Issuance Certificate;
- (g) PACE Bonds for sale to the PACE Bond Purchaser shall be issued only as fully registered bonds without coupons;
- (h) PACE Bonds for sale to the PACE Bond Purchaser shall be executed on behalf of the Authority

by the manual or facsimile signature of its Chairperson, Vice Chairperson or Executive Director and attested by the manual or facsimile signature of its Secretary or any Assistant Secretary, or any person duly appointed by the Members of the Authority to serve in such office on an interim basis, and may have the corporate seal of the Authority impressed manually or printed by facsimile thereon; and

- (i) PACE Bonds for sale to the PACE Bond Purchaser shall be issued by the Authority for the consideration set forth in a Master Indenture and applicable Issuance Certificate at par value.

Any PACE Bonds for sale to the PACE Bond Purchaser issued pursuant to a Master Indenture and any applicable Issuance Certificate and the interest thereon shall be limited obligations of the Authority, payable solely from the income and revenues to be derived by the Authority pursuant to the Assigned Contracts and certain amounts on deposit with the applicable Bond Trustee in a Master Indenture. PACE Bonds for sale to the PACE Bond Purchaser issued pursuant to a Master Indenture and any applicable Issuance Certificate and the interest thereon shall never constitute a general obligation or commitment by the Authority to expend any of its funds other than (i) proceeds of the sale of such PACE Bonds, (ii) the income and revenues derived by the Authority pursuant to Assigned Contracts and other amounts available under a Master Indenture and any applicable Issuance Certificate and (iii) any money arising out of the investment or reinvestment of said proceeds, income, revenue or receipts.

The Authority hereby delegates to the Chairperson, Vice Chairperson or the Executive Director of the Authority or any other Authorized Officer (as hereinafter defined), the power and duty to make final determinations as to the PACE Bonds to be issued and sold to the PACE Bond Purchaser, including but not limited to, the principal amount, number of series or subseries of such PACE Bonds and any names or other designations therefor, dated date, maturities, purchase price, any mandatory sinking fund redemption dates and amounts, optional and extraordinary redemption provisions, and the interest rates of each series or subseries of such PACE Bonds, each series or subseries of which may be issued or sold on separate dates pursuant to separate Issuance Certificates, and further to issue, execute and deliver such PACE Bonds pursuant to a Master Indenture and related Issuance Certificate, all within the parameters set forth herein.

**Section 2. PACE Bond Documents.** The Authority does hereby authorize and approve the execution (by manual or facsimile signature) by its Chairperson, Vice Chairperson, Executive Director, or General Counsel, or any person duly appointed by the Members to serve in such offices on an interim basis (each an “*Authorized Officer*”), and the delivery and use, of the PACE Bond Documents. The Secretary or any Assistant Secretary of the Authority is hereby authorized to attest and to affix the official seal of the Authority to any PACE Bond Document. The definitive PACE Bond Documents shall be substantially in the forms previously provided to the Members and on file with the Authority, or with such changes therein as shall be approved by the Authorized Officer of the Authority executing the same, with such execution and delivery to constitute conclusive evidence of such Authorized Officer’s approval and the Authority’s approval of any changes or revisions therein from such forms of the PACE Bond Documents and to constitute conclusive evidence of such Authorized Officer’s approval and the Authority’s approval of the terms of any PACE Bonds issued pursuant to the PACE Bond Documents and the purchase thereof.

**Section 3. Authorization and Ratification of Subsequent Acts.** The Members, officers, agents and employees of the Authority are hereby authorized and directed to do all such acts and things and to execute or accept all such documents (including, without limitation, the execution and delivery of one or more supplemental bond indentures, escrow agreements or other agreements providing for the security and/or payment of the PACE Bonds and any additional documents that may be necessary to provide for one or more additional series or subseries of PACE Bonds) as may be necessary to carry out and comply



with the provisions of these resolutions, the PACE Bond Documents, and all of the acts and doings of the Members, officers, agents and employees of the Authority which are in conformity with the intent and purposes of these resolutions and within the parameters set forth herein, whether heretofore or hereafter taken or done, shall be and are hereby authorized, ratified, confirmed and approved. Unless otherwise provided therein, wherever in the PACE Bond Documents or any other document executed pursuant hereto it is provided that an action shall be taken by the Authority, such action shall be taken by an Authorized Officer of the Authority, or in the event of the unavailability, inability or refusal of an Authorized Officer, any two Members of the Authority, each of whom is hereby authorized, empowered, and delegated the power and duty and directed to take such action on behalf of the Authority, all within the parameters set forth herein and in the PACE Bond Documents.

**Section 4. Severability.** The provisions of this PACE Bond Resolution are hereby declared to be separable, and if any section, phrase or provision hereof shall for any reason be declared to be invalid, such declaration shall not affect the validity of the remainder of the sections, phrases and provisions of this PACE Bond Resolution.

**Section 5. Conflicts.** All resolutions and orders, or parts thereof, in conflict herewith are hereby superseded to the extent of such conflict.

**Section 6. Effectiveness.** This PACE Bond Resolution shall be in full force and effect immediately upon its passage, as by law provided.

**ILLINOIS FINANCE AUTHORITY  
PROJECT SUMMARY REPORT  
November 12, 2019**

**Capital Provider: Enhanced PACE Finance, LLC**

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**BOARD ACTION**

PACE Bond Resolution (*One-Time Consideration*)  
No extraordinary conditions.

Amount: Not to exceed \$100,000,000  
No IFA funds at risk.

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**RECOMMENDATION**

Staff recommends approval of the PACE Bond Resolution presented for consideration in connection with bond issuances to be purchased by the Initial Purchaser or its designated transferee.

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**PURPOSE**

Proceeds of the Property Assessed Clean Energy Revenue Bonds will be loaned to record owners of privately-owned commercial, industrial, non-residential agricultural, or multi-family (of 5 or more units) real property to finance “energy projects” as defined under the Property Assessed Clean Energy Act, 50 ILCS 50/1 et seq.

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**AUTHORITY PROGRAM AND CONTRIBUTION**

Under Illinois law, a record owner of a commercial property may voluntarily enter into an assessment contract with a governmental unit in order to finance or refinance up to 100% of the commercial property owner’s energy efficiency, renewable energy, and water conservation projects through the issuance of PACE bonds. Program administrators administer commercial property assessed clean energy programs on behalf of or at the discretion of counties or municipalities to facilitate access to capital within their jurisdictions.

Governmental units permissively assign assessment contracts to the Illinois Finance Authority for its standardized, efficient, and affordable PACE bond financing services, which PACE bonds are issued pursuant to subsection (d) of Section 825-65 of the Illinois Finance Authority Act, 20 ILCS 3501/801-1 et seq., in accordance with the Property Assessed Clean Energy Act.

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**VOLUME CAP**

Property Assessed Clean Energy Revenue Bonds do not require volume cap.

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**JOB DATA**

N/A Current Jobs  
N/A Retained Jobs

N/A New Jobs Protected  
\* Construction Jobs Projected

\*The Authority reasonably anticipates reporting at a later time the amount of construction jobs, if any, created as a result of energy projects financed by the Authority’s bond proceeds.

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**ESTIMATED SOURCES & USES**

<b>Sources:</b>		<b>Uses:</b>	
PACE Bonds	<u>\$100,000,000</u>	Energy Project Costs (including but not limited to Capitalized Interest and/or Debt Service Reserve Funds, if any)	<u>\$100,000,000</u>
<b>Total</b>	<b><u>\$100,000,000</u></b>	<b>Total</b>	<b><u>\$100,000,000</u></b>

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**FINANCING SUMMARY**

The conduit transactions authorized by the PACE Bond Resolution will not be rated. The plan of finance contemplates that the Initial Purchaser, as an Accredited Investor and Qualified Institutional Buyer, will purchase the Property Assessed Clean Energy Revenue Bonds in minimum denominations of \$100,000 or more. PACE bonds will be issued pursuant to Issuance Certificates under a Master Indenture specific to the Initial Purchaser.

The aggregate principal amount, final maturity date, and the interest rate or rates for each energy project funded by bond proceeds shall be as set forth in the Issuance Certificates.

The Initial Purchaser will be secured by assessment contracts which constitute liens against properties against which assessments are imposed and recorded in the office of the applicable County Recorder. The lien of an assessment contract shall run with the property until the assessment is paid in full and shall have the same priority and status as other property tax and special assessment liens. The Initial Purchaser shall have and possess the delegable powers and rights at law or in equity as the applicable governmental unit would have if the assessment contract had not been assigned with regard to (i) the precedence and priority of liens evidenced by the assessment contract, (ii) the accrual of interest, and (iii) the fees and expenses of collection.

The governmental unit of government (or any permitted assignee) shall have all rights and remedies in the case of default or delinquency in the payment of an assessment as it does with respect to delinquent property taxes and other delinquent special assessments as set forth Article 9 of the Illinois Municipal Code, including the lien, sale and foreclosure remedies described therein.

Mortgage holder consent is required.

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**PROJECT SUMMARY**

As amended, supplemented, modified or replaced, the Property Assessed Clean Energy Act states that an energy project means the acquisition, construction, installation, or modification of an alternative energy improvement, energy efficiency improvement, renewable energy improvement, or water use improvement affixed to real property (including new construction).

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**BUSINESS SUMMARY**

Under Illinois law, an evaluation of the existing water or energy use and a modeling of expected monetary savings is required for any proposed energy efficiency improvement, renewable energy improvement, or water use improvement, unless the water use improvement is undertaken to improve water quality, before a record owner of commercial property may enter into an assessment contract with a governmental unit.

By entering into assessment contracts with governmental units, record owners expect the monetary savings to be greater than the repayment costs of certain energy projects financed or refinanced through assessments imposed upon their respective properties.

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### ECONOMIC DISCLOSURE STATEMENT

Record Owners: Names of (a) shareholders holding more than 7.5% of equity interests, or (b) all general partners (if the record owner is a partnership), or (c) members holding more than 7.5% of the economic or voting interest of the record owner (if the record owner is a limited liability company), or (d) if the record owner or any property financed would be a land trust, an identification of the trust and all beneficiaries of the trust including the percentage of beneficial interest of each beneficiary of the trust, will be reported to the Authority's Secretary (or Assistant Secretary).

Capital Provider/  
Initial Purchaser

Ownership: Enhanced PACE Finance, LLC is a Delaware limited liability company that is 100% wholly-owned by Enhanced Tax Credit Finance, LLC, which is 100% wholly-owned by Enhanced Capital Group, LLC.

- Enhanced Capital Group, LLC  
600 Lexington Avenue, Suite 1401  
New York, NY 10022

Michael Korengold, President and CEO of Enhanced Capital Group, LLC, is the Manager of Enhanced PACE Finance, LLC.

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### PROFESSIONAL & FINANCIAL

Capital Provider/

Initial Purchaser:	Enhanced PACE Finance, LLC	New York, NY	Ian McCulley
Authority Financial			
Advisors:	Acacia Financial Group, Inc.	Chicago, IL	Phoebe Selden Brittany Whelan
	Sycamore Advisors, LLC	Indianapolis, IN	Courtney Tobin Diana Hamilton

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### SERVICE AREA

The PACE Bond Resolution authorizes the Initial Purchaser to purchase PACE Bonds issued by the Authority for energy projects statewide.

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### LEGISLATIVE DISTRICTS

Congressional: TBD  
State Senate: TBD  
State House: TBD

**RESOLUTION NUMBER 2019-1112-\_\_\_\_\_**

**APPOINTMENT OF ASSISTANT SECRETARY OF THE  
ILLINOIS FINANCE AUTHORITY AND MATTERS RELATED  
THERE TO**

**WHEREAS**, the **ILLINOIS FINANCE AUTHORITY** (the “Authority”) has been created by, and exists under, the Illinois Finance Authority Act (20 ILCS 3501/801-1, *et seq.*), as amended (the “Act”); and

**WHEREAS**, pursuant to Section 845-40 of the Act and Article III, Section 3 and Section 4 of Resolution No. 2007-07-21, Resolution Adopting the Amended and Restated By-Laws of the Illinois Finance Authority (“By-Laws”), the Authority is authorized to appoint a Secretary and one or more Assistant Secretaries; and

**WHEREAS**, Mr. Brad Fletcher and Ms. Mari Money currently serve as Assistant Secretaries of the Authority; and

**WHEREAS**, Mr. Ryan Oeschler, who had been serving as Deputy General Counsel and as a third Assistant Secretary, has resigned from the employment of the Authority; and

**WHEREAS**, Mr. Michael Moss has entered the employment of the Authority as Associate General Counsel; and

**WHEREAS**, in order to fulfill duties under the Act and the By-Laws, the Members of the Authority deem it proper to appoint Mr. Michael Moss, Associate General Counsel to the Authority, as an additional Assistant Secretary to the Authority and to assign to each of the Assistant Secretaries duties as authorized by the Act, administrative rules, certain resolutions, certain agreements and the By-Laws of the Authority; and

**NOW, THEREFORE, BE IT RESOLVED** by the Illinois Finance Authority as follows:

**Section 1. Recitals.** The recitals set forth above are hereby found to be true and correct and are incorporated into this Resolution as if fully set forth herein.

**Section 2. Appointment of an additional Assistant Secretary.** In order to facilitate the effective execution of duties by the Secretary and the current Assistant Secretaries, the Members of the Authority deem it appropriate to appoint an additional Assistant Secretary. Mr. Michael Moss is appointed to the Office of Assistant Secretary and shall serve in that office during the pleasure of the Members of the Authority. Before entering upon the duties of Assistant Secretary of the Authority, Mr. Moss shall take and subscribe to the constitutional oath of office. Each Assistant Secretary shall have the same powers prescribed for the Office of Secretary of the Authority as authorized by statute, the Authority’s By-Laws, any resolution of the Authority, and any other rule, regulation, policy or practice of the Authority. Each Assistant Secretary shall exercise these powers as directed by the Members of the Authority, the Executive Director and the Secretary. The newly appointed Assistant Secretary shall have co-equal duties with the current two Assistant Secretaries, Mr. Brad Fletcher and Ms. Mari Money.

**Section 4. Further Actions.** The Executive Director is hereby authorized, empowered and directed to do all such acts and things and to execute, acknowledge and deliver all documents as may in his discretion be deemed necessary or desirable to carry out and comply with the terms and provisions of this Resolution; and all of the acts and doings of the Executive Director of the Authority which are in conformity with the intent and purposes of this Resolution, whether heretofore or hereafter taken or done, shall be and the same are hereby in all respects ratified, confirmed and approved. All prior and future acts and doings of the officers, agents and employees of the Authority that are in conformity with the purposes and intent of this Resolution and in furtherance of the execution and performance of the Resolution shall be and the same hereby are in all respects approved and confirmed.

**Section 5. Severability.** If any section, paragraph or provision of this Resolution shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any of the remaining provisions of this Resolution.

**Section 6. Conflicts.** All resolutions and orders, or parts thereof, in conflict herewith are hereby superseded to the extent of such conflict.

**Section 7. Immediate Effect.** This Resolution shall be in full force and effect immediately upon its passage, as by law provided.

Approved and effective this 12<sup>th</sup> day of November, 2019, by roll call vote as follows:

Ayes:

Nays:

Abstain:

Absent:

Vacancy:

ILLINOIS FINANCE AUTHORITY

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Executive Director

[SEAL]

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Assistant Secretary

Date: November 12, 2019

To: Members of the Illinois Finance Authority (“Authority”)

From: Chris Meister, Executive Director  
Lisa Bonnett, Vice President, Water Financing Policy

Subject: ***Non-SRF Water Infrastructure Financing Transformation Initiative Update***

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### ***Water Infrastructure Finance and Innovation Act (WIFIA)***

Joliet has been selected by USEPA to make application for a 2019 WIFIA loan for their sustainable source water project.

As you have heard in the news, the aquifer currently supplying Joliet’s wells will not meet maximum daily demands by 2030. In order to meet this water demand, Joliet must construct infrastructure to access a new source for drinking water to replace the city’s reliance of the current source, a sandstone aquifer.

On October 22, 2019, USEPA announced that the WIFIA program had invited 38 projects, in 18 states to apply for WIFIA loans. USEPA received 51 letters of interest from both public and private entities for projects totaling \$13.9 billion in response to the 2019 WIFA Notice of Funding Availability. USEPA has \$6 billion available for 2019 projects.

The total loan award to Joliet is yet to be determined. As we previously discussed, Joliet has not selected the final alternate water source from the five options under consideration. Although Joliet’s Letter of Interest gave an estimated project cost of \$600 million, USEPA will set the estimated loan award after Joliet has selected the final water source later this year. WIFIA can finance up to 49% of project costs with a maximum term of 35 years.

Joliet has one year to submit a formal loan application to the WIFIA program. The Authority stands ready to provide financial and technical assistance as needed to the City of Joliet as they work through the loan origination and closing phases.

The Authority will continue to take a leadership role in working with Illinois water utilities to encourage WIFIA loan applications for the next round of funding.

### ***Financing Illinois’ Water Infrastructure Conference***

On October 9, 2019, the Authority sponsored, in partnership with the American Water Works Association and Bank of Securities, Inc., the Financing Illinois’s Water Infrastructure Conference in Chicago.

