ILLINOIS FINANCE AUTHORITY

January 14, 2020
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.	Other Business
XII.	Closed Session
XIII.	Adjournment

NEW BUSINESS

CONDUIT FINANCING PROJECTS

Tab	Project Name	Location	Amount	New Jobs	Const. Jobs	Staff
Private Activity Bonds - Revenue Bonds *Preliminary*						
1	Waste Management, Inc.	Statewide	$500,000,000	-	-	RF/BF
Private Activity Bonds - Revenue Bonds *Final*						
2	Roosevelt University	Bensenville (DuPage County), Arlington Heights, Chicago, Schaumburg (Cook County), Lockport (Will County), Peoria (Peoria County), and Waukegan (Lake County)	$15,000,000	N/A	N/A	RF/BF
TOTAL CONDUIT FINANCING PROJECTS			**$515,000,000**	-	-	
GRAND TOTAL			**$515,000,000**	**-**	**-**	

RESOLUTIONS

Tab	Action	Staff
Conduit Financings		
3	Resolution Authorizing and Approving Amendments Related to the Illinois Finance Authority Variable Rate Demand Revenue Bonds, Series 2008B (Northwest Community Hospital), Illinois Finance Authority Variable Rate Demand Revenue Bonds, Series 2008C (Northwest Community Hospital) and Illinois Finance Authority Variable Rate Demand Revenue Bonds, Series 2011 (Northwest Community Hospital), the Proceeds of which were Loaned to Northwest Community Hospital	SP
4	Resolution Authorizing Amendments Relating to the Illinois Finance Authority Variable Rate Demand Revenue Bonds, Series 2008A (Little Company of Mary Hospital and Health Care Centers), the Illinois Finance Authority Variable Rate Demand Revenue Bonds, Series 2008B (Little Company of Mary Hospital and Health Care Centers), and the Illinois Finance Authority Revenue Bonds, Series 2015 (Little Company of Mary Hospital and Health Care Centers); and Approving Related Matters	SP
5	Resolution Authorizing the Execution and Delivery of a First Amendment to Trust Indenture Relating to the Illinois Finance Authority Revenue Refunding Bonds, Series 2014 (North American Spine Society) to Provide for Certain Amendments Relating to a Conversion to the New Long-Term Rate Period 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 Amendment; and Authorizing and Approving Related Matters	RF/BF
6	Resolution Authorizing and Approving the Execution and Delivery of a First Amendment to the Bond and Loan Agreement Dated as of December 1, 2011 with The British Home for Retired Men and Women and First Midwest Bank and Approving the Execution of an Amended Bond and Certain Other Agreements Relating Thereto; and Related Matters	RF/BF
7	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, Series 2017A (Museum of Science and Industry) and (ii) a First Amendment to Bond and Loan Agreement Relating to the Illino Finance Authority Revenue Refunding Bond, Series 2017B (Museum of Science and Industry), 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	RF/BF

NEW BUSINESS

SUBJECT MATTER-ONLY

Tab	Action	Staff
Conduit Financings		
8	Illinois Finance Authority Comments on S&P Global Ratings Proposed Methodology	JS
9	Recent Report Regarding Taxable Municipal Bonds in 2020	JS/SP
10	Rules, Regulation, and Transparency in the Municipal Securities Market	SP
Direct and Alternative Financings		
11	Transformation Initiative: Update to Senate Bill 1300	WA

ILLINOIS FINANCE AUTHORITY

160 North LaSalle Street
Suite S-1000
Chicago, IL 60601
312-651-1300
312-651-1350 fax
www.il-fa.com

Date: January 14, 2020

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

From: Christopher B. Meister, Executive Director

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

Dear Member of the Authority:

Welcome Waste Management, Inc.

The Authority again welcomes ***Waste Management, Inc***. to this month's agenda. Waste Management, Inc. is the leading comprehensive waste management environmental service in North America. The company has been a long-time borrower of the Authority and its predecessors. Your consideration of this Inducement Resolution will continue the longstanding partnership between Waste Management, Inc. and the Authority that advances environmental quality in Illinois through federally tax-exempt conduit financing.