Registrations met the maximum capacity available and was attended by water utilities, local, state and federal officials, consulting engineers and water utility advocates. Director John Kim from the Illinois EPA gave welcoming remarks, and attendees heard directly from water industry speakers such as Commissioner Randy Connor with the Chicago Department of Water, Brian Perkovich, Executive Director of the Metropolitan Water Reclamation District of Greater Chicago, Frank Dunmire, Executive



Director of the Illinois Rural Water Association and Raffael Stein, WIFIA Program Director with USEPA.

The information presented by the speakers was well received by the attendees and the dialogue flowed easily throughout the day. The conference offered a great opportunity for attendees to meet and network with colleagues and public officials.

The Authority will explore other opportunities to bring together the water utility industry to facilitate knowledge exchange and sharing of solutions.

### ***Bond Buyer Green/ESG Deal of the Year Award***

The State of Illinois Clean Water Initiative 2019 Series Green Bonds deal was not selected as the 2019 Bond Buyer Green/ESG Deal of the Year Award. The selected Deal of the Year in this category went to the Los Angeles County Metropolitan Transportation Authority's \$545 million offering of Proposition C sales tax revenue bonds, which included \$418.5 million second party verified green bonds. The transportation issuance was the second largest green deal in 2019, and the second largest green offering in California history. We believe for this category the Bond Buyer selected the Los Angeles deal to highlights a new project, over our SRF deal that showed improvements to an existing structure.

### ***Joyce Foundation Meeting on Lead and Water in Illinois***

The Joyce Foundation, Elevate Energy, Illinois Action for Children and the Metropolitan Planning Council invited the Authority to participate in a meeting held on November 4, 2019 with advocates and elected officials pursuing strategies to eliminate the risk of lead in water in Illinois. The objective of the meeting was to learn about each other's work and to explore the opportunity to build a stronger collation to ensure everyone in Illinois has safe, dependable, and affordable drinking water by bringing together legislative, education, and direct service strategies.

The meeting was attended by a broad cross section of Illinois stakeholders. Each stakeholder reported on their current efforts to address lead in drinking water, and at the conclusion of the meeting, all agreed to continue to work together to address this public health issue.

### ***USEPA Environmental Finance Advisory Board/Stormwater Funding Task Force***

The USEPA Environmental Finance Advisory Board (EFAB) and the Stormwater Funding Task Force meet on October 16-18, 2019 in Kansas City, Missouri.

The Stormwater Funding Task Force meet on October 16 to continue work on a study on the availability of public and private sources of funding for the construction, rehabilitation, and operation and maintenance of stormwater infrastructure. Based on information gathered during the study, the Task Force is working to develop recommendations to improve funding for stormwater control project. The goal is to present the report to EFAB for consideration by the end of this year.

The Environmental Finance Advisory Board met on October 17 and 18 and the various subcommittees reported on their work on stormwater financing, Opportunity Zones and hazardous waste removal challenges in Alaska.



Date: November 12, 2019

To: Members of the Illinois Finance Authority (“Authority”)

From: Chris Meister, Executive Director  
William Atwood, Vice President, Institutional Investments and Infrastructure

Subject: ***Transformation Initiative: Authority’s Role with respect to the Report of the Governor’s Pension Consolidation Task Force; Proposed Legislation (Senate Bill 616, “SB 616”)***<sup>1</sup>

SB 616 authorizes the Authority to lend, and the The Police Officers’ Pension Investment Fund and The Firefighters’ Pension Investment Fund to borrow, up to \$7.5 million in capital to be used for start-up expenses. The legislation defines a 30 month transition period, after which those monies are to be paid back to the Authority, plus an interest rate at a spread over LIBOR.

### ***Background***

Issues related to pension under-funding, the cost to units of government and the consequences for the public, have been the cause of concern for policymakers across the country, and across Illinois, including at the Authority. On February 8, 2018 the Authority met and discussed under-funding of the 650 downstate and suburban police and fire funds; the mitigating effect that consolidation of those funds might offer; and the possibility of asset transfers to provide assets to state and local retirement systems.

At the meeting of the Authority held October 15, 2019, we circulated and discussed a memo to the Authority dated October 8, 2019, with the subject matter, ***Illinois Finance Authority Act: Findings and Declaration of Policy with respect to reducing the costs of indebtedness to taxpayers and residents and encouraging investor interest in governmental notes and bonds.*** In that memo we discussed, among other things, the declaration of policy found in our Act: “*that it is in the public interest and the policy of this State to the extent possible, to reduce the costs of indebtedness to taxpayers and residents of this State and to encourage continued investor interest in the purchase of bonds or notes of governmental units as sound and preferred securities for investment.*”

Consistent with the Authority’s statutory purpose referenced above, it has been called upon to lever its powers, balance sheet, and resources to facilitate a reduction in the cost of taxpayer indebtedness through consolidation of the investment portfolios of Illinois’ approximately 650 downstate and suburban police and fire pension funds.

### ***Pension Consolidation Feasibility Task Force***

On February 11, 2019 Governor Pritzker announced the creation of the Pension Consolidation Feasibility Task Force to explore and make recommendations for the consolidation of pension funds in order to achieve the greatest value for employees, retirees, and taxpayers. The task force issued its report

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<sup>1</sup> At time of print (11/7/2019), Senate Amendment 1 to Senate Bill 616, which is publically available at [www.ilga.gov](http://www.ilga.gov). We anticipate further amendments and will update the Members accordingly.

(attached) to Governor Pritzker on October 10, 2019. The report detailed the excess fees paid by municipal police and fire funds, as well as depressed portfolio returns, resulting from their de-centralized structure and associated lack of scale.

Through consolidation the task force estimated that increases in investment returns could surpass \$12 billion over the next twenty years.

As part of the Authority's Transition Initiative, we worked closely with the Governor's Task Force in the preparation of its report, as well as the drafting of the language contained in SB 616, which will implement the consolidation of the suburban and downstate police and fire pension fund portfolios.

On October 10 the Governor accepted the report of the Illinois Pension Consolidation Feasibility Task Force. The recommendation of the Task Force to create the The Police Officers' Pension Investment Fund and The Firefighters' Pension Investment Fund is contained in SB 616, as is language authorizing the Authority to provide critical assistance in the consolidation process.

### ***SB 616***

SB 616 creates two new investment funds: The Police Officers' Pension Investment Fund and The Firefighters' Pension Investment Fund. Through the creation of these funds, and the consolidation of the \$14.2 billion of associated pension assets, the downstate and suburban police and fire fund system will go from 650 investment portfolios, to two. Administration of benefits will continue to be administered by the local police and fire pension boards.

### ***Role of the Authority***

The Authority will play a critical role in the consolidation of these funds.

Under the internal revenue code, pension assets may be used for the payment of benefits and for the ongoing expenses of managing the portfolio. As a result, on an ongoing basis the investment assets, and their associated returns, will be used to pay the operating costs of the two funds. However, it is anticipated that the actual transference of assets may take upwards of two years. During that period the two Boards will need operating capital, well before they have assets in their portfolio from which to draw expenses.

This challenge is acknowledged by the bill. SB 616 authorizes the Authority to lend, and the two funds to borrow, up to \$7.5 million in capital to be used for start-up expenses. The legislation defines a 30 month transition period, after which those monies are to be paid back to the Authority, plus an interest rate at a spread over LIBOR.

### ***Conclusion***

The role of the Authority in the consolidation process is fully consistent with the Policy Declaration contained in the Authority's Act that the Executive Director referenced in his October 8 memo.

Date: November 12, 2019

To: Eric Anderberg, Chairman  
James J. Fuentes  
Michael W. Goetz  
William Hobert  
Mayor Arlene A. Juracek  
Lerry Knox  
Lyle McCoy  
Roxanne Nava

George Obernagel  
Terrence M. O'Brien  
Roger Poole  
Beth Smoots  
J. Randal Wexler  
Jeffrey Wright  
Bradley A. Zeller

From: Ximena Granda, Manager of Finance and Administration

Subject: *Presentation and Consideration of Financial Reports as of October 31, 2019\*\**

**\*\*All information is preliminary and unaudited.**

## **1. GENERAL OPERATING FUND REVENUES, EXPENSES AND NET INCOME**

- a. **Total Annual Revenues** of \$1.4 million were \$229 thousand or 14.3% lower than budget primarily due to **lower** than expected closing fees. Closing fees year-to-date of \$661 thousand are \$211 thousand or 24.2% **lower** than budget. Annual fees of \$76 thousand are \$4 thousand higher than the budget. Administrative Service Fees of \$52 thousand are lower than budget. Application fees total \$23 thousand which is \$17 thousand higher than budget. Total accrued interest income from loans in connection with the former Illinois Rural Bond Bank local government borrowers and other loans totaled \$163 thousand (which has represented a declining asset since 2014). Net investment income position of \$395 thousand for the fiscal year is \$65 thousand higher than budget.\*
- b. In **October** the Authority recorded closing fees of \$466 thousand which was higher than the monthly budgeted amount of \$218 thousand.
- c. **Total Annual Expenses** of \$1.2 million were \$368 thousand or 23.0% lower than budget, which was mostly driven by below budget spending on employee related expenses and professional services. Year-to-date, employee related expenses total \$801 or \$156 thousand or 16.3% lower than budget. Professional services expenses total \$251 thousand or \$189 thousand or 42.9% lower than budget. Annual occupancy costs of \$57 thousand are 4.2.0% lower than budget, while general and administrative costs are \$117 thousand for the year, which is 15.0% lower than budget. Total depreciation cost of \$6 thousand is 14.6% below budget.
- d. In **October** the Authority recorded operating expenses of \$324 thousand, which was lower than the monthly budgeted amount of \$400 thousand.
- e. **Total Monthly Net Income** of **\$330 thousand** was driven by higher closing fees and higher net investment income.

\* Governmental Accounting Standards Board (GASB) Statement No. 31. This Statement establishes accounting and financial reporting standards for all investments held by governmental external investment pools. For most other governmental entities, it establishes fair value standards for investments in (a) participating interest-earning investment contracts, (b) external investment pools, (c) open-end mutual funds, (d) debt securities, and (e) equity securities, option contracts, stock warrants, and stock rights that have readily determinable fair values.

- f. **Total Annual Net Income** is \$139 thousand. The major driver of the annual positive bottom line is the level of overall spending at 23.0% below budget, as well as higher than expected net investment income.

## **2. GENERAL OPERATING FUND-ASSETS, LIABILITIES AND NET POSITION**

In the General Fund, the Authority continues to maintain a strong balance sheet, with total net position of \$59.8 million. Total assets in the General Fund are \$61.1 million (consisting mostly of cash, investments, and receivables). Unrestricted cash and investments total \$47.3 million (with \$3.9 million in cash). Notes receivable from the former Illinois Rural Bond Bank local governments (“IRBB”) total \$8.3 million. Participation loans, DACA (pilot medical student loans in exchange for service in medically underserved areas in Illinois) and other loans receivable are \$4.4 million.

## **3. YEAR-TO-DATE ACTIVITY FOR ALL OTHER FUNDS**

Financial information for all other funds is not available at this time. Other Fund information will be presented at the December Board meeting.

## **4. AUTHORITY AUDITS AND REGULATORY UPDATES**

The Fiscal Year 2019 Financial Audit and the two-year Compliance Examination remain on track. The first draft of the Financial Audit Report has been provided to the External Auditors for review.

On November 7, a draft of the Purchasing, Contracting, Leasing, and Intergovernmental Agreements Audit was received and is currently under review by the Authority. Upon finalization, it will be distributed to the Members of the Authority. Finally, the Locally Held Audit is underway and at this time there is nothing to report.

## **5. OTHER SUPPLEMENTARY FINANCIAL INFORMATION**

The Fiscal Year Comparison of Bonds Issued, the Fiscal Year 2020 Bonds Issued and Schedule of Debt can be located in the blue folder.

Respectfully submitted,

/s/ Ximena Granda

Manager of Finance and Administration



ILLINOIS FINANCE AUTHORITY  
STATEMENT OF REVENUES, EXPENSES AND NET INCOME  
GENERAL OPERATING FUND  
FOR FISCAL YEAR 2020 AS OF OCTOBER 31, 2019  
(PRELIMINARY AND UNAUDITED)

	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUNE	YEAR TO DATE ACTUAL	YEAR TO DATE BUDGET	BUDGET VARIANCE (\$)	BUDGET VARIANCE (%)
<b>Operating Revenues:</b>																
Closing Fees	\$ 63,918	\$ 128,243	\$ 2,600	\$ 466,000									\$ 660,761	\$ 871,468	\$ (210,707)	-24.2%
Annual Fees	20,242	17,983	19,227	18,239									75,691	72,000	3,691	5.1%
Administrative Service Fees	-	30,000	10,000	12,000									52,000	80,000	(28,000)	-35.0%
Application Fees	1,000	16,750	2,450	3,000									23,200	6,668	16,532	247.9%
Miscellaneous Fees	114	107	-	-									221	668	(447)	-66.9%
Interest Income-Loans	40,375	39,864	40,127	42,695									163,061	237,960	(74,899)	-31.5%
Other Revenue	125	128	123	123									499	500	(1)	-0.2%
<b>Total Operating Revenue:</b>	<b>\$ 125,774</b>	<b>\$ 233,075</b>	<b>\$ 74,527</b>	<b>\$ 542,057</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 975,433</b>	<b>\$ 1,269,264</b>	<b>\$ (293,831)</b>	<b>-23.1%</b>
<b>Operating Expenses:</b>																
Employee Related Expense	\$ 188,470	\$ 203,812	\$ 202,650	\$ 205,644									\$ 800,576	\$ 956,140	\$ (155,564)	-16.3%
Professional Services	53,500	70,140	56,297	71,148									251,085	439,668	(188,583)	-42.9%
Occupancy Costs	13,146	15,935	12,670	15,583									57,334	59,840	(2,506)	-4.2%
General & Administrative	28,909	28,106	30,024	29,697									116,736	137,332	(20,596)	-15.0%
Depreciation and Amortization	1,386	1,437	1,437	1,437									5,697	6,668	(971)	-14.6%
<b>Total Operating Expense</b>	<b>\$ 285,411</b>	<b>\$ 319,430</b>	<b>\$ 303,078</b>	<b>\$ 323,509</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,231,428</b>	<b>\$ 1,599,648</b>	<b>\$ (368,220)</b>	<b>-23.0%</b>
<b>Operating Income(Loss)</b>	<b>\$ (159,637)</b>	<b>\$ (86,355)</b>	<b>\$ (228,551)</b>	<b>\$ 218,548</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (255,995)</b>	<b>\$ (330,384)</b>	<b>\$ 74,389</b>	<b>22.5%</b>
<b>Nonoperating Revenues (Expenses):</b>																
Miscellaneous Non-Opertg Rev/(Exp)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	n/a
Bad Debt Adjustments (Expense)	-	-	-	-	-	-	-	-	-	-	-	-	-	(13,336)	13,336	-100.0%
Interest and Investment Income	74,257	68,209	89,029	66,575									298,070	343,720	(45,650)	-13.3%
Realized Gain (Loss) on Sale of Invests	(2,678)	1,103	(6,785)	2,569									(5,791)	-	(5,791)	n/a
Net Appreciation (Depr) in FV of Invests	(9,285)	95,877	(26,422)	42,742									102,912	-	102,912	n/a
<b>Total Nonoperating Rev (Exp)</b>	<b>\$ 62,294</b>	<b>\$ 165,189</b>	<b>\$ 55,822</b>	<b>\$ 111,886</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 395,191</b>	<b>\$ 330,384</b>	<b>\$ 64,807</b>	<b>19.6%</b>
<b>Net Income (Loss) Before Transfers</b>	<b>\$ (97,343)</b>	<b>\$ 78,834</b>	<b>\$ (172,729)</b>	<b>\$ 330,434</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 139,196</b>	<b>\$ -</b>	<b>\$ 139,196</b>	<b>n/a</b>
<b>Transfers:</b>																
Transfers in from other funds	\$ -	\$ -	\$ -	\$ -	\$ -								\$ -	\$ -	-	0.0%
Transfers out to other funds	-	-	-	-	-								-	-	-	0.0%
<b>Total Transfers In (Out)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>0.0%</b>
<b>Net Income (Loss)</b>	<b>\$ (97,343)</b>	<b>\$ 78,834</b>	<b>\$ (172,729)</b>	<b>\$ 330,434</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 139,196</b>	<b>\$ -</b>	<b>\$ 139,196</b>	<b>n/a</b>



**ILLINOIS FINANCE AUTHORITY**  
**STATEMENT OF NET POSITION**  
 October 31, 2019  
 (PRELIMINARY AND UNAUDITED)

	<b>FUND</b>
<b>Assets and Deferred Outflows:</b>	
<b>Current Assets Unrestricted:</b>	
Cash & cash equivalents	3,952,838
Investments	28,519,877
Receivables from pending investment sales	-
Accounts receivable, Net	419,608
Loans receivables, Net	58,312
Accrued interest receivable	385,580
Bonds and notes receivable	956,300
Due from other funds	17
Prepaid Expenses	219,155
<b>Total Current Unrestricted Assets</b>	<b>\$ 34,511,687</b>
<b>Restricted:</b>	
Cash & Cash Equivalents	\$ -
Investments	-
Bonds and notes receivable from State component units	-
Loans receivables, Net	-
<b>Total Current Restricted Assets</b>	<b>\$ -</b>
<b>Total Current Assets</b>	<b>\$ 34,511,687</b>
<b>Non-current Assets:</b>	
<b>Unrestricted:</b>	
Investments	\$ 14,856,025
Accounts receivable, Net	-
Loans receivables, Net	4,353,850
Bonds and notes receivable	7,349,537
Due from other local government agencies	-
<b>Total Noncurrent Unrestricted Assets</b>	<b>\$ 26,559,412</b>
<b>Restricted:</b>	
Cash & Cash Equivalents	\$ -
Investments	-
Loans receivables, Net	-
Bonds and notes receivable from State component units	-
<b>Total Noncurrent Restricted Assets</b>	<b>\$ -</b>
<b>Capital Assets</b>	
Capital Assets	
Accumulated Depreciation	\$ 762,602
<b>Total Capital Assets</b>	<b>(712,637)</b>
	<b>\$ 49,965</b>
<b>Total Noncurrent Assets</b>	<b>\$ 26,609,377</b>
<b>Total Assets</b>	<b>\$ 61,121,064</b>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>	
Deferred loss on debt refunding	\$ -
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$ -</b>
<b>Total Assets &amp; Deferred Inflows of Resources</b>	<b>\$ 61,121,064</b>



**ILLINOIS FINANCE AUTHORITY**  
**STATEMENT OF NET POSITION**  
 October 31, 2019  
 (PRELIMINARY AND UNAUDITED)

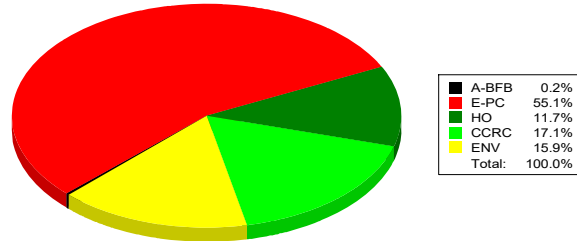
	<b>FUND</b>
<b>Liabilities:</b>	
<b>Current Liabilities:</b>	
Payable from unrestricted current assets:	
Accounts payable	\$ 15,416
Payables from pending investment purchases	682,968
Accrued liabilities	440,268
Due to employees	116,560
Due to primary government	1
Due to other funds	-
Payroll Taxes Liabilities	30,806
Unearned revenue, net of accumulated amortization	48,727
<b>Total Current Liabilities Payable from Unrestricted Current Assets</b>	<b>\$ 1,334,746</b>
Payable from restricted current assets:	
Accounts payable	-
Obligation under securites lending of the State Treasurer	-
Accrued interest payable	\$ -
Due to other funds	-
Due to primary government	-
Current portion of long term debt	-
Other liabilities	-
Unamortized bond premium	-
<b>Total Current Liabilities Payable from Restricted Current Assets</b>	<b>\$ -</b>
<b>Total Current Liabilities</b>	<b>\$ 1,334,746</b>
<b>Noncurrent Liabilities</b>	
Payable from unrestricted noncurrent assets:	
Noncurrent payables	\$ 585
Accrued liabilities	-
Bonds and notes payable from primary government	-
Bonds and notes payable from State component units	-
Noncurrent loan reserve	-
<b>Assets</b>	<b>\$ 585</b>
Payable from restricted noncurrent assets:	
Noncurrent payables	-
<b>Total Noncurrent Liabilities Payable from Restricted Noncurrent</b>	<b>\$ -</b>
<b>Total Noncurrent Liabilities</b>	<b>\$ 585</b>
<b>Total Liabilities</b>	<b>\$ 1,335,331</b>
<b>DEFERRED INFLOWS OF RESOURCES:</b>	
<b>Net Position:</b>	
Net Investment in Capital Assets	\$ 49,965
Restricted for Low Income Community Investments	-
Unrestricted	59,596,572
Current Change in Net Position	139,196
<b>Total Net Position</b>	<b>\$ 59,785,733</b>
<b>Total Liabilities &amp; Net Position</b>	<b>\$ 61,121,064</b>

## Bonds Issued - Fiscal Year Comparison for the Period Ending October 31, 2019

### Fiscal Year 2020

#	Market Sector	Principal Issued
2	Agriculture - Beginner Farmer	475,700
2	Education	173,325,000
1	Healthcare - Hospital	36,752,000
3	Healthcare - CCRC	53,727,000
1	Environmental issued under 20 ILCS 3515/9 *	50,000,000
<b>9</b>		<b>\$314,279,700</b>

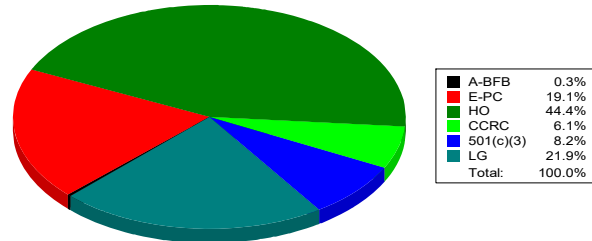
### Bonds Issued in Fiscal Year 2020



### Fiscal Year 2019

#	Market Sector	Principal Issued
22	Agriculture - Beginner Farmer	5,501,225
10	Education	394,015,000
7	Healthcare - Hospital	914,840,000
2	Healthcare - CCRC	125,815,000
5	501(c)(3) Not-for-Profit	168,995,094
1	Local Government	450,000,000
<b>47</b>		<b>\$ 2,059,166,319</b>

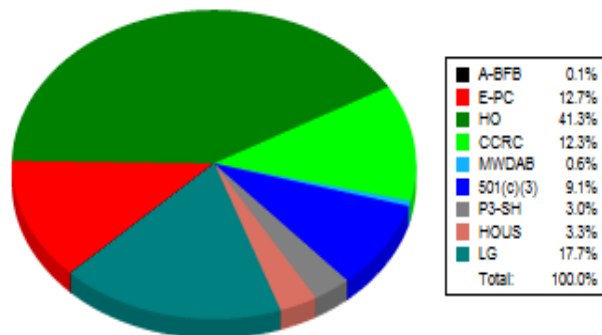
### Bonds Issued in Fiscal Year 2019



### Fiscal Year 2018

#	Market Sector	Principal Issued
15	Agriculture - Beginner Farmer	2,749,725
5	Education	403,755,000
7	Healthcare - Hospital	1,308,930,000
5	Healthcare - CCRC	388,700,000
1	Midwest Disaster Area Bonds	20,200,000
7	501(c)(3) Not-for-Profit	288,464,000
3	Multifamily/Senior/Not-for-Profit	104,045,000
1	Local Government	560,025,000
1	P3 Student Housing	94,860,000
<b>45</b>		<b>\$3,171,728,725</b>

### Bonds Issued in Fiscal Year 2018



\* Powers to issue Bonds under the Illinois Environmental Facilities Financing Act ("IEFFA" 20 ILCS 3515/2 et seq.) and its predecessor authority date to the early 1970s. In 1984, the powers under this Act became part of the Authority's predecessor, Illinois Development Finance Authority, which in turn was consolidated into the Authority in 2004. Under IEFFA, the Authority has an additional \$2.5 billion in bond issuance limit in addition to the \$28.15 billion under the Authority Act. This is also reflected in the Schedule of Debt. Generally, projects under IEFFA are for private companies that access federal tax-exemption through Volume Cap provided by the federal government through the State. IEFFA-financed pollution control facilities projects are separate and distinguishable from the generally public projects financed through the State Revolving Fund on behalf of the Illinois Environmental Protection Agency.

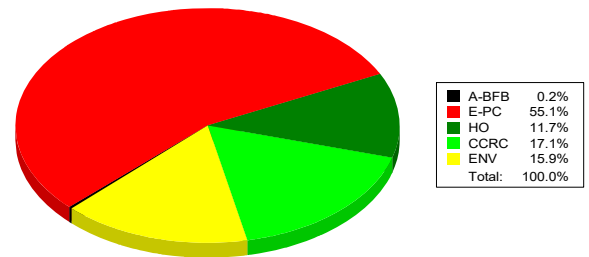


## Bonds Issued as of October 31, 2019

### Current Fiscal Year

#	Market Sector	Principal Issued
2	Agriculture - Beginner Farmer	475,700
2	Education	173,325,000
1	Healthcare - Hospital	36,752,000
3	Healthcare - CCRC	53,727,000
1	Enviromental Issued under 20 ILCS 3515/9	50,000,000
<b>9</b>		<b>\$ 314,279,700</b>

### Bonds Issued in Fiscal Year 2020



### Bonds Issued between July 01, 2019 and October 31, 2019

<u>Bond Issue</u>	<u>Date Issued</u>	<u>Initial Interest Rate</u>	<u>Principal Issued</u>	<u>Bonds Refunded</u>
A-BFB Beginner Farmer Bond	07/01/2019	Variable	475,700	0
E-PC Roosevelt University	07/03/2019	Fixed at Schedule	117,830,000	117,830,000
HO Rush University Medical Center	08/29/2019	Variable	36,752,000	0
E-PC Elmhurst Community School District 205	08/20/2019	Fixed at Schedule	55,495,000	0
CCRC Smith Washington and Jane Smith Community d/b/a Smith Village	10/01/2019	Variable	23,608,000	0
CCRC Smith Washington and Jane Smith Community d/b/a Smith Village	10/01/2019	Variable	25,000,000	25,000,000
CCRC Smith Washington and Jane Smith Community d/b/a Smith Village	10/01/2019	Variable	5,119,000	5,119,000
ENV Waste Management, Inc.	10/30/2019	Variable	50,000,000	0
<b>Total Bonds Issued as of October 31, 2019</b>			<b>\$ 314,279,700</b>	<b>\$ 147,949,000</b>

**Legend** Fixed Rate Bonds as shown  
 DP-VRB = initial interest rate at the time of issuance on a Direct Purchase Bond  
 VRB = initial interest rate at the time of issuance on a Variable Rate Bond that does not include the cost of the LOC arrangement.  
 Beginner Farmer Bonds interest rates are shown in section below.

### Beginner Farmer Bonds Funded between July 01, 2019 and October 31, 2019

<u>Date Funded</u>	<u>Initial Interest Rate</u>	<u>Loan Proceeds</u>	<u>Acres</u>	<u>County</u>
07/19/2019	5.0	295,700	47	Henry
08/22/2019	4.5	180,000	32	Charleston
<b>Total Beginner Farmer Bonds Issued</b>		<b>\$ 475,700</b>	<b>79</b>	

**ILLINOIS FINANCE AUTHORITY**  
Schedule of Debt <sup>[a]</sup>

Total debt issued under the Illinois Finance Authority Act which does not constitute a debt of the Authority or the State of Illinois or any political subdivision thereof within the meaning of any provisions of the Constitution or statutes of the State of Illinois or a pledge of the faith and credit of the Authority or of the State of Illinois or any political subdivision thereof, or grant to the owners thereof any right to have the Authority or the General Assembly of the State of Illinois levy any taxes or appropriate any funds for the payment of the principal thereof or interest thereon, with the exception of certain debt identified below in Section I (a), Section I (b), and Section I (c), and is subject to the Authority's \$28,150,000,000 total bond limitation [20 ILCS 3501/845-5(a)]:

**Section I**

	June 30, 2019	October 31, 2019	Total Program Limitations	Total Remaining Capacity	
<b>Illinois Finance Authority "IFA"</b>					
Agriculture <sup>[b]</sup>	\$ 53,266,941	\$ 53,723,221			
Education	4,679,948,609	4,694,935,308			
Healthcare	14,180,988,971	14,123,552,187			
Industrial Development [includes Recovery Zone/Midwestern Disaster]	807,109,575	798,789,966			
Local Government	1,581,555,000	1,548,015,000			
Multifamily/Senior/Not-for Profit Housing	275,223,392	274,807,828			
501(c)(3) Not-for Profits	1,517,487,613	1,503,571,738			
Exempt Facilities Bonds	203,500,000	203,500,000			
Student Housing	260,400,000	257,830,000			
<b>Total IFA Principal Outstanding</b>	<b>23,559,480,101</b>	<b>23,458,725,248</b>			
<b>Illinois Development Finance Authority "IDFA"</b>					
Education		-			
Healthcare	61,400,000	61,400,000			
Industrial Development	63,514,196	62,814,196			
Local Government	70,385,868	70,385,868			
Multifamily/Senior/Not-for Profit Housing	40,104,538	40,021,937			
501(c)(3) Not-for Profits	343,257,316	335,860,045			
Exempt Facilities Bonds	-	-			
<b>Total IDFA Principal Outstanding</b>	<b>578,661,918</b>	<b>570,482,046</b>			
<b>Illinois Rural Bond Bank "IRBB"</b>	-	-			
<b>Illinois Health Facilities Authority "IHFA"</b>	<b>98,790,000</b>	<b>94,635,000</b>			
<b>Illinois Educational Facilities Authority "IEFA"</b>	<b>432,507,000</b>	<b>418,265,000</b>			
<b>Illinois Farm Development Authority "IFDA" <sup>[b]</sup></b>	<b>8,168,707</b>	<b>8,168,707</b>			
<b>Total Illinois Finance Authority Bonded Indebtedness <sup>[c]</sup></b>	<b>\$ 24,677,607,726</b>	<b>\$ 24,550,276,001</b>	<b>\$ 28,150,000,000 <sup>[d]</sup></b>	<b>\$ 3,599,723,999</b>	
<b>State Component Unit Bonds <sup>[e]</sup></b>					
IEPA Clean Water Initiative <sup>[f]</sup>	\$ 1,479,430,000	\$ 1,445,210,000			
Northern Illinois University Foundation, Series 2013	770,422	770,422			
<b>Total State Component Unit Bonds</b>	<b>\$ 1,480,200,422</b>	<b>\$ 1,445,980,422</b>			
Subject to \$28.150 billion total bond limitation under Section 845-5(a), certain debt issued under the Illinois Finance Authority Act is further bound by the following categorical limitation [20 ILCS 3501/801-40(w)]:					
<b>Section I (a)</b>	<b>Principal Outstanding</b>		<b>Program Limitations</b>	<b>Categorical Remaining Capacity</b>	
	<b>June 30, 2019</b>	<b>October 31, 2019</b>			
<b>General Purpose Moral Obligation Bonds</b>					
<b>Total General Moral Obligation Bonds</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 150,000,000</b>	<b>\$ 150,000,000</b>	
Subject to \$28.150 billion total bond limitation under Section 845-5(a), certain debt issued under the Illinois Finance Authority Act is further bound by the following categorical limitation [20 ILCS 3501/825-60]:					
<b>Section I (b)</b>	<b>Principal Outstanding</b>		<b>Program Limitations</b>	<b>Categorical Remaining Capacity</b>	
	<b>June 30, 2019</b>	<b>October 31, 2019</b>			
<b>Financially Distressed Cities Moral Obligation Bonds</b>					
<b>Total Financially Distressed Cities Bonds</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 50,000,000</b>	<b>\$ 50,000,000</b>	
Subject to \$28.150 billion total bond limitation under Section 845-5(a), certain debt issued under the Illinois Finance Authority Act is further bound by the following categorical limitation [20 ILCS 3501/830-25]:					
<b>Section I (c)</b>	<b>Principal Outstanding</b>		<b>Program Limitations</b>	<b>Categorical Remaining Capacity</b>	<b>Illinois Exposure</b>
	<b>June 30, 2019</b>	<b>October 31, 2019</b>			
<b>Agri-Debt Guarantees [Restructuring Existing Debt]</b>					
<b>Total Agri-Debt Guarantees - Fund # 994</b>					
<b>Fund Balance \$10,573,291</b>	* <b>\$ 3,354,831</b>	<b>\$ 3,335,411</b>	<b>\$ 160,000,000</b>	<b>\$ 156,664,589</b>	<b>\$ 2,835,099</b>
<b>Agri-Loan Guarantee Program</b>					
Agri Industry Loan Guarantee Program	-	-			-
Farm Purchase Guarantee Program	825,743	825,743			701,882
Specialized Livestock Guarantee Program	1,068,066	1,068,066			907,856
Young Farmer Loan Guarantee Program	195,270	195,270			165,980
<b>Total Agri-Loan Guarantees - Fund # 205</b>					
<b>Fund Balance \$8,291,580</b>	* <b>2,089,079</b>	<b>2,089,079</b>	<b>225,000,000</b>	<b>222,910,921</b>	<b>1,775,718</b>
<b>Total AG State Guarantees</b>	<b>\$ 5,443,910</b>	<b>\$ 5,424,490</b>	<b>\$ 385,000,000</b>	<b>\$ 379,575,510</b>	<b>\$ 4,610,817</b>

**ILLINOIS FINANCE AUTHORITY**  
Schedule of Debt <sup>[a]</sup>

Locally held funds advanced under the Illinois Finance Authority Act [20 ILCS 3501/801-40]:

**Section II**

	Original Amount	Principal Outstanding	
		June 30, 2019	October 31, 2019
<b>Participation Loans</b>			
Business & Industry	\$ 23,020,158	\$ 679,501	\$ 655,056
Agriculture	6,079,859		
<b>Participation Loans Excluding Defaults &amp; Allowances</b>	<b>29,100,017</b>	<b>679,501</b>	<b>655,056</b>
<b>Plus: Legacy IDFA Loans in Default</b>		<b>3,170</b>	<b>3,170</b>
<b>Less: Allowance for Doubtful Accounts</b>		<b>5,165</b>	<b>19,270</b>
<b>Total Participation Loans</b>		<b>677,506</b>	<b>638,956</b>
<b>Local Government Direct Loans</b>	<b>1,289,750</b>	<b>1,064,894</b>	<b>944,735</b>
<b>Rural Bond Bank Local Government Notes Receivable**</b>		<b>8,305,837</b>	<b>8,305,837</b> *
<b>FmHA Loans</b>	<b>963,250</b>	<b>125,515</b>	<b>118,718</b>
<b>Deferred Action for Childhood Arrivals (DACA)</b>	<b>2,339,686</b>	<b>2,709,754</b>	<b>2,709,754</b>
<b>Total Loans Outstanding</b>	<b>\$ 32,729,453</b>	<b>\$ 12,883,506</b>	<b>\$ 12,718,000</b>

\*\* IRBB Bonds were defeased and converted into a portfolio of notes receivable with the Authority.