Roosevelt University – Continuing its Plan for the Future

Roosevelt University returns this month for consideration of its Final Bond Resolution as part of its plan to integrate Robert Morris University into its organization. The Authority is pleased to have a role in advancing Roosevelt University's plan for a sustainable future within non-profit higher education in Illinois.

Borrower Amendments

The Authority will also consider a number of amendments on behalf of long-time federally tax-exempt conduit borrowers: ***Northwest Community Hospital; OSF Healthcare System*** in connection with its affiliation with the ***Little Company of Mary; North American Spine Society***; ***The British Home for Retired Men and Women;*** and ***Museum of Science and Industry***.

Authority Fiscal Year-to-Date Budget

Through the first half of Fiscal Year 2020, the Authority has posted **net income of approximately $491 thousand**. Through December 31, 2019, total operating and non-operating revenues are approximately $154 thousand or 6.4%, higher than budgeted. The Authority posted operating expenses during the 6-month period of $337 thousand or 14.1% lower than anticipated.

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

$500,000,000 (not-to-exceed amount)
Waste Management, Inc.

January 14, 2020 (and its affiliates)

REQUEST – APPROVAL OF A PRELIMINARY BOND RESOLUTION	**Purpose:** The Bonds will be issued in one or more series and the proceeds will be loaned to **Waste Management, Inc.,** a Delaware corporation ("**WM**", the "**Borrower**" or the "**Corporation**"), in order to assist the Corporation in providing all or a portion of the funds that will enable the Borrower to finance certain solid waste disposal facilities, including, but not limited to the following: (a) improvements to existing landfill facilities, including (i) construction of new disposal cells and liners within currently permitted acreage, (ii) additions and improvements to the leachate collection and treatment systems, including leachate trenching, (iii) additions and improvements to the methane gas systems, including collection, processing and treatment systems for the capture, conversion and/or distribution of landfill gas, (iv) installation of new liners for intermittent and final closure of completed sections of the landfill facilities, (v) site improvements, (vi) acquisition of equipment to be used at the landfill facilities, and (vii) acquisition of other equipment and assets (including, but not limited to, land) necessary to support the foregoing improvements and to place them into service, and (b) improvements to existing collection (hauling) and transfer station facilities, including (i) acquisition of solid waste disposal and recycling trucks and support vehicles, (ii) acquisition of solid waste disposal and recycling containers and related equipment, (iii) acquisition of solid waste sorting and processing and recycling equipment, (iv) site improvements, and (v) acquisition of other equipment and assets (including, but not limited to, land) necessary to support the foregoing improvements and place them into service all to be located within the State (collectively, the "**Project**"); and (c) pay all or for a portion, if any, of the costs of issuance of the Bonds, all as permitted by the **Illinois Finance Authority Act** (the "**IFA Act**") or the **Illinois Environmental Facilities Financing Act** (the "**Environmental Act**" and together with the IFA Act, the "**Acts**") (collectively, the "**Financing Purposes**"). **Program:** Solid Waste Disposal Revenue Bonds issued pursuant to IFA's powers under the Acts. **IRS Section 146 Volume Cap required: <u>Yes</u>**. Future bond issues undertaken pursuant to this Preliminary Bond Resolution are expected to be originated in multiple issuances of at least $50 million and originated over several years. IFA will allocate available prior year Solid Waste Disposal Revenue Bond Carryforward Volume Cap and supplement with current year Volume Cap at the time of issuance, if necessary. **No IFA Funds at risk. No State Funds at risk.**
BOARD ACTION	Preliminary Bond Resolution requested *<u>This is the first time this request has been presented to the IFA Board of Directors</u>*
JOB DATA	550 Current jobs-IL — **TBD New jobs projected (will be estimated as specific projects are identified in connection with future Bond Resolutions) N/A Retained jobs (at risk jobs) — **TBD Construction jobs projected (will be estimated as specific projects are identified in connection with future Bond Resolutions) ****Note**: Will be reported at the time for the Illinois project sites that use IFA bond proceeds.
BORROWER DESCRIPTION	● Type of business: WM is North America's leading provider of comprehensive waste management environmental services. WM works with its residential, commercial, industrial and municipal customers and the communities served to manage and reduce waste at each stage from collection to disposal, while recovering valuable resources and creating clean, renewable energy. ● Locations: This Preliminary Bond Resolution is intended to cover all WM operating facilities in Illinois.