Office of the State Fire Marshal revolving loan funds administered under the Illinois Finance Authority Act [20 ILCS 3501/825-80 and 825-85]:

**Section III**

		Principal Outstanding		Cash and Investment Balance
		June 30, 2019	October 31, 2019	
<b>Fire Truck, Fire Station, and Ambulance Revolving Loans</b>				
Fire Truck Revolving Loan Program**	<b>Fund # 572</b>	\$ 16,189,730	\$ 18,548,350	\$ 4,661,595 *
Ambulance Revolving Loan Program**	<b>Fund # 334</b>	1,109,320.00	2,532,991	1,676,149 *
<b>Total Revolving Loans</b>		<b>\$ 17,299,050</b>	<b>\$ 21,081,341</b>	<b>\$ 6,337,744</b>

\*\* Due to deposits in transit, the Fund Balance at the Comptroller's Office may differ from the Authority General Ledger. In May 2014, Office of Fire Marshal transferred the Fund Balance to an Authority locally held fund.

Bonds issued under the Illinois Finance Authority Act [20 ILCS 3501/825-65(d)] but not subject to \$28.150 billion total bond limitation under Section 845-5(a):

**Section IV**

	Principal Outstanding		Program Limitations	Remaining Capacity
	June 30, 2019	October 31, 2019		
<b>Clean Coal, Coal, Energy Efficiency, PACE, and Renewable Energy Project Financing</b>				
<b>Property Assessed Clean Energy (PACE) Bonds</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,000,000,000</b>	<b>\$ 3,000,000,000</b>
			<b>\$ 2,000,000,000</b> [g]	<b>\$ 2,000,000,000</b>

Bonds issued under the Illinois Power Agency Act [20 ILCS 3855/1-20(a)(3)]:

**Section V**

	Principal Outstanding		Program Limitations	Remaining Capacity
	June 30, 2019	October 31, 2019		
<b>Illinois Power Agency Bonds</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 4,000,000,000</b>	<b>\$ 4,000,000,000</b>

Bonds issued under the Illinois Environmental Facilities Financing Act [20 ILCS 3515/9]:

**Section VI**

	Principal Outstanding		Program Limitations	Remaining Capacity
	June 30, 2019	October 31, 2019		
<b>Standard Environmental Facilities Bonds</b>				
Issued through IFA	\$ 54,675,000	\$ 104,675,000		
Issued through IDFA	47,505,000	47,505,000		
<b>Total Standard Environmental Facilities Bonds</b>	<b>102,180,000.00</b>	<b>152,180,000.00</b>	<b>\$ 2,425,000,000</b>	<b>\$ 2,272,820,000</b>
<b>Small Business Environmental Facilities Bonds</b>				
Issued through IFA	-	-		
<b>Total Small Business Environmental Facilities Bonds</b>	<b>-</b>	<b>-</b>	<b>75,000,000</b>	<b>75,000,000</b>
<b>Total Environmental Facilities Bonds</b>	<b>\$ 102,180,000</b>	<b>\$ 152,180,000</b>	<b>\$ 2,500,000,000</b>	<b>\$ 2,347,820,000</b>

Bonds issued under the Higher Education Loan Act [110 ILCS 945/10(b)]:

**Section VI**

	Principal Outstanding		Program Limitations	Remaining Capacity
	June 30, 2019	October 31, 2019		
<b>Student Loan Program Bonds</b>				
Midwestern University Foundation	\$ 15,000,000	\$ 23,545,000		
<b>Total Student Loan Program Bonds</b>	<b>\$ 15,000,000</b>	<b>\$ 23,545,000</b>	<b>\$ 200,000,000</b>	<b>\$ 176,455,000</b>

\* Balances as of 6/30/2019 are estimated and subject to change.

[a] Preliminary, draft and unaudited; total subject to change; late month payment data may not be included at issuance of report.

[b] Payments in connection with outstanding Beginner Farmer Bonds are only updated annually; amounts inclusive of outstanding Agri-Det Guarantees and Agri-Loan Guarantees

[c] Inclusive of State Component Unit Bonds.

[d] Pursuant to P.A. 98-90 effective 07/15/2013, after giving effect to the financing or refinancing of an out-of-state project, the Authority shall have the ability to issue at least an additional \$1 billion of bonds under Section

[e] Pursuant to GASB Interpretation No. 2, revenue bonds issued for the benefit of other State agencies and component units of the State of Illinois.

[f] Does not include unamortized issuance premium as reported in the Authority's audited financials.

[g] Pursuant to P.A. 100-919 effective 01/01/2019, up to \$2 billion may be issued to finance Energy Efficiency Projects, Renewable Energy Projects, and PACE Projects from the available \$3 billion bonding authorization.

**ILLINOIS FINANCE AUTHORITY  
PROCUREMENT REPORT OF ACTIVITY SINCE PRIOR BOARD REPORT**

**BOARD MEETING  
November 12, 2019**

<b>CONTRACTS/AMENDMENTS EXECUTED</b>					
<b>Procurement Type</b>	<b>Vendor</b>	<b>Initial Term</b>	<b>Estimated Not to Exceed Value</b>	<b>Action/Proposed Method of Procurement</b>	<b>Products/Services Provided</b>
<b>Illinois Procurement Code-Small Purchases</b>	GoDaddy 2019) SSL Cert	10/23/19-10/22//20	\$349.90	Executed	*.il-fa.com
	Wellspring Software, Inc.	10/30/19-10/29/20	\$193.04	Executed	Annual support for software to print checks
	Malelo Data Storage	9/15/19	\$997.00	Executed	HP Data Tapes and Labels
	Miller Hall & Triggs, LLC	11/05/19	\$20,000	Small Purchase in process	Legal advice related to Ag Guaranty
<b>Illinois Procurement Master Contracts</b>	Logsdon Stationers, Inc.	11/01/19-10/31/2022	\$16,000	Continue with State Master	Office Supplies Master
	Midwest Moving & Storage	11//01/19-06/30/2020	\$1,584	Continue with State Master	Storage
<b>Illinois Procurement Code Renewals</b>	Bloomberg Finance L.P. <b>AnyWhere</b> Services	08/01/19-12/31/20	\$33,490	Executed	1 Shared License for 1 Users
	Bloomberg Finance L.P. <b>Terminal</b> Services	10/09/19-10/08/21	\$47,280	Execution in process, Renewal document with vendor	1 Shared License for 6 Users

<b>EXPIRING CONTRACTS</b>					
<b>Procurement Type</b>	<b>Vendor</b>	<b>Expiration Date</b>	<b>Estimated Not to Exceed Value</b>	<b>Action/Proposed Method of Procurement</b>	<b>Products/Services Provided</b>
<b>Illinois Procurement Code Small Purchases</b>	Network Solutions	12/20/19	\$119.97	Renew-(3 yr. term)	idfa.com domain
	United Parcel Service	11/21/19	\$4,000	Continue with State Master	Package Delivery Services

**ILLINOIS FINANCE AUTHORITY  
PROCUREMENT REPORT OF ACTIVITY SINCE PRIOR BOARD REPORT**

**BOARD MEETING  
November 12, 2019**

<b>EXPIRING CONTRACTS</b>					
<b>Procurement Type</b>	<b>Vendor</b>	<b>Expiration Date</b>	<b>Estimated Not to Exceed Value</b>	<b>Action/Proposed Method of Procurement</b>	<b>Products/Services Provided</b>
<b><i>Illinois Procurement Code-Contracts</i></b>	Acacia Financial Group, Inc.	12/31/19	\$132,000	Amendment to extend current contract in process	Financial Advisory Services
	Sycamore Advisors, LLC	12/31/19	\$132,000	Amendment to extend current contract in process	Financial Advisory Services
	Amalgamated Bank of Chicago	01/31/20	TBD	New procurement in process	Bank Custodian Services
	Catalyst Consulting	03/31/20	\$192,000	Renewal in process-(2 yr. term)	IT Consulting Services

<b>EXPIRING CONTRACTS-OTHER</b>					
<b>Procurement Type</b>	<b>Vendor</b>	<b>Expiration Date</b>	<b>Estimated Not to Exceed Value</b>	<b>Action/Proposed Method of Procurement</b>	<b>Products/Services Provided</b>
<b><i>Credit Card</i></b>	Bank of America-Credit Card	06/30/20	\$300,000	Continue	Credit Card
	Bank of America-Depository	06/30/20	\$400,000	Continue	Bank of America Operating Account
<b><i>Inter-Governmental Agreement</i></b>	University of Illinois	12/20/19	\$5,000	TBD	Government Research Center

Date: November 12, 2019

Subject: ***Minutes of the October 8, 2019 Regular Meeting***

To:	Eric Anderberg, Chairman	George Obernagel
	James J. Fuentes	Terrence M. O'Brien
	Michael W. Goetz	Roger Poole
	William Hobert	Beth Smoots
	Mayor Arlene A. Juracek	Randal Wexler
	Lerry Knox	Jeffrey Wright
	Lyle McCoy	Bradley A. Zeller
	Roxanne Nava	

Dear Members of the Authority:

Please find enclosed the Report of Proceedings prepared by Sullivan Reporting Co. (the “**Minutes**”) in connection with the regular meeting of the Members of the Illinois Finance Authority (the “**Authority**”), begun and held at the Michael A. Bilandic Building, 160 North LaSalle Street, Suite S-1000, Chicago, Illinois 60601, on the second Tuesday of October in the year 2019, pursuant to the provisions of Section 801-25 and Section 801-30 of the Illinois Finance Authority Act, 20 ILCS 3501/801-1 et seq. of the State of Illinois (the “**Act**”).

To aid in your review of the Minutes, please reference the following pages and line numbers for corresponding sections of the respective meeting’s agenda:

ILLINOIS FINANCE AUTHORITY  
REGULAR MEETING  
Tuesday, October 9, 2019  
9:30 AM

AGENDA:

- I. Call to Order & Roll Call  
(page 3, line 1 through page 5, line 1)
- II. Approval of Agenda  
(page 5, lines 2 through 16)
- III. Public Comment  
(page 5, lines 17 through 20)
- IV. Chairman’s Remarks  
(page 5, line 21 through page 9, line 17)
- V. Message from the Executive Director  
(page 9, lines 18 through 20)
- VI. Committee Reports  
(page 9, line 21 through page 10, line 12)
- VII. Presentation and Consideration of New Business Items  
(page 10, line 13 through page 49, line 24)

- VIII. Presentation and Consideration of Financial Reports  
*(page 50, line 1 through page 53, line 5)*
- IX. Monthly Procurement Report  
*(page 53, lines 6 through 24)*
- X. Correction and Approval of Minutes  
*(page 54, lines 1 through 16)*
- XI. Other Business  
*(page 54, line 17 through page 55, line 4)*
- XII. Closed Session  
*(page 55, line 5 through page 59, line 1)*
- XIII. Adjournment  
*(page 59, lines 2 through 18)*

The Minutes of the regular meeting of the Authority are further supplemented by a summary of the respective meeting's voting record prepared by Authority staff (the "**Voting Record**"), which is also enclosed.

Please contact an Assistant Secretary to report any substantive edits to the enclosures.

Respectfully submitted,

/s/ Elizabeth Weber  
General Counsel

- Enclosures:
- 1. Minutes of the October 8, 2019 Regular Meeting
  - 2. Voting Record of the October 8, 2019 Regular Meeting

1	ILLINOIS FINANCE AUTHORITY	1	ILLINOIS FINANCE AUTHORITY STAFF MEMBERS
2	REGULAR MEETING OF THE MEMBERS	2	MR. CHRISTOPHER B. MEISTER, Executive Director
3	October 8, 2019, at 9:30 a.m.	3	MR. BRAD FLETCHER, Vice President
4		4	MR. RICH FRAMPTON, Vice President
5		5	MR. RYAN OECHSLER, IFA Deputy General Counsel
6	REPORT OF PROCEEDINGS had at the Regular	6	MR. CRAIG HOLLOWAY, Procurement
7	Meeting of the Illinois Finance Authority on	7	Ms. XIMENA GRANDA, Controller
8	October 8, 2019, at the hour of 9:30 a.m. pursuant to	8	MS. ELIZABETH WEBER, General Counsel and Legal
9	notice, at 160 North LaSalle Street, Suite S-1000,	9	Advisor to the Board
10	Chicago, Illinois.	10	
11	APPEARANCES:	11	
12	CHAIRMAN ERIC ANDERBERG	12	
13	MR. E. LYLE MCCOY	13	
14	MR. JAMES J. FUENTES	14	
15	MR. MIKE GOETZ	15	
16	MR. TERENCE O'BRIEN	16	
17	MS. ROXANNE NAVA	17	
18	MR. WILLIAM HOBERT	18	
19	MR. RANDAL WEXLER	19	
20	MR. GEORGE OBERNAGEL	20	
21	MS. ARLENE JURACEK	21	
22		22	
23		23	
24		24	



1 CHAIR ANDERBERG: Okay. Good morning,  
2 everybody. I would like to call the meeting to  
3 order. Will the Assistant Secretary please call the  
4 roll.  
5 FLETCHER: Certainly. The time is  
6 9:31 a.m.  
7 Call the roll of members physically  
8 present.  
9 Mr. Goetz.  
10 GOETZ: Here.  
11 FLETCHER: Mr. Fuentes.  
12 FUENTES: Here.  
13 FLETCHER: Mr. Hobert.  
14 HOBERT: Here.  
15 FLETCHER: Ms. Juracek.  
16 JURACEK: Here.  
17 FLETCHER: Mr. McCoy.  
18 MCCOY: Here.  
19 FLETCHER: Ms. Nava.  
20 NAVA: Here.  
21 FLETCHER: Mr. Obernagel.  
22 OBERNAGEL: Here.  
23 FLETCHER: Mr. O'Brien.  
24 O'BRIEN: Here.

1 FLETCHER: Mr. Wexler.  
2 WEXLER: Here.  
3 FLETCHER: Mr. Chairman.  
4 CHAIR ANDERBERG: Here.  
5 FLETCHER: Mr. Chairman, a quorum of  
6 members physically present in the room has been  
7 constituted.  
8 At this time I would like to ask if any  
9 members would like to attend by audio conference.  
10 POOLE: Yes. This is Roger Poole. I'm  
11 requesting to attend via audio conference for employment  
12 reasons.  
13 CHAIR ANDERBERG: Very good. Is there a  
14 motion to approve this request pursuant to the bylaws and  
15 policies of the Authority?  
16 FUENTES: So moved.  
17 GOETZ: Second.  
18 CHAIR ANDERBERG: We have a motion and a  
19 second. All those in favor?  
20 (Chorus of ayes.)  
21 CHAIR ANDERBERG: Opposed?  
22 (No response.)  
23 CHAIR ANDERBERG: The ayes have it.  
24 FLETCHER: Mr. Chairman, Member Poole has

1 been added to the initial quorum rollcall.

2 CHAIR ANDERBERG: Thank you. Does anyone

3 wish to make any additions, edits or corrections to

4 today's agenda?

5 (No response.)

6 Hearing none, I would like to request a

7 motion to approve the agenda. Is there such a

8 motion?

9 O'BRIEN: So moved.

10 GOETZ: Second.

11 CHAIR ANDERBERG: We have a motion and a

12 second. All those in favor?

13 (Chorus of ayes.)

14 CHAIR ANDERBERG: Opposed?

15 (No response.)

16 CHAIR ANDERBERG: The ayes have it.

17 Is there any public comment for the members

18 this morning?

19 (No response.)

20 CHAIR ANDERBERG: Okay.

21 We have a big book here this morning. I do

22 have some written remarks.