CREDIT INDICATORS	● **Waste Management, Inc.** ("**Borrower**" or "**WM**") currently has an S&P long-term debt rating of 'A-' (assigned as of 5/16/2019 with stable outlook) and an S&P short-term rating of 'A-2' (affirmed as of 5/16/2019 with Stable outlook). <u>**As presently contemplated, the future IFA Bonds that would be documented, and subsequently authorized and issued for the purposes identified herein would be sold by the Underwriter based on WM's S&P ratings.**</u> ● **Waste Management Holdings, Inc.** ("**Guarantor**" or "**WM Holdings**") currently has a long-term debt rating of 'A-' from S&P (affirmed as of 5/16/2019 with a Stable outlook). ● <u>Note</u>: *Although WM and WM Holdings have also been assigned investment grade ratings by Moody's and Fitch in connection with other <u>unrelated</u> long-term and short-term debt offerings, as of the 1/7/2020 preparation date of this report, the Borrower currently plans to only apply for ratings on the future IFA Bonds from S&P.*
STRUCTURE	● Term: 30-years (anticipated) ● Interest Rate: Bond documents will allow for a multi-modal structure. Based on the Guarantor's underlying A-/A-2 long-term/short-term ratings from S&P Global Ratings, the Borrower and Underwriter/Remarketing Agent (i.e., BofA Securities, Inc.) will evaluate the optimal initial terms and interest rate mode(s) based at the time of pricing (and as subsequently evaluated in advance of any interest rate reset date).
SOURCES AND USES; PRELIMINARY, SUBJECT TO CHANGE	See table below
RECOMMENDATION	Project Review Committee recommends approval.

Sources and Uses; Preliminary, Subject to Change

Sources:		**Uses:**	
IFA Bonds –multiple series	$500,000,000	Project Costs	$550,000,000
Equity	<u>54,500,000</u>	***Costs of Issuance	<u>4,500,000</u>
Total	<u>**$554,500,000**</u>	**Total**	<u>**$554,500,000**</u>

*****NOTE:** WM intends to pay all Costs of Issuance with Borrower equity (i.e., no IFA Bond Proceeds will be used to pay bond issuance costs). The costs of issuance reported above are a preliminary estimate, subject to change.

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ILLINOIS FINANCE AUTHORITY
PROJECT SUMMARY REPORT
January 14, 2020

INFORMATIONAL – PRELIMINARY, SUBJECT TO CHANGE

Project: **Waste Management, Inc.**
(and its affiliates)

STATISTICS

IFA Project:	12472	Amount:	$500,000,000 *(not-to-exceed amount)*
Type:	Solid Waste Disposal Revenue Bonds	IFA Staff:	Rich Frampton and Brad Fletcher
Location:	Multiple/Statewide	Counties/ Region:	Multiple/Statewide

BOARD ACTION

Preliminary Bond Resolution ("Inducement Resolution" for reimbursement <u>in one or more</u> future tax-exempt bond issues)

Conduit Solid Waste Disposal Revenue Bonds	No IFA funds at risk
Project Review Committee recommends approval	No extraordinary conditions

VOTING RECORD

This is the first time this Project has been presented to the IFA Board for consideration.

PURPOSE

Bond proceeds will be used to finance landfill and transfer station improvements and to purchase containers, transportation equipment, and equipment for use at WM's solid waste disposal facilities statewide.

IFA PROGRAM AND CONTRIBUTION

The Authority's Solid Waste Disposal Facility Revenue Bond Program provides tax-exempt financing for qualifying projects that treat, transport, landfill or otherwise dispose of qualified solid waste as allowed under the Internal Revenue Code.

These Bonds will be issued under powers authorized under the Illinois Finance Authority Act and the Illinois Environmental Facilities Financing Act, as applicable. The Illinois Environmental Facilities Financing Act has a $2.5 billion debt limit (which is distinct from the aggregate debt limit of $28.15 billion under IFA's Act) specific to project bonds issued under the Illinois Environmental Facilities Finance Act. Prior Final Bond Resolutions for IFA Solid Waste Disposal Revenue Bonds have delegated authority to the Executive Director to determine whether to issue the Solid Waste Disposal Revenue Bonds under (i) the Illinois Finance Authority Act or (ii) the Illinois Environmental Facilities Financing Act.

VOLUME CAP

This project will use unallocated IFA Carryforward Volume Cap designated by IFA for Solid Waste Disposal Revenue Bond projects, and to the extent necessary, current year Volume Cap designated for use for Solid Waste Disposal Revenue Bond financings in an allocation award by the Governor's Office of Management and Budget.

The proposed $500 million Inducement Resolution under consideration in connection with this request is expected to be originated in a series of discrete financings that would be originated over the next 5 to 10 years.

FINANCING SUMMARY

Bondholder Security: Bonds will be sold based on the underlying long-term and short-term ratings in effect at the time of issuance as assigned by S&P Global Ratings to Waste Management, Inc. Waste Management's long-term debt is currently rated ('A-') and short-term debt is currently rated ('A-2') by S&P.

Additionally, Bondholders will be further secured by a Guaranty from **Waste Management Holdings, Inc.**, a wholly-owned subsidiary of Waste Management, Inc. ("**WM Holdings**"). As described in Note 21 to Waste Management, Inc.'s 2018 Annual Financial Statements (presented in the Company Form 10-K Filing dated as of 12/31/2018), WM and WM Holdings cross-guarantee the debt of the other affiliate pursuant to a Guaranty Agreement. WM Holdings currently has a long-term debt rating of 'A-' from S&P.

Structure: Multi-modal bonds (including both variable rate and fixed rate options). The initial interest rate mode(s) will be determined at the time of pricing when originated based on market conditions (and Waste Management's debt ratings at the time of issuance).

Maturity: Not to exceed 30 years from the date of issuance

Underlying Debt Ratings: **Waste Management, Inc.** (the "**Borrower**" or "**WM**") currently has an S&P long-term debt rating of 'A-' and an S&P short-term rating of 'A-2' (assigned/affirmed as of 5/16/2019 with Stable outlooks). **It is anticipated that the future bonds anticipated pursuant to this Preliminary Bond Resolution will be initially sold and remarketed based on WM's S&P ratings in effect at the time of pricing for each future bond issue.**

Waste Management Holdings, Inc. ("**Guarantor**" or "**WM Holdings**") currently has a long-term debt rating of 'A-' from S&P (affirmed as of 5/16/2019 with a Stable outlook).

Anticipated Timing: Note: There will be staged originations over several years as presently contemplated.

BUSINESS SUMMARY

About Waste Management, Inc. and Waste Management Holdings, Inc.: **Waste Management, Inc.** ("**WM**" or the "**Borrower**" or the "**Corporation**") is a holding company and all operations are conducted by its subsidiaries. When the term "WM" is used herein, WM specifically references Waste Management, Inc., the parent holding company.

- WM was incorporated in Oklahoma in 1987 under the name "USA Waste Services, Inc." and was reincorporated as a Delaware company in 1995.
- In a 1998 merger, the Illinois-based waste services company formerly known as Waste Management, Inc. became a wholly-owned subsidiary of WM and changed its name to **Waste Management Holdings, Inc.** ("**WM Holdings**"). Like WM, WM Holdings is a holding company for certain operating units -- all operations are conducted by operating subsidiaries of each holding company.
- ***Pursuant to a Guaranty Agreement, WM Holdings is the corporate guarantor on all debt issued or incurred by WM.***

- Concurrent with the 1998 merger, the parent holding company changed its name from USA Waste Services to Waste Management, Inc. (i.e., **WM**).

WM's principal executive offices are located at 1001 Fannin Street, Houston, Texas 77002. WM's principal telephone number is (713) 512-6200 and WM's website address is www.wm.com.

WM's annual reports on Form 10-K, quarterly reports on Form 10-Q, and current reports on Form 8-K are all available to the public, free of charge, on WM's website as soon as practicable after WM files any of these reports with the SEC. WM's stock is traded on the New York Stock Exchange under the symbol "WM."