23 I would like to welcome everyone. We do

24 have a full agenda and a thick Board book, something

1 that as Chair I'm very pleased to see.

2 In particular I want to welcome two

3 longtime borrowers of the Authority back. Waste

4 Management was last before the Authority in 2007, and

5 American Water was last before the Authority in 2010.

6 To both these borrowers and to the other

7 borrowers on our agenda, Columbia College, Maine

8 Township High School and the amendments to existing

9 bond issues, JH Naperville Hotel, Lincoln Park Zoo,

10 Quad County Urban League and Covenant Retirement

11 Communities, we deeply appreciate your confidence in

12 the Authority.

13 Without you, we cannot fulfill our

14 statutory public mission to promote a vigorous

15 Illinois economy, reduce the cost of debt to

16 taxpayers and generally improve the quality of life

17 for the people of our state.

18 Item 15 is a memorandum to the Board. It

19 merits special attention. With a large agenda, I do

20 not want it to get lost in the volume of significant

21 matters this month, but back in late 2017, we were

22 all shocked and surprised that our primary tool of

23 federally tax exempt conduit bonds were seriously at

24 risk with the federal tax legislation.

1 After conduit bonds escaped termination mid  
2 December 2017, we started thinking how can we  
3 diversify and still meet our statutory mission.  
4 Never again did we want to risk the Authority's  
5 future on a single tool.

6 The result is a transformation initiative  
7 that we started. The heart of the transformation  
8 initiative is a growth and impact strategy for the  
9 Authority, and Item 15 highlights both an opportunity  
10 and a record of accomplishment for the Authority.

11 One of the policy objectives in our statute  
12 is to reduce the cost of indebtedness to state  
13 taxpayers and to encourage continued investor  
14 interest in Illinois issued bonds as sound and  
15 preferred securities. This is one of the  
16 cornerstones of the transformation initiative.

17 All of us call Illinois our home, and we  
18 all want our state's financial situation to improve.  
19 All of us will benefit.

20 In the past the Authority has shown that  
21 whether we are asked to help or whether at our own  
22 initiative on legacy issues, we work to avoid  
23 negative consequences to the taxpayers, we do so  
24 successfully.

1 So as Governor Pritzker and his team work  
2 through our state's well-known financial challenges,  
3 if the Authority is asked to play a constructive and  
4 responsible role to further our state's financial  
5 recovery, I ask the support of you, my colleagues on  
6 the Board, and that we and the Authority, staff, will  
7 be ready to assist successfully and responsibly as we  
8 and our predecessors have done.

9 Finally, it's kind of a bittersweet thing  
10 here. Mr. Ryan Oechsler, would you please stand up.  
11 Ryan, on behalf of my colleagues on the  
12 Board, the entire organization and myself personally,  
13 I'd like to thank you for all of your work to advance  
14 and improve the Authority in order for us to more  
15 effectively fulfill our statutory public mission.

16 You came to us courtesy of the University  
17 of Michigan College of Law Fellowship Program.

18 Ryan, by your diligence and commitment we  
19 had the opportunity to hire you as associate general  
20 counsel, and you earned the promotion to deputy  
21 general counsel and assistant board secretary.

22 Your good humor, positive outlook and  
23 willingness to eagerly tackle any task have made you  
24 a valued member of our team. We are grateful for

1 your service.

2 On a final note, Ryan, we understand that

3 you are a new father, so congratulations to you and

4 your wife on your son.

5 We understand you will be the joining the

6 private practice of law with an excellent firm, and

7 you have a fine mentor in the back of the room.

8 We wish you every success in the world both

9 professionally and personally. Thank you again,

10 Ryan. Thank you.

11 (Applause.)

12 ORCHSLER: I'll just say this is a

13 wonderful team, and I'm very grateful to have had a

14 chance to work with and learn from the people here.

15 They go great work for the people of Illinois. So

16 thank you.

17 CHAIR ANDERBERG: Chris.

18 MEISTER: My remarks are in the board book.

19 I have nothing to add to your remarks, Mr. Chairman.

20 Thank you.

21 CHAIR ANDERBERG: Thank you. Committee

22 reports. Member McCoy.

23 MCCOY: Thank you, Mr. Chairman. The

24 Conduit Financing Committee met earlier this morning

1 and voted unanimously to recommend for approval the

2 following new business items on today's agenda,

3 No. 1, Waste Management Inc.; No. 2, American Water

4 Capital Corp; 3, Columbia College, Chicago.

5 We had one beginning farmer bond. We had

6 the Township High School District 207, Cook County.

7 We had a resolution for JH Naperville Hotel; a

8 resolution for the Lincoln Park Zoological Society,

9 resolution for Quad County Urban League, Inc., and a

10 resolution for Covenant Living Communities and

11 Services, formerly known as Covenant Retirement

12 Community, Inc.

13 CHAIR ANDERBERG: Thank you, Lyle. I'd

14 like to ask for general consent of the members to

15 consider new business Items 1, 2, 3, 4, 5, 6, 7, 8, 9

16 and 10 collectively and have the subsequent recorded

17 vote applied to each respective individual item

18 unless there are any new business items that a member

19 would like to consider separately.

20 Are there any?

21 (No response.)

22 CHAIR ANDERBERG: Thank you.

23 Mr. Myart.

24 MYART: Thank you, Mr. Chairman.

1 At this time I would like to note each  
2 conduit new business item presented on today's agenda  
3 including Items 1, 2, 3, 4 and 5, the Members are  
4 considering approval only of the resolution and the  
5 not-to-exceed amount contained therein.

6 Item No. 1: Waste Management Inc. Item  
7 No. 1 is a solid waste disposal revenue bond request.  
8 Staff requests approval of the one-time final bond  
9 resolution for Waste Management, Inc. in an amount  
10 not to exceed \$65,375,000.

11 Series 2019 bond proceeds will be used to  
12 finance various improvements to its solid waste  
13 disposal facilities including various capital  
14 expenditures at existing landfill facilities and to  
15 finance the acquisition of recycling equipment at the  
16 locations described on Pages 1 and 8 of the project  
17 report, in tab 1 of the Board book. Proceeds may also be  
18 used to pay all or a portion of the costs of issuance  
19 of the bonds.

20 The bonds will be initially sold and  
21 re-marketed based on Waste Management, Inc.'s S&P  
22 long-term and short-term debt ratings. S&P currently  
23 assigns Waste Management a long-term debt rating of  
24 A- and a short-term rating of A-2.

1 Waste Management will be requesting a new  
2 ratings letter in connection with the IFA Series 2019  
3 bonds. The bond resolution authorizes the issuance  
4 of the bonds in one or more series. The initial  
5 interest rates and terms will be determined at  
6 pricing based on the evaluation of the market  
7 conditions upon issuance.

8 The Authority will use \$50 million of prior  
9 year carryforward bond volume cap set aside for solid  
10 waste disposal revenue bond projects in connection  
11 with the issuance of the Series 2019 bonds. As a  
12 result, issuance of the Waste Management, Inc. Series  
13 2019 bonds will not require any 2019 volume cap.  
14 IFA has \$10 million of 2019 bond volume cap  
15 reserved for beginning farmer bonds, and \$110 million  
16 in 2019 volume cap reserve for industrial revenue  
17 bonds.

18 Waste Management, Inc. and other solid  
19 waste disposal companies, including Republic Services  
20 and Groot Industries, have been long-time conduit  
21 borrowers at IFA and its predecessors going back to  
22 the late 1970s.

23 From 1985 to 2007 IFA and IDFA closed seven  
24 bonds issued with Waste Management totaling over

1 \$327 million.

2 FRAMPTON: Thank you, Charles.

3 I'm Rich Frampton, and I just want to give

4 a quick shout out to Waste Management. They're

5 represented this morning by John Emerson of Bank of

6 America Securities, as well as Mr. Dale Hoekstra, who

7 is the area director of disposal operations with

8 Waste Management.

9 Just wanted to say good morning and welcome

10 them back to the Authority.

11 EMERSON: Thank you.

12 HOEKSTRA: Thank you.

13 CHAIR ANDERBERG: Okay.

14 MEISTER: Rich, do we have bond counsel

15 too?

16 FRAMPTON: Additionally, Jennifer Mendonça,

17 who is bond counsel with Locke Lord, is also here

18 today.

19 So we appreciate the Waste Management team

20 returning and look forward to working with them on an

21 ongoing basis again in the future.

22 MYART: Does any member have any questions

23 or comments? None heard.

24 Item 2, American Water Capital Corp.

1 Item 2 is a conduit water facilities revenue

2 refunding bond request. Staff requests approval of a

3 one-time final bond resolution for American Water

4 Capital Corp in an amount not-to-exceed \$28,500,000.

5 Bond proceeds will be used to refund all of

6 the outstanding Series 2009 bonds previously issued

7 by the Authority on behalf of the borrower for the

8 ultimate benefit of the borrower's Illinois operating

9 company, Illinois American Water Company, Inc.

10 The general sites and locations that

11 benefitted from the 2009 financing are presented on

12 Pages 9 and 10 of the report in tab 2 of the Board

13 book.

14 The borrower will apply for ratings from

15 Moody's and S&P on Series 2019 refunding bonds. The

16 borrower is currently assigned long-term ratings of

17 'Baal' and A from Moody's and S&P respectively and a

18 short-term rating of A-1 from S&P.

19 No volume cap is required for the issuance

20 of refunding bonds. Hence, no current year volume

21 cap or carryforward volume cap would be required in

22 connection with the issuance of the Series 2019

23 refunding bonds.

24 FRAMPTON: Thanks, Charles.

1 Just want to give a quick introduction and  
 2 shout out to Mr. Michael Smyth, who is vice president  
 3 of operations with Illinois American. He's based in  
 4 Woodridge, as well as bond counsel for American Water  
 5 Cap Corp, which is Debbi Boye of Kutak Rock in  
 6 Chicago.

7 Again, we welcome American Water today.  
 8 Look forward to working with them on an ongoing basis  
 9 again going forward.  
 10 Thank you.

11 MYART: Does any member have any questions  
 12 or comments?  
 13 (No response.)

14 Item 3, Columbia College Chicago. Item 3  
 15 is a 501(c)(3) bond resolution. Staff requests  
 16 approval of a one-time final bond resolution for  
 17 Columbia College Chicago in an amount not-to-exceed  
 18 \$23 million.

19 According to the bond resolution, bond  
 20 proceeds will be used to finance, refinance or  
 21 reimburse the borrower for all or a portion of the  
 22 cost of the acquisition, construction, renovation,  
 23 improvement and equipping of certain of its  
 24 facilities, including the borrower's new five-story

1 student center located at 754 South Wabash Avenue in  
 2 Chicago.

3 Separately, the college completed  
 4 construction of the new student center without any  
 5 public funds and held a grand opening and ribbon  
 6 cutting ceremony on September 18.

7 Because the bonds will be issued post  
 8 construction, the IFA bonds will essentially provide  
 9 permanent take-out financing on a long-term tax  
 10 exempt basis.

11 The agenda notes that 18 new full-time jobs  
 12 will be created, each associated with tenants at the  
 13 student center.

14 Because construction has been completed, no  
 15 construction jobs are directly attributed to IFA's  
 16 financing.

17 The bonds are expected to be sold in one or  
 18 more series based on the borrower's long-term S&P  
 19 debt rating, currently BBB+. The borrower has  
 20 applied for a long-term rating from S&P in connection  
 21 with the issuance of the series 2019 bonds.

22 FRAMPTON: Thanks, Charles. This is a  
 23 great project that's being undertaken by Columbia.  
 24 They have done a great job of positioning themselves

1 for this project, and in connection with that, I  
2 would just like to give a quick shout out and welcome  
3 to the representatives of Columbia College who are  
4 here this morning, which include Patricia Bergeson,  
5 who is vice president for legal affairs and general  
6 counsel of the college, as well as Matt Jaehrling,  
7 who is the associate VP for business affairs and  
8 controller.

9 Additionally, we have three members of  
10 their financing team, including James McNulty of Blue  
11 Rose Capital Advisors, who is financial advisor to  
12 Columbia; Chris Walrath from Chapman and Cutler, as  
13 well as Clarence Bourne with Loop Capital Markets who  
14 is underwriting this bond issue.

15 Again, we are very excited about this  
16 project, great project for the college.

17 MYART: Does any member have any questions  
18 or comments?

19 (No response.)

20 GOETZ: Just on behalf of the Board, I  
21 would like to thank these three borrowers for using the  
22 Illinois Finance Authority.

23 You are our bread and butter, and we  
24 couldn't be doing this work without you, so we just

1 really appreciate them trusting in the Authority.  
2 MYART: Thank you.

3 Item 4, Dane J. and Jennifer L.  
4 Milleville. Item 4 is a one-time final bond  
5 resolution requesting approval for a beginning farmer  
6 bond for Dane J. and Jennifer L. Milleville who are  
7 purchasing 70 acres of farmland located in Effingham  
8 County in the not-to-exceed amount of \$215,000.

9 First Mid Bank and Trust is the purchasing  
10 bank for this conduit transaction.

11 Does any member have any questions or  
12 comments?

13 (No response.)

14 MYART: Item 5, Township High School  
15 District 207, Cook County. Item 5 is a local  
16 government revenue bond request. Staff requests  
17 approval for a one-time final bond resolution for  
18 Township High School District 207, Cook County, in an  
19 amount not-to-exceed \$89 million.

20 Series 2019 bond proceeds will be used to  
21 purchase general obligation school bonds issued by  
22 the district to improve the sites of, build and equip  
23 additions to and alter, repair and equip existing  
24 buildings, including without limitation constructing



1 security improvements, increasing accessibility to  
2 comply with the Americans with Disabilities Act,  
3 replacing electrical, plumbing and mechanical systems,  
4 renovating classrooms and labs, improving the  
5 library media center, renovating special education  
6 spaces and pay costs of issuance of the Series 2019  
7 bonds and the general obligation school bonds.  
8 Issuance of the Series 2019 bonds will  
9 constitute the second bond issue in a series of  
10 financings contemplated in connection with the  
11 district's \$240.7 million facility improvement  
12 project.  
13 The Series 2019 bonds will be competitively  
14 bid by the district's financial advisor, PMA  
15 Securities, LLC, and sold on the district's current  
16 long-term debt rating of Aal from Moody's.  
17 Does any member have any questions or  
18 comments?  
19 (No response.)  
20 MYART: Item No. 6, resolution for the JH  
21 Naperville Hotel project.  
22 Item 6 is a resolution relating to Series  
23 2010 bonds previously issued by the Authority on  
24 behalf of JH Naperville Hotel, LLC. This resolution

1 authorizes the execution and delivery of an amended  
2 and restated bond trust indenture, an amended and  
3 restated loan agreement and related documents to  
4 effectuate the purchase of the Series 2010 bonds.  
5 The Series 2010 bonds were originally  
6 privately placed with 191 II Naperville Hotel Bond,  
7 LLC. These amendments will enable the bonds to be  
8 purchased by Bell Bank, First National Bank of  
9 Hutchison and Sunflower Public Finance, LLC, a wholly  
10 owned subsidiary of Sunflower Bank, National  
11 Association, and will enable the borrower to reset  
12 the interest rate and modify the amortization  
13 schedule.  
14 Bond counsel has determined that a new  
15 TEFRA hearing is not required.  
16 Does any member have any questions?  
17 O'BRIEN: I have a question. Why don't  
18 they include the financial operating statements for  
19 this project?  
20 FLETCHER: We treated this as an amendment,  
21 a re-issuance, simply because it's not a new project.  
22 Simply the initial term expired with the  
23 initial investor, and now there's a new purchaser for  
24 a new initial term, so we are just treating this as

1 an amendment.

2 O'BRIEN: I realize how you are treating  
3 it, but it would seem to be in the future I'd like to  
4 see the operating statement for things like this just  
5 to see how they're doing now as opposed to when the  
6 initial obligation was authorized.

7 MEISTER: Absolutely. We will do that in  
8 the future, Member O'Brien. I think -- again, it's  
9 worth expanding, because the Members have  
10 confidential sections of their Board books that  
11 generally are prepared by staff that really provide  
12 after a staff diligence review of an -- it's a litmus  
13 test of reasonableness for the Board members to  
14 provide the Board members with assurance that these  
15 projects are going to perform.

16 It's important to underscore that this is  
17 not underwriting, and it is not a credit evaluation,  
18 but it is a review for reasonableness, and it's been  
19 our practice, especially for the newer Board members,  
20 to have either staff prepare or work closely with the  
21 borrower to prepare or to provide third-party --  
22 information related to third-party providers like  
23 rating agencies.

24 So because this is actually a re-issuance

1 for tax purposes, yet without a TEFRA, in  
2 the future we will do so.

3 O'BRIEN: Were you provided this  
4 information, though?

5 FLETCHER: We were not. I'll point out  
6 that because we do treat these as amendments of  
7 existing bank deals where there's a sole bondholder,  
8 we do provide a significantly reduced discounted fee,  
9 which is why the paperwork is a little lighter than  
10 you would see for a new construction project, if you  
11 will.

12 O'BRIEN: Thank you.

13 MYART: Item 7, resolution for the Lincoln  
14 Park Zoological Society.

15 Item 7 is a resolution relating to the  
16 Series 2017A Bond and Series 2017B Bond previously  
17 issued by the Authority on behalf of the Lincoln Park  
18 Zoological Society.

19 This resolution authorizes the execution  
20 and delivery of a first amendment to bond and loan  
21 agreement and approving related documents to  
22 effectuate a change in the interest rate formula for the  
23 Series 2017A bond and Series 2017B bond.

24 Approval of this resolution will provide

1 consent to changes agreed to by the borrower,  
2 Northern Trust Company, purchaser of the Series 2017A  
3 bond, and PNC Bank, NA, purchaser of the Series 2017  
4 bond.  
5 The borrower and each bank desire to  
6 decrease the effective interest rate borne on the  
7 bonds by approximately 60 basis points and to extend  
8 the initial term approximately 22 months to  
9 November 1, 2024.  
10 The bond counsel has determined that a new  
11 TEFRA hearing is not required.  
12 Does any member have any questions or  
13 comments?  
14 O'BRIEN: I make the same observation as I  
15 did on the previous one.  
16 MEISTER: Thank you. We will work to do so  
17 in the future.  
18 O'BRIEN: Thank you.  
19 MYART: Item 8, resolution for Quad County  
20 Urban League, Inc.  
21 Item 8 is a resolution relating to the  
22 Series 2007 bond previously issued by the Authority  
23 on behalf of Quad County Urban League, Inc. This  
24 resolution authorizes the execution and delivery of

1 an amended and restated indenture of trust and related  
2 documents to effectuate the reduction of principal  
3 outstanding on the Series 2007 bonds and reset the  
4 interest rate.  
5 Adoption of this resolution will enable the  
6 borrower to reduce its outstanding indebtedness while  
7 resetting the interest rate and amending the  
8 amortization schedule to ensure adequate debt service  
9 coverage for the remaining life of the bond.  
10 Bond counsel has determined that a new  
11 TEFRA hearing is not required.  
12 Does any member have any questions or  
13 comments?  
14 O'BRIEN: Same observation.  
15 MEISTER: And we will again work to do so  
16 in the future.  
17 Rich, do you have -- I know that this was a  
18 particularly complex amendment. Do you have  
19 additional background that might be appropriate to  
20 share with the Board?  
21 FRAMPTON: They have been an SEC reporting  
22 entity, and there are statements and 990s that are  
23 available.  
24 O'BRIEN: So you can get the 990?

1 FRAMPTON: We can share that, Mr. O'Brien.  
2 GOETZ: Terry, that would probably give you  
3 what you need is the 990.  
4 O'BRIEN: Thank you.  
5 MEISTER: Rich, just for the stakeholders  
6 and the record, describe the 990 and who produces it.  
7 FRAMPTON: The Form 990 has been a required  
8 document that 501(c)(3) organizations are required to  
9 file with the Internal Revenue Service.  
10 Among other things, it reports their income  
11 statement, as well as compensation to key officers  
12 and any financial arrangements that they may have  
13 separately with Board members, so it's a  
14 comprehensive tax filing with the IRS, and to a large  
15 extent it is not an audit, but it is a filed  
16 statement required by law.  
17 MEISTER: Is there any lag time on these  
18 statements?  
19 FRAMPTON: There most certainly is. Many  
20 non-profits do not file depending on their status for  
21 at least 180 days after their fiscal year end. For  
22 some it takes longer, but generally for those who are  
23 an SEC reporting entity, 180 days is generally the  
24 lag period.

1 MYART: Item 9, resolution for Covenant  
2 Living Communities and Services, formerly known as  
3 Covenant Retirement Communities, Inc.  
4 Item 9 is a resolution relating to the  
5 Series 2017 bonds previously issued by the Authority  
6 on behalf of Covenant Living Communities and  
7 Services, formerly known as Covenant Retirement  
8 Communities, Inc.  
9 This resolution authorizes the execution  
10 and delivery of a supplement to the bond indenture  
11 and related documents in order to accomplish certain  
12 amendments.  
13 Adoption of this resolution will enable the  
14 borrower and Bank of America Public Capital Corp, the  
15 purchaser of the bonds, to lower the interest rate on  
16 the bonds by amending the formula for determining the  
17 LIBOR index rate and to extend the mandatory tender date  
18 to the maturity date of the bonds on December 1,  
19 2029, and will enable amendment to the definition of  
20 LIBOR to permit the use of an alternative market  
21 index in advance of the anticipated discontinuation  
22 of the use of LIBOR.  
23 Does any member have any questions or  
24 comments?

1 O'BRIEN: Be the same observation.  
2 MEISTER: Again, we will work to do so in  
3 the future.  
4 O'BRIEN: Thank you.  
5 MYART: Item 10, resolution in support of  
6 the Department of Agriculture.  
7 Item 10 is a resolution declaring support  
8 for the Illinois Department of Agriculture in meeting  
9 the goals of the Farmer Equity Act and declaring the  
10 Authority's desire to support agricultural  
11 operations, including those pursued by socially  
12 disadvantaged farmers in urban and rural communities  
13 by partnering with the Department of Agriculture and  
14 other organizations.  
15 Does any member have any questions or  
16 comments?  
17 MEISTER: Just a couple of additions. We  
18 received a request, a written request from John  
19 Sullivan, former state senator from western Illinois,  
20 who is now the director of the Department of  
21 Agriculture.  
22 Couple years ago this act had been passed  
23 by the general assembly. It took effect in August of  
24 2018.

1 Given the Authority's mission and programs  
2 in agriculture, agricultural guaranties, which, of  
3 course, are taxpayer guaranties, the beginning farmer  
4 bonds, which, of course, are tax exempt conduit bonds  
5 in the hundreds of thousands of dollars rather than  
6 in the millions of dollars, as is typical for us, the  
7 fact that the Authority serves as an ex-officio  
8 member of the Illinois Forestry Council, when we  
9 received this request, we were also in conversations  
10 with the new leadership at the forestry council,  
11 along with we had had some conversations with the  
12 Chicago Botanic Garden that operates a garden in  
13 northern Cook County under a lease with Cook County,  
14 and they have been pursuing some urban farm programs  
15 successfully within the City of Chicago.  
16 So when we received this request, even  
17 though we were not mentioned by name in this  
18 legislation, we had an internal discussion, and we  
19 wanted to bring it to the Board and obtain your  
20 approval and inform you of the direction.  
21 Charles and Lorrie Karcher, who is based  
22 out of our Mount Vernon office, are charged with the  
23 responsibility of the ag programs and products.  
24 Any questions?

1 (No response.)

2 CHAIR ANDERBERG: Thank you. I would like

3 to request a motion to pass and adopt the following

4 new business items: Items 1, 2, 3, 4, 5, 6, 7, 8, 9

5 and 10.

6 Is there such a motion?

7 McCoy: So moved.

8 HOBERT: Second.

9 CHAIR ANDERBERG: We have a motion and a

10 second.

11 Will the Assistant Secretary please call

12 the roll.

13 FLETCHER: Motion and second.

14 I'll call the roll.

15 Mr. Goetz.

16 GOETZ: Yes.

17 FLETCHER: Mr. Fuentes.

18 FUENTES: Yes.

19 FLETCHER: Mr. Hobert.

20 HOBERT: Yes.

21 FLETCHER: Ms. Juracek.

22 JURACEK: Yes.

23 FLETCHER: Mr. McCoy.

24 MCCOY: Yes.

1 FLETCHER: Ms. Nava.

2 NAVA: Yes.

3 FLETCHER: Mr. Obernagel.

4 OBERNAGEL: Yes.

5 FLETCHER: Mr. O'Brien.

6 O'BRIEN: Yes.

7 FLETCHER: Mr. Poole via audio conference.

8 POOLE: Yes.

9 FLETCHER: Mr. Wexler.

10 WEXLER: Yes.

11 FLETCHER: Mr. Chairman.

12 CHAIR ANDERBERG: Yes.

13 FLETCHER: Mr. Chairman, the motion

14 carries.

15 CHAIR ANDERBERG: Thank you. Before we

16 continue, I would like to open it to any of the

17 borrowers or their counsel that are present today

18 that would like to make any comments, now would be

19 the time if you would like to.

20 Go ahead.

21 MR. EMERSON: John Emerson from Bank of

22 America working with Waste Management. Just like to

23 thank the Board for their consideration. Also would

24 like to thank Rich Frampton for all of his support.

1 I know it's been a couple of years since  
 2 the company or Bank of America has been in front of  
 3 the Board. We appreciate all the help over the  
 4 years. Thank you.

5 CHAIR ANDERBERG: We appreciate it. Thank  
 6 you.

7 MS. BERGESON: Hi. I'm Pat Bergeson, and  
 8 on behalf of the Board of Trustees of Columbia  
 9 College Chicago, our president, Kwang-Wu Kim,  
 10 students, faculty and staff, we wish to thank the  
 11 Authority.

12 It's a fabulous new student center that our  
 13 students are wild about, and we invite you to just  
 14 come down and take a look.

15 Our architect, Gensler, did a terrific job,  
 16 and it's a real anchor in the South Loop, but, again,  
 17 our thanks for all of your help in this and other  
 18 bond issuances.

19 CHAIR ANDERBERG: Thank you.

20 MR. SMYTH: Morning. Michael Smyth, vice  
 21 president of operations with Illinois American Water.  
 22 Just like to thank the Authority. It's great to be  
 23 back. We appreciate your assistance very much.

24 The best part of this story in my view is

1 that any saving, interest savings, will be passed  
 2 along to our customers in a future rate case, in  
 3 infrastructure investments and incredibly important  
 4 in the water utility industry, so appreciate your  
 5 assistance and, again, thank you very much.

6 CHAIR ANDERBERG: Thank you. Okay.

7 MEISTER: If we could turn our tab to  
 8 Item 11. In the Board members Board book we have a  
 9 series of documents, an October 1 Bond Buyer article  
 10 with the title, Time is a Bondholder's Enemy on  
 11 Defaulted Housing Bonds.

12 We also have the S&P methodology from 2014  
 13 that talks about their criteria for investment grade,  
 14 nonprofit affordable housing projects.

15 We have a couple of the actual S&P ratings  
 16 reports on this borrower, Better Housing, and then we  
 17 have the front pages of each of the five series of  
 18 bonds, the official statements. These were brought  
 19 to the market by the underwriter Stifel,  
 20 and it's important for the Board members and the  
 21 stakeholders to know what the first page of a public  
 22 offering of a conduit bond, how it typically reads,  
 23 what the standard language is, who is named, and it's  
 24 always best to do that by example.

1 I think importantly is in the last set of  
 2 attachments, there's a series of capitalized  
 3 generally bolded language that indicates that the  
 4 Authority pays, but, again, this speaks to our  
 5 conduit status, principal and interest only from the  
 6 sources specified in the indenture and except to such  
 7 limited extent, the bonds and the interest do not  
 8 constitute indebtedness or an obligation, general or  
 9 moral, or a pledge of the full faith or a loan of credit  
 10 of the Authority, of the State of Illinois or any  
 11 political subdivision thereof.

12 This is standard language that does have  
 13 some variation, but it is standard and very clear,  
 14 plainly written language.

15 In these series of bonds, there was some  
 16 additional language. Investment in these bonds,  
 17 despite their investment grade rating, that the  
 18 borrower obtained, involves the significant degree of  
 19 risk, and each prospective investor should consider  
 20 its financial condition and the risks involved to  
 21 determine the suitability of investing in the bonds.

22 And, again, I'm paraphrasing because we do  
 23 have some newer Board members since the last time  
 24 that the Board was briefed on this, and there have

1 been some developments. I think this series of  
 2 documents really breaks down what can happen to a  
 3 conduit bond issue when matters do not go as planned  
 4 by the borrowers for whatever reason.

5 It also provides a pretty good  
 6 transcription of what's known as a bondholder call  
 7 which is typical. It's typically run by the trustee  
 8 and its counsel when a bond transaction gets into  
 9 trouble.

10 I think that the most important thing about  
 11 these set of documents is that it shows the true  
 12 parties and their true responsibilities, the borrower  
 13 and the borrower's agent, the investment bankers and  
 14 the rating agencies.

15 So as the members know, there was a couple  
 16 of articles in late summer of 2018 in the Chicago  
 17 Tribune. There continue to be articles on the  
 18 series of transactions in both the Bond Buyer, which  
 19 is a trade publication, and an online publication  
 20 called Debt Wire, which I think we have also shared  
 21 with the Board members.

22 So we wanted to lay this out to the Board  
 23 members and to the stakeholders because it's often  
 24 easier to show than it is to tell, and I hope that



1 this set of documents demonstrates in a conduit issue  
 2 where true responsibility for the success of a  
 3 project lie. It lies with the borrower.

4 Again, to the point made by Mr. O'Brien,  
 5 who has been a long-time Board member here, on these  
 6 series of amendments, it's been typical for the  
 7 Authority to conduct a fairly robust staff review for  
 8 reasonableness, litmus test, et cetera.

9 We do that at the staff level in connection  
 10 with representation by our contracted municipal  
 11 financial advisors, and I think, as well as I hope  
 12 that the Board members will find, as well as  
 13 stakeholders, that the descriptions of the projects  
 14 that we provide both in the committee, the public  
 15 board documents for the public provisions and in this  
 16 session and in the session of the main Board are  
 17 comprehensive in detail and provide the Board members  
 18 and outside stakeholders with an accurate  
 19 representation of what the projects look like at the  
 20 time that the resolution is approved.

21 Subsequently what happens is that the  
 22 finance team, including bond counsel, develop the  
 23 documents along with all of the other participants to  
 24 the financing.

1 One of the things that the resolutions  
 2 typically do is that it delegates to me and to our  
 3 secretary and assistant secretary the authority to  
 4 execute these conduit documents, including indemnity  
 5 provisions that keep the Authority whole to the  
 6 extent possible in the event that things go wrong,  
 7 that that is how the process works, but in light of  
 8 the public-facing elements of this particular set of  
 9 bonds, which I'm being polite, did not turn out as  
 10 planned, as envisioned by the borrowers, and this game  
 11 is still ongoing and still in motion, so we  
 12 anticipate continuing to share with the members and  
 13 to the extent possible with stakeholders developments  
 14 in these matters, and I'll take any questions.

15 Okay. Hearing none, Item No. 12 and,  
 16 again, for the stakeholders in the audience, on the  
 17 online versions of these, we do not have either the  
 18 articles that often have pay walls or the ratings  
 19 reports, but obviously those things are subject to  
 20 FOIA.

21 As the longer tenured Board members will  
 22 know, several years ago the State of Wisconsin  
 23 created an entity called the Public Finance  
 24 Authority. It purports to have national conduit

1 jurisdiction, and it appears to be basically staffed  
 2 largely by for-profit companies from the State of  
 3 California even though it is chartered in effect by  
 4 Wisconsin law.  
 5 We spend a lot of time here at the  
 6 Authority discussing state interests and preparing to  
 7 address state interests by state decision makers,  
 8 whether they're Board members who are Senate  
 9 confirmed and appointed by the governor, whether it  
 10 is our responsiveness and the resources that we  
 11 devote to the state constitutional officer, the auditor  
 12 general, whether it is our responsiveness to ethics,  
 13 in compliance with ethics rules, state open meetings,  
 14 state Freedom of Information Act and state priorities  
 15 from the state government, the governor and the state  
 16 legislature.

17 Frankly, I am on record as saying that as  
 18 executive director, I am troubled by this business  
 19 model of the Public Finance Authority because in my  
 20 view it cuts the essential cord that I think is  
 21 necessary and contemplated by Congress when they  
 22 created federal tax exemption, but it cuts that  
 23 essential cord between state decision makers and  
 24 their policy choices, including the policy choice not

1 to provide a conduit issuer with the authority to  
 2 issue conduit bonds on behalf of a certain category  
 3 of borrowers.

4 We are fortunate here. We have a  
 5 particularly broad state-based statute, but the Wall  
 6 Street Journal recently did a couple of articles on  
 7 October 1, 2019, and provided the context for an  
 8 upsurge in interest in higher risk municipal conduit  
 9 issuance on September 21.

10 Also, to provide some context, we provided  
 11 a 2017 Debt Wire article on the Public Finance  
 12 Authority, and I'm available to answer any questions  
 13 that Board members may have on those points.

14 Any questions?

15 (No response.)

16 MEISTER: Turning to Item 13, again as the  
 17 longer tenured Board members may know, certainly at  
 18 the beginning of the Authority, we had a much larger  
 19 number of standalone community, nonprofit community  
 20 hospitals in this state. That means a larger number  
 21 of borrowers.

22 There has been a national trend over the  
 23 last 10, 15 years for consolidation of nonprofit  
 24 health systems, and that has resulted in sort of the

1 large regular borrowers that Board members see month  
 2 in and month out, whether it is Northwestern,  
 3 Advocate, OSF, University of Chicago, North Shore  
 4 University, Edward-Elmhurst.

5 What has happened very recently in the  
 6 couple past couple weeks is -- one of our focuses and  
 7 sectors pursuant to our statute is nonprofit higher  
 8 ed.