WM is North America's leading provider of comprehensive waste management environmental services. WM works with its residential, commercial, industrial and municipal customers and the communities served to manage and reduce waste at each stage from collection to disposal, while recovering valuable resources and creating clean, renewable energy. WM's "Solid Waste" business is operated and managed locally by its subsidiaries that focus on distinct geographic areas and provides collection, transfer, disposal, and recycling and resource recovery services.

WM and its affiliates had approximately 43,700 employees as of December 31, 2018.

WM owns or operates 252 landfill sites, which the Corporation reports is the largest network of landfills in North America. In order to make disposal more practical for larger urban markets (where the distance to landfills is typically farther) WM manages 314 solid waste transfer stations that consolidate, compact and transport waste efficiently and economically.

WM is a leading recycler in North America, handling materials that include paper, cardboard, glass, plastic, and metal. WM provides cost-efficient, environmentally sound recycling programs for municipalities, businesses and households across the U.S. and Canada as well as other services that supplement its Traditional Solid Waste business. Through its subsidiaries, WM is also a leading developer, operator and owner of landfill gas-to-energy facilities in the United States.

About WM's Illinois Operations: WM's operations in Illinois are conducted through several operating subsidiaries. WM's Illinois operations comprise 11 disposal locations, 14 transfer stations, and 15 collection facilities.

WM employs approximately 550 people in Illinois.

IFA and its predecessors have closed on eight prior bond issues totaling over $377 million with WM and its affiliates/predecessors since 1978, with the most recent closing in November 2019 ($50 million). All payments on the prior WM Bonds issued by IFA and IDFA have been paid as scheduled.

Rationale: The subject Bonds will enable WM to finance the subject projects at the lowest possible interest rate. Solid Waste Disposal Revenue Bonds are authorized under Section 142(a)(6) of the Internal Revenue Code.

PROJECT SUMMARY (FOR PRELIMINARY BOND RESOLUTION)

The Bonds will be issued in one or more series and the proceeds will be loaned to **Waste Management, Inc.,** a Delaware corporation ("**WM**", the "**Borrower**" or the "**Corporation**"), in order to assist the Corporation in providing all or a portion of the funds that will enable the Borrower to finance certain solid waste disposal facilities, including, but not limited to the following: (a) improvements to existing landfill facilities, including (i) construction of new disposal cells and liners within currently permitted acreage, (ii) additions and improvements to the leachate collection and treatment systems, including leachate trenching, (iii) additions and improvements to the methane gas systems, including collection, processing and treatment systems for the capture, conversion and/or distribution of landfill gas, (iv) installation of new liners for intermittent and final closure of completed sections of the landfill facilities, (v) site improvements, (vi) acquisition of equipment to be used at the landfill facilities, and (vii) acquisition of other equipment and assets (including, but not limited to, land) necessary to support the foregoing improvements and to place them into service, and (b) improvements to existing collection (hauling) and transfer station facilities, including (i) acquisition of solid waste disposal and recycling trucks and support vehicles, (ii) acquisition of solid waste disposal and recycling containers and related equipment, (iii) acquisition of solid waste sorting and processing and recycling equipment, (iv) site improvements, and (v) acquisition of other equipment and assets (including, but not limited to, land) necessary to support the foregoing improvements and place them into service all to be located within the State (collectively, the "**Project**"); and (c) pay all or for a portion, if any, of the costs of issuance of the Bonds, all as permitted by the **Illinois Finance Authority Act** (the "**Act**") or the **Illinois Environmental Facilities Financing Act** (the "**Environmental Act**" and together with the IFA Act, the "**Acts**") (collectively, the "**Financing Purposes**").

Waste Management Holdings, Inc., a Delaware corporation, (the "**WM Holdings**" or the "**Guarantor**") is expected to be the Corporate Guarantor of future IFA Solid Waste Disposal Revenue Bonds that are issued using this Preliminary Bond Resolution to provide for reimbursement under the Internal Revenue Code.