9 A couple of our borrowers, Roosevelt and  
 10 Robert Morris, have recently announced their  
 11 intention to merge. This is a fairly new  
 12 development, at least within our category of  
 13 borrowers.

14 There's been a lot written about economic  
 15 and population challenges to nonprofit higher  
 16 education. We will continue to keep you informed on  
 17 that.

18 On Item 14, as the Members know, we've had  
 19 some focus and interest in water financing, in  
 20 addition to American Water on this agenda, and I  
 21 would ask our colleague, Lisa Bonnett, who has been  
 22 working with us on water financing, led the 2019  
 23 State Revolving Fund team that will highlight a  
 24 recent development on and, importantly, Lisa was a

1 long-time career employee of the Illinois  
 2 Department -- or the Illinois Environmental  
 3 Protection Agency, including most recently as its  
 4 director, but in her capacity, her former capacity as  
 5 CFO, she drew the map in the plans for what I would  
 6 call the modern State Revolving Fund that we  
 7 collectively initiated in partnership with IEPA back  
 8 in 2013.

9 Lisa.

10 BONNETT: Thank you. Good morning. As I  
 11 reported last month, tomorrow is our Financing  
 12 Illinois Water Infrastructure conference that we are  
 13 cosponsoring with the Illinois Water Works  
 14 Association and Bank of America.

15 And just a few highlights of that, the  
 16 conference, we expect to have 70 plus attendees,  
 17 which is our maximum capacity that we had for the  
 18 conference, and we are bringing together national,  
 19 state and local leaders at the beginning of the  
 20 morning to really set the stage of the challenges and  
 21 issues that water utilities are facing today.

22 And then we're going to go next to a deeper  
 23 dive, and we are going to hear from utilities. We  
 24 are going to hear from Commissioner Randy Connor from

1 the City of Chicago, as well as the executive  
2 director from MWRD, and they are going to talk very  
3 specifically about the challenges that their water  
4 infrastructure facilities are experiencing and  
5 reporting on what's working and what's not working.  
6 At lunch we'll hear from the S&P Global  
7 Services about the water economics and the municipal  
8 market, and then in the afternoon, we are going to go  
9 into and we're going to hear from utilities that have  
10 met some of the current challenges that we are facing  
11 today.  
12 We are going to hear from Mayor Demuzio  
13 with regard to establishing a regional water utility  
14 for seven small communities down in central Illinois.  
15 We are going to hear from the Downers Grove  
16 Waste Water Treatment facility who has gone to net  
17 zero energy usage, which, as you know and we talked  
18 about, energy is like 40 percent of a treatment  
19 facility's budget, and then we're going to hear from  
20 MWRD with regard to green infrastructure.  
21 We'll close the day by bringing in  
22 financial experts that will talk about how we can  
23 finance some of these challenges and meet some of  
24 these needs.

1 We will hear from the WIFIA department out  
2 of the U.S. EPA which I talked to you about  
3 Illinois's WIFIA application in the City of Joliet,  
4 and we are going to hear from USDA as to the farm  
5 bill had a tremendous amount of funding for water  
6 utilities, and then we're going to also highlight SRF  
7 and our work through with the IEPA on that.  
8 So we are very excited. We have really  
9 been able to garner people from U.S. EPA and national  
10 leaders, and we are very excited for what the day can  
11 bring, and really just the role that IFA as we  
12 continue to show our leadership in financing on  
13 Illinois' water infrastructure.  
14 So any questions?  
15 GOETZ: I see you have Director Meister as  
16 the closing speaker.  
17 MEISTER: Yes.  
18 BONNETT: Most importantly.  
19 One other thing, Chris, would you like me  
20 to move to the --  
21 MEISTER: Yes, please.  
22 BONNETT: One other thing to report very  
23 quickly is that the SRF Series 2019 green bonds are  
24 going to be nominated for the Bond Buyers Deal of the

1 Year in the Green ESG category, and so we're very  
2 excited about that.

3 We think what stands out for Illinois in  
4 our application is our reporting on projects.

5 In our application, we highlight two  
6 projects that our proceeds will be used for. One is  
7 for upgrades to the world's largest nutrient recovery  
8 plant at the Stickney Water Treatment Facility, and  
9 the other is the City of Chicago is redoing their  
10 pumps from steam to electric, which will save their  
11 ratepayers \$4.5 million annually and reduce their  
12 greenhouse gas emissions by 58 percent.

13 And then with regard to -- so we

14 highlighted those programs, those projects, but then  
15 also our key here is our reporting, our annual  
16 reporting.

17 What we are offering is to do a project  
18 report annually on the projects that are being funded  
19 with the bond proceeds where we will give a  
20 description of the project, the benefits of the  
21 project and the proceeds that were used.

22 Illinois stands out in that annual  
23 reporting because most states that are issuing green  
24 bonds on their SRF programs are just utilizing normal

1 sort of federal reporting that is required under the  
2 SRF program and are not really going forward with a  
3 specific report for the bondholders.

4 We are very excited. We will know in  
5 December as to whether or not we have been selected,  
6 and so we will keep you posted.

7 NAVA: Will this be the first time?

8 MEISTER: Actually it will be the second  
9 time, because several years ago, back in '15 there  
10 had been a consolidation of two of the larger  
11 Catholic health systems, Presence and Resurrection --  
12 or I'm sorry, Resurrection and Provena. They created  
13 Presence.

14 They recruited a new CEO in late '14, and  
15 as the new CEO peeled back the layers of the onion on  
16 their financial condition, it did not appear to be  
17 what he had understood when he came in, and so what  
18 happened, I believe it was in May, Presence was  
19 scheduled for the IFA Board because they had about a  
20 billion in debt. About half of it was public  
21 offerings through official statements, and half of it  
22 was a combination of bank direct purchases.

23 They were having some challenges with their  
24 covenants on the bank direct purchases. They were

1 also having some challenges with their Board in  
 2 getting the green light to move forward, because  
 3 before -- generally before a matter hits the IFA  
 4 agenda, the board of the borrower has acted in some  
 5 capacity, passed a resolution authorizing the  
 6 direction.  
 7 As a result, towards the end of May 2015,  
 8 they came back a couple of days after our May meeting  
 9 and said, we would like a special meeting before the  
 10 end of May. We have our audited financials due, and  
 11 so very quickly this Board came together.

12 Sara Perugini's predecessor, Pamela Lenane,  
 13 worked with a banker at JP Morgan and corporate  
 14 leadership at Presence.

15 We did a two-part refunding and refinancing  
 16 and ultimately that was submitted, and we received  
 17 Bond Buyer Deal of the Year for healthcare.

18 The best part about it was when the CEO of  
 19 Presence spoke to the assembled folks, he said, very  
 20 memorable, which was he did not come out of municipal  
 21 finance. He knew nothing about bond counsel or  
 22 issuers or investment bankers in this context, but  
 23 when he had a problem, this group of people,  
 24 including the finance authority came together at very

1 short notice, and had they not collectively done so,  
 2 the work of immigrant nuns from the 19th century that  
 3 had built hospitals in the toughest neighborhoods and  
 4 cities in the state would have been broken up and  
 5 sold at bankruptcy court for basically corporate  
 6 scrap, so he was very grateful.

7 Subsequently, Presence righted its ship and  
 8 now has an arrangement with Amita and Ascension, and  
 9 at some point, Sara, we hope to persuade them to come  
 10 back to the Authority, because Amita is connected  
 11 with the Adventist Group and for reasons beyond my  
 12 comprehension have a preference for a county issuer  
 13 in Hillsborough County, Florida.

14 So did I summarize that correctly?

15 NAVA: Thank you.

16 MEISTER: It's very competitive. It is a  
 17 new category. We're somewhat optimistic.

18 The final point on this is for the members  
 19 and the stakeholders to know, I serve as a member, as  
 20 a state representative of a federal advisory  
 21 committee or a FACA on behalf of the U.S.  
 22 Environmental Protection Agency.

23 It's been a very worthwhile endeavor. I  
 24 think the most important was the collective report

1 that was issued through this committee called  
 2 Financing Lead Reduction, which frankly gave me  
 3 the ideas to work with Brad to add lead mitigation  
 4 and resiliency to the Authority's Property Assessed  
 5 Clean Energy Financing.

6 We have an upcoming meeting in Kansas City,  
 7 but importantly, what the leadership at U.S. EPA has  
 8 done is that they have taken the FACA, and they have  
 9 used it. They basically identified EFAB, the  
 10 Environmental Financial Advisory Board, the FACA that  
 11 I sit on, to be the task force for a congressional  
 12 storm water infrastructure funding task force.

13 So we have been working on developing ideas  
 14 that hopefully will find their way into  
 15 recommendations to Congress for funding.

16 As precipitation has increased in the  
 17 Midwest, I think as Lisa knows and our borrowers know  
 18 and I think as American Water and other borrowers  
 19 have learned, storm water becomes an increasing  
 20 problem.

21 As Lisa will tell you, there has been  
 22 enormous progress in this state through IEPA on point  
 23 source, which is one pipe shooting out into streams  
 24 and rivers and wetlands, and now the problem is what

1 runs off of impermeable surfaces on streets and  
 2 buildings and what pesticides run off on ag plan.

3 It's now at the Congressional level. They  
 4 thought it was important enough to ask the U.S. EPA  
 5 to organize a report, and so we're looking at  
 6 recommendations, and I will keep you updated.

7 Any questions?

8 (No Response.)

9 MEISTER: The final point, and to key off  
 10 of Chairman Anderberg's comments, Item No. 15 in your  
 11 Board book, I think it's important for the Members  
 12 and importantly the stakeholders to know that the  
 13 Authority does have some broader policy objectives  
 14 beyond simply being a reliable and predictable issuer  
 15 of conduit bonds.

16 Importantly and one of our policy purposes,  
 17 one of our purposes is to reduce the cost of  
 18 indebtedness to taxpayers and residents of this state  
 19 and to encourage continued investor interest in the  
 20 purchase of bonds and notes as sound and preferred  
 21 securities for investments.

22 A couple of conduit examples are what we do  
 23 for school districts, like the Main High School  
 24 District 207 that was before us today and the state

1 revolving funds that we've talked about, but we have  
 2 a number of examples where either this Board and this  
 3 staff addressed legacy commitments of taxpayer  
 4 dollars.

5 We managed to work through those without  
 6 undue exposure to state taxpayers or when we were  
 7 asked to use the full breadth of our authority to  
 8 really either prevent potential downgrades of the  
 9 state's credit, which, of course, also potentially  
 10 harms the interest of conduit borrowers and local  
 11 governments as they work through the bond issuance  
 12 process.

13 And so the Authority has a record of  
 14 responsiveness, success doing things, playing a role  
 15 constructively, and we anticipate that we will be  
 16 asked to play these roles in the future, and we just  
 17 wanted to set the framework for our authority,  
 18 because I think for many of the members, these sorts  
 19 of requests have not yet come during their tenure,  
 20 but there's a rather remarkable and successful  
 21 history.

22 I'll take any questions.

23 CHAIR ANDERBERG: Thank you, Chris. Thank  
 24 you.

1 Finance reports, Six.  
 2 GRANDA: Good morning, everyone.

3 Your financial statements and your  
 4 financial memo can be found in your blue folders.

5 The financial information for September 30,  
 6 2019, is as follows: Our total annual operating  
 7 revenues are \$433,000 and are \$519,000 below budget.  
 8 Our total annual non-operating revenues are \$248,000  
 9 and are \$36,000 higher than our budget.

10 This brings our total annual revenues to  
 11 \$717,000 and are \$483,000 below budget. This is  
 12 primarily due to lower-than-expected closing fees.

13 In September, the Authority recorded  
 14 closing fees of \$3,000, which was lower than our  
 15 monthly budgeted amount of \$218,000.

16 Our total annual expenses of \$908,000 were  
 17 \$292 or 24.3 percent lower than budget, which was  
 18 mostly driven by below budget spending on  
 19 employee-related expenses due to vacancies and  
 20 professional services.

21 In September the Authority recorded  
 22 operating expenses of \$303,000, which is \$97,000 lower  
 23 than the budgeted amount of \$400,000.

24 Our total monthly net loss for September is



1 \$173,000, which was due to lower-than-expected closing  
2 fees. Our total annual net loss of \$191,000 was  
3 driven by lower-than-expected closing fees, but was  
4 offset by higher than expected net investment income.  
5 Also, in your blue folders you will find  
6 the treasury report which includes fiscal year  
7 comparison of bonds issued and a detail of bonds  
8 issued in the current fiscal year.  
9 Due to the departure of team members and  
10 that we are nearing the end of our audit process,  
11 which is always resource intensive, we are still  
12 reconciling the schedule from August and September  
13 for accuracy.  
14 The Authority has executed the routine  
15 check selection process effectively and timely. The  
16 Authority is planning on hiring an accountant,  
17 payroll and HR administrator and an accountant  
18 compliance staff member within the next few weeks.  
19 Any questions?  
20 MEISTER: And two business analysts.  
21 GRANDA: Two business analysts.  
22 Any questions on the financials?  
23 (No response.)  
24 GRANDA: Moving on to audit, the fiscal

1 year 2019 financial audit and the two-year compliance  
2 examination is on track. At this time there's  
3 nothing to report. The same with the two internal  
4 audits.  
5 They are internal audits. They are ongoing  
6 as both of these audit process as -- excuse me -- and  
7 as both audit progresses, updates will be provided to  
8 the Board.  
9 Moving forward, or looking forward, the  
10 first quarter in fiscal year 2020 was rough.  
11 However, as you heard earlier today, we have a strong  
12 and diverse agenda.  
13 Waste Management, Inc. and American Water  
14 Capital Corporation have not come to the Authority  
15 since 2007 and 2010 respectively as it was mentioned  
16 earlier.  
17 All corporate for-profit projects have a  
18 different fee structure from the nonprofits which  
19 generally it generates higher fees based on the  
20 dollar issued.  
21 The Authority is estimating generating  
22 roughly about \$500,000 in closing fees within the  
23 next 30, 45 or 60 days.  
24 If all the agenda items close in October,

1 there will be a swing of a loss to a gain of  
2 approximately \$80,000 through the end of October.  
3 Are there any questions?  
4 (No response.)  
5 GRANDA: Thank you.  
6 CHAIR ANDERBERG: Okay. Procurement.  
7 I would like to request a motion to accept  
8 the financial reports. Is there such a motion?  
9 GOETZ: So moved.  
10 FUENTES: Second.  
11 CHAIR ANDERBERG: The motion is seconded.  
12 All those in favor.  
13 (Chorus of ayes.)  
14 CHAIR ANDERBERG: Opposed?  
15 (No response.)  
16 CHAIR ANDERBERG: The ayes have it.  
17 Okay. Procurement.  
18 HOLLOWAY: Contracts listed on Page 1 of  
19 the current report are to support the Authority  
20 operations. Pages 2 and 3 are the expiring contracts  
21 through 2019.  
22 Any questions?  
23 (No response.)  
24 HOLLOWAY: Thank you.

1 CHAIR ANDERBERG: Does anyone wish to make  
2 any additions, edits or corrections to the minutes  
3 from September 10?  
4 (No response.)  
5 CHAIR ANDERBERG: Hearing none, I would  
6 like to request a motion to approve the minutes. Is  
7 there such a motion?  
8 GOETZ: So moved.  
9 JURACEK: Second.  
10 CHAIR ANDERBERG: We have a motion and a  
11 second.  
12 All those in favor?  
13 (Chorus of ayes.)  
14 CHAIR ANDERBERG: Opposed?  
15 (No response.)  
16 CHAIR ANDERBERG: The ayes have it.  
17 Is there any other business to come before  
18 the members today? Hearing none, I'd like to request  
19 a motion to excuse the absences of members unable to  
20 participate today. Is there such a motion?  
21 FUENTES: So moved.  
22 MccOY: Second.  
23 CHAIR ANDERBERG: Motion and a second. All  
24 those in favor.

1 (Chorus of ayes.)  
2 CHAIR ANDERBERG: Opposed?  
3 (No response.)  
4 CHAIR ANDERBERG: The ayes have it.  
5 Is there any matter for discussion in  
6 closed session?  
7 WEBER: Yes. We now have the opportunity  
8 to enter into closed session pursuant to Section  
9 2(c)(11) of the Illinois Open Meetings Act, that's  
10 5 ILCS 120/2(c)(11) to discuss litigation naming the  
11 Authority which has been filed and is currently  
12 pending in Illinois state court.  
13 Upon a vote by the members of the Authority  
14 to enter into closed session, I would like to ask  
15 that everyone in attendance please exit the room  
16 except for those individuals who have previously been  
17 asked to stay.  
18 I'll also note for those in attendance via  
19 the audio conference line that the line will be  
20 terminated during the closed session.  
21 After your connection is terminated, you  
22 may call back in and wait for the line to be reopened  
23 when we reenter the open session. For those members  
24 attending this meeting via audio conference, please

1 call in after the vote to enter into closed session  
2 is taken using the closed session call-in number  
3 previously provided.  
4 CHAIR ANDERBERG: Thank you. Is there a  
5 motion to enter into closed session pursuant to  
6 Section 2(c)(11) of the Illinois Open Meetings Act to  
7 discuss items described items by --  
8 MEISTER: By General Counsel Weber.  
9 GOETZ: So moved.  
10 JURACEK: Second.  
11 CHAIR ANDERBERG: We have a motion and a  
12 second.  
13 Assistant Secretary, please call the roll.  
14 FLETCHER: Certainly. On the motion and  
15 second, I will call the roll.  
16 FLETCHER: Mr. Goetz  
17 GOETZ: Yes.  
18 FLETCHER: Mr. Fuentes.  
19 FUENTES: Yes.  
20 FLETCHER: Mr. Hobert.  
21 HOBERT: Yes.  
22 FLETCHER: Ms. Juracek.  
23 JURACEK: Yes.  
24 FLETCHER: Mr. McCoy.  
25 MCCOY: Yes.

1 FLETCHER: Ms. Nava.  
2 NAVA: Yes.  
3 FLETCHER: Mr. Obernagel.  
4 OBERNAGEL: Yes.  
5 FLETCHER: Mr. O'Brien.  
6 O'BRIEN: Yes.  
7 FLETCHER: Mr. Poole, on the line.  
8 POOLE: Yes.  
9 FLETCHER: Mr. Wexler.  
10 WEXLER: Yes.  
11 FLETCHER: Mr. Chairman.  
12 CHAIR ANDERBERG: Yes.  
13 FLETCHER: The Authority may now enter into  
14 closed session. Thank you.  
15 (Closed session had.)  
16 CHAIR ANDERBERG: Will the Assistant  
17 Secretary please call the roll to confirm the return  
18 to open session.  
19 FLETCHER: Certainly. The time is 11:28.  
20 Mr. Goetz.  
21 GOETZ: Yes.  
22 FLETCHER: Mr. Fuentes.  
23 FUENTES: Yes.  
24 FLETCHER: Mr. Hobert.

1 HOBERT: Yes.  
2 FLETCHER: Ms. Juracek.  
3 JURACEK: Yes.  
4 FLETCHER: Mr. McCoy.  
5 MCCOY: Yes.  
6 FLETCHER: Ms. Nava.  
7 NAVA: Yes.  
8 FLETCHER: We lost Mr. Obernagel.  
9 Mr. O'Brien.  
10 O'BRIEN: Yes.  
11 FLETCHER: We lost Mr. Poole.  
12 Mr. Wexler.  
13 WEXLER: Yes.  
14 FLETCHER: Mr. Chairman.  
15 CHAIR ANDERBERG: Yes.  
16 FLETCHER: Mr. Chairman, we retain a  
17 quorum.  
18 CHAIR ANDERBERG: Very good.  
19 MEISTER: Pursuant to 5 ILCS 120/2  
20 paragraph E, I will now give a public recital of the  
21 matters discussed in the closed session.  
22 The discussion concerned certain litigation  
23 naming the Authority which has been filed and is  
24 currently pending in Illinois state court.

1 CHAIR ANDERBERG: Thank you.  
2 Adjournment. The next regularly scheduled  
3 meeting will be November 12.  
4 I would like to request a motion to  
5 adjourn.  
6 Is there such a motion?  
7 FUENTES: So moved.  
8 O'BRIEN: Second.  
9 CHAIR ANDERBERG: We have a motion and  
10 second. All those in favor?  
11 (Chorus of ayes.)  
12 CHAIR ANDERBERG: Opposed?  
13 (No response.)  
14 CHAIR ANDERBERG: The ayes have it.  
15 Thank you, everybody.  
16 FLETCHER: The time is 11:29 a.m.  
17 (Whereupon the above  
18 matter was adjourned.)  
19  
20  
21  
22  
23  
24

ILLINOIS FINANCE AUTHORITY  
VOICE VOTE  
APPROVAL OF REQUEST TO PARTICIPATE VIA AUDIO CONFERENCE  
ADOPTED

October 8, 2019

10 YEAS

0 NAYS

0 PRESENT

Y	Fuentes	Y	McCoy	E	Smoots
Y	Goetz	Y	Nava	Y	Wexler
Y	Hobert	Y	Obernagel	E	Wright
Y	Juracek	Y	O'Brien	E	Zeller
E	Knox	NV	Poole (via audio conference)	Y	Mr. Chairman

E – Denotes Excused Absence

ILLINOIS FINANCE AUTHORITY  
VOICE VOTE  
OCTOBER 8, 2019 AGENDA OF THE REGULAR MEETING OF THE MEMBERS  
ADOPTED

October 8, 2019

11 YEAS

0 NAYS

0 PRESENT

Y	Fuentes	Y	McCoy	E	Smoots
Y	Goetz	Y	Nava	Y	Wexler
Y	Hobert	Y	Obernagel	E	Wright
Y	Juracek	Y	O'Brien	E	Zeller
E	Knox	Y	Poole (via audio conference)	Y	Mr. Chairman

E – Denotes Excused Absence

ILLINOIS FINANCE AUTHORITY  
 ROLL CALL  
 RESOLUTION 2019-1008-CF01  
 SOLID WASTE DISPOSAL REVENUE BOND – WASTE MANAGEMENT, INC.  
 FINAL (ONE-TIME CONSIDERATION)  
 PASSED\*

October 8, 2019

11 YEAS

0 NAYS

0 PRESENT

Y	Fuentes	Y	McCoy	E	Smoots
Y	Goetz	Y	Nava	Y	Wexler
Y	Hobert	Y	Obernagel	E	Wright
Y	Juracek	Y	O'Brien	E	Zeller
E	Knox	Y	Poole (via audio conference)	Y	Mr. Chairman

\* – Consent Agenda

E – Denotes Excused Absence



ILLINOIS FINANCE AUTHORITY  
 ROLL CALL  
 RESOLUTION 2019-1008-CF02  
 CONDUIT WATER FACILITIES REVENUE BONDS – AMERICAN WATER CAPITAL  
 CORP.  
 FINAL (ONE-TIME CONSIDERATION)  
 PASSED\*

October 8, 2019

11 YEAS

0 NAYS

0 PRESENT

Y	Fuentes	Y	McCoy	E	Smoots
Y	Goetz	Y	Nava	Y	Wexler
Y	Hobert	Y	Obernagel	E	Wright
Y	Juracek	Y	O'Brien	E	Zeller
E	Knox	Y	Poole (via audio conference)	Y	Mr. Chairman

\* – Consent Agenda

E – Denotes Excused Absence

ILLINOIS FINANCE AUTHORITY  
 ROLL CALL  
 RESOLUTION 2019-1008-CF03  
 501(C)(3) REVENUE BONDS – COLUMBIA COLLEGE CHICAGO  
 FINAL (ONE-TIME CONSIDERATION)  
 PASSED\*

October 8, 2019

11 YEAS

0 NAYS

0 PRESENT

Y	Fuentes	Y	McCoy	E	Smoots
Y	Goetz	Y	Nava	Y	Wexler
Y	Hobert	Y	Obernagel	E	Wright
Y	Juracek	Y	O'Brien	E	Zeller
E	Knox	Y	Poole (via audio conference)	Y	Mr. Chairman

\* – Consent Agenda

E – Denotes Excused Absence

ILLINOIS FINANCE AUTHORITY  
ROLL CALL  
RESOLUTION 2019-1008-CF04  
BEGINNING FARMER BOND – DANE J. AND JENNIFER L. MILLEVILLE  
FINAL (ONE-TIME CONSIDERATION)  
PASSED\*

October 8, 2019

11 YEAS

0 NAYS

0 PRESENT

Y	Fuentes	Y	McCoy	E	Smoots
Y	Goetz	Y	Nava	Y	Wexler
Y	Hobert	Y	Obernagel	E	Wright
Y	Juracek	Y	O'Brien	E	Zeller
E	Knox	Y	Poole (via audio conference)	Y	Mr. Chairman

\* – Consent Agenda

E – Denotes Excused Absence

ILLINOIS FINANCE AUTHORITY  
ROLL CALL  
RESOLUTION 2019-1008-CF05  
LOCAL GOVERNMENT REVENUE BONDS – TOWNSHIP HIGH SCHOOL DISTRICT  
NUMBER 207, COOK COUNTY, ILLINOIS  
PASSED\*

October 8, 2019

11 YEAS

0 NAYS

0 PRESENT

Y	Fuentes	Y	McCoy	E	Smoots
Y	Goetz	Y	Nava	Y	Wexler
Y	Hobert	Y	Obernagel	E	Wright
Y	Juracek	Y	O'Brien	E	Zeller
E	Knox	Y	Poole (via audio conference)	Y	Mr. Chairman

\* – Consent Agenda

E – Denotes Excused Absence

## ILLINOIS FINANCE AUTHORITY

## ROLL CALL

## RESOLUTION 2019-1008-CF06

RESOLUTION AUTHORIZING THE EXECUTION AND DELIVERY OF AMENDED AND RESTATED TRANSACTION DOCUMENTS RELATING TO THE ILLINOIS FINANCE AUTHORITY RECOVERY ZONE FACILITY MULTI-MODE REVENUE BONDS, SERIES 2010 (JH NAPERVILLE HOTEL PROJECT) TO PROVIDE FOR CERTAIN AMENDMENTS RELATING TO SECURITY, THE INTEREST RATE AND CERTAIN OTHER MATTERS IN CONNECTION WITH THE TRANSFER TO NEW BONDHOLDERS; AUTHORIZING THE EXECUTION AND DELIVERY OF ANY OTHER DOCUMENTS NECESSARY OR APPROPRIATE TO EFFECT THE MATTERS SET FORTH IN SUCH AMENDED AND RESTATED TRANSACTION DOCUMENTS; AND AUTHORIZING AND APPROVING RELATED MATTERS  
ADOPTED\*

October 8, 2019

11 YEAS

0 NAYS

0 PRESENT

Y	Fuentes	Y	McCoy	E	Smoots
Y	Goetz	Y	Nava	Y	Wexler
Y	Hobert	Y	Obernagel	E	Wright
Y	Juracek	Y	O'Brien	E	Zeller
E	Knox	Y	Poole (via audio conference)	Y	Mr. Chairman

\* – Consent Agenda

E – Denotes Excused Absence

## ILLINOIS FINANCE AUTHORITY

## ROLL CALL

## RESOLUTION 2019-1008-CF07

RESOLUTION AUTHORIZING THE EXECUTION AND DELIVERY OF (I) A FIRST AMENDMENT TO BOND AND LOAN AGREEMENT RELATING TO THE ILLINOIS FINANCE AUTHORITY REVENUE REFUNDING BOND, THE LINCOLN PARK ZOOLOGICAL SOCIETY, SERIES 2017A AND (II) A FIRST AMENDMENT TO BOND AND LOAN AGREEMENT RELATING TO THE ILLINOIS FINANCE AUTHORITY REVENUE REFUNDING BOND, THE LINCOLN PARK ZOOLOGICAL SOCIETY, SERIES 2017B, IN EACH CASE, TO PROVIDE FOR CERTAIN AMENDMENTS RELATING TO THE INTEREST RATE DETERMINATION AND CERTAIN OTHER MATTERS; AUTHORIZING THE EXECUTION AND DELIVERY OF ANY OTHER DOCUMENTS NECESSARY OR APPROPRIATE TO EFFECT THE MATTERS SET FORTH IN SUCH FIRST AMENDMENTS; AND AUTHORIZING AND APPROVING RELATED MATTERS  
ADOPTED\*

October 8, 2019

11 YEAS

0 NAYS

0 PRESENT

Y	Fuentes	Y	McCoy	E	Smoots
Y	Goetz	Y	Nava	Y	Wexler
Y	Hobert	Y	Obernagel	E	Wright
Y	Juracek	Y	O'Brien	E	Zeller
E	Knox	Y	Poole (via audio conference)	Y	Mr. Chairman

\* – Consent Agenda

E – Denotes Excused Absence

ILLINOIS FINANCE AUTHORITY  
 ROLL CALL  
 RESOLUTION 2019-1008-CF08  
 RESOLUTION AUTHORIZING THE EXECUTION AND DELIVERY OF AN  
 AMENDED AND RESTATED INDENTURE OF TRUST AND AN  
 AMENDED AND RESTATED LOAN AGREEMENT RELATING TO THE  
 ILLINOIS FINANCE AUTHORITY FACILITY REVENUE BONDS (QUAD  
 COUNTY URBAN LEAGUE, INC. PROJECT), SERIES 2007 TO PROVIDE  
 FOR CERTAIN AMENDMENTS RELATING TO THE PRINCIPAL  
 AMOUNT, INTEREST RATE AND CERTAIN OTHER MATTERS;  
 AUTHORIZING THE EXECUTION AND DELIVERY OF ANY OTHER  
 DOCUMENTS NECESSARY OR APPROPRIATE TO EFFECT THE  
 MATTERS SET FORTH IN SUCH AMENDED AND RESTATED  
 INDENTURE OF TRUST AND AMENDED AND RESTATED LOAN  
 AGREEMENT; AND AUTHORIZING AND APPROVING RELATED  
 MATTERS  
 ADOPTED\*

October 8, 2019

11 YEAS

0 NAYS

0 PRESENT

Y	Fuentes	Y	McCoy	E	Smoots
Y	Goetz	Y	Nava	Y	Wexler
Y	Hobert	Y	Obernagel	E	Wright
Y	Juracek	Y	O'Brien	E	Zeller
E	Knox	Y	Poole (via audio conference)	Y	Mr. Chairman

\* – Consent Agenda

E – Denotes Excused Absence

ILLINOIS FINANCE AUTHORITY  
 ROLL CALL  
 RESOLUTION 2019-1008-CF09  
 RESOLUTION AUTHORIZING AND APPROVING AN AMENDMENT TO  
 THE BOND TRUST INDENTURE RELATING TO THE ILLINOIS FINANCE  
 AUTHORITY REVENUE REFUNDING BONDS, SERIES 2017 (COVENANT  
 RETIREMENT COMMUNITIES, INC.); AND AUTHORIZING AND  
 APPROVING RELATED MATTERS  
 ADOPTED\*

October 8, 2019

11 YEAS

0 NAYS

0 PRESENT

Y	Fuentes	Y	McCoy	E	Smoots
Y	Goetz	Y	Nava	Y	Wexler
Y	Hobert	Y	Obernagel	E	Wright
Y	Juracek	Y	O'Brien	E	Zeller
E	Knox	Y	Poole (via audio conference)	Y	Mr. Chairman

\* – Consent Agenda

E – Denotes Excused Absence



ILLINOIS FINANCE AUTHORITY  
 ROLL CALL  
 RESOLUTION 2019-1008-GP10  
 RESOLUTION DECLARING SUPPORT FOR THE ILLINOIS  
 DEPARTMENT OF AGRICULTURE IN MEETING THE GOALS OF THE  
 FARMER EQUITY ACT; AND OTHER RELATED MATTERS  
 ADOPTED\*

October 8, 2019

11 YEAS

0 NAYS

0 PRESENT

Y	Fuentes	Y	McCoy	E	Smoots
Y	Goetz	Y	Nava	Y	Wexler
Y	Hobert	Y	Obernagel	E	Wright
Y	Juracek	Y	O'Brien	E	Zeller
E	Knox	Y	Poole (via audio conference)	Y	Mr. Chairman

\* – Consent Agenda

E – Denotes Excused Absence

ILLINOIS FINANCE AUTHORITY  
VOICE VOTE  
FINANCIAL REPORTS  
ACCEPTED

October 8, 2019

11 YEAS

0 NAYS

0 PRESENT

Y Fuentes  
Y Goetz  
Y Hobert  
Y Juracek  
E Knox

Y McCoy  
Y Nava  
Y Obernagel  
Y O'Brien  
Y Poole (via audio  
conference)

E Smoots  
Y Wexler  
E Wright  
E Zeller  
Y Mr. Chairman

E – Denotes Excused Absence

ILLINOIS FINANCE AUTHORITY  
VOICE VOTE  
SEPTEMBER 10, 2019 MINUTES OF REGULAR MEETING OF THE MEMBERS  
ADOPTED

October 8, 2019

11 YEAS

0 NAYS

0 PRESENT

Y	Fuentes	Y	McCoy	E	Smoots
Y	Goetz	Y	Nava	Y	Wexler
Y	Hobert	Y	Obernagel	E	Wright
Y	Juracek	Y	O'Brien	E	Zeller
E	Knox	Y	Poole (via audio conference)	Y	Mr. Chairman

E – Denotes Excused Absence

ILLINOIS FINANCE AUTHORITY  
ROLL CALL  
MOTION TO ENTER INTO CLOSED SESSION PURSUANT TO SECTION 2(C)(11) OF THE  
ILLINOIS OPEN MEETINGS ACT  
APPROVED

October 8, 2019

11 YEAS

0 NAYS

0 PRESENT

Y	Fuentes	Y	McCoy	E	Smoots
Y	Goetz	Y	Nava	Y	Wexler
Y	Hobert	Y	Obernagel	E	Wright
Y	Juracek	Y	O'Brien	E	Zeller
E	Knox	Y	Poole (via audio conference)	Y	Mr. Chairman

E – Denotes Excused Absence