ECONOMIC DISCLOSURE STATEMENT

Applicant/ Contacts:	Waste Management, Inc. (*Contact:* Mr. Jeff Bennett, Assistant Treasurer – Waste Management, Inc., 1001 Fannin, Suite 4000, Houston, Texas 77002; (T) 713.394.5262; E-mail: jbennet6@wm.com)	
Project Name:	Waste Management, Inc. (IFA Solid Waste Disposal Revenue Bonds, Waste Management, Inc. Project)	
Project Locations:	Potentially, all qualified WM-owned facilities in Illinois (as described immediately above in the Project Summary for "Preliminary Bond Resolution")	
Land Owner:	The subject properties are all owned by Waste Management, Inc. or its subsidiaries (including Waste Management of Illinois, Inc.).	
	Borrower:	**Corporate Guarantor:**
	Waste Management, Inc.	*Waste Management Holdings, Inc.*
Organization:	Corporation	Corporation
State:	Delaware	Delaware

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5.0% or Greater Beneficial Ownership of Common Stock: **Waste Management, Inc.**

- **The Vanguard Group, Inc.: 8.33% (institutional) – as reported by WM**
  455 Devon Park Dr., Wayne, PA 198087-1815 (or P.O. Box 1101, Valley Forge, PA 19482-1101): manages and advises various Vanguard-branded mutual funds and exchange-traded funds (ETFs). www.investor.vanguard.com/corporate

- **BlackRock, Inc.: 5.76% (NYSE: BLK) (institutional) – as reported by WM**
  40 E. 52nd St., New York, NY 10022; manages and advises BlackRock-branded Mutual Funds and Closed-end Fund, as well as and iShares-branded ETFs. www.blackrock.com

PROFESSIONAL & FINANCIAL (PRELIMINARY, SUBJECT TO CHANGE)

Borrower's Counsel:	Locke Lord LLP	Boston, MA	Stephanie Massey
External Auditor:	Ernst & Young LLP	Houston, TX	
Underwriter:	BofA Securities, Inc.	San Francisco, CA Chicago, IL	Lawrence Tonomura John Emerson
Bond Counsel:	Locke Lord LLP	Boston, MA	Jennifer Mendonca
Underwriter's Counsel:	Norton Rose Fulbright US LLP	New York, NY	James Marlin, Anna Lee Patrick Alvarez
Trustee:	U.S. Bank, National Association		
IFA Counsel:	To be determined (to be assigned upon initiation of bond documentation)		
IFA Financial Advisor:	Sycamore Advisors, LLC	Chicago, IL	Courtney Tobin, Justin O'Shea

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CONDUIT

January 14, 2020

$15,000,000 (not-to-exceed amount)
Roosevelt University

REQUEST – APPROVAL OF THE FINAL BOND RESOLUTION (THE FINAL BOND RESOLUTION IS PRESENTED UNDER SEPARATE COVER)	**Purpose:** Roosevelt University, an Illinois not for profit corporation (the "**University**" or "**Roosevelt**"), has requested that the Authority issue not-to-exceed $15,000,000 (excluding original issue discount and premium, if any) in aggregate principal amount of revenue bonds consisting of (i) one or more series or subseries of Revenue Bonds (Roosevelt University) Series 2020A initially bearing interest at fixed, tax-exempt rates (the "**Series 2020A Bonds**") and (ii) one or more series or subseries of Revenue Bonds (Roosevelt University) Series 2020B initially bearing interest at fixed, taxable rates (the "**Series 2020B Bonds**" and together with the Series 2020A Bonds, the "**Series 2020 Bonds**") in providing all or some of the funds necessary to do any or all of the following: (i) pay or reimburse the University for the payment of the costs of acquiring certain assets of **Robert Morris University**, an Illinois not for profit corporation ("**RMU**"); (ii) pay or reimburse the University for the payment of the costs of acquiring fixtures, furniture and equipment, making improvements to leased and/or owned facilities and relocating staff and programs, (iii) fund capitalized interest, (iv) fund one or more debt service reserve funds for the benefit of the Series 2020 Bonds, if deemed necessary or desirable by the University, and (v) paying certain expenses incurred in connection with the issuance of the Series 2020 Bonds, all as permitted by the Illinois Finance Authority Act (the "**Act**", and (i)-(v), collectively, the "**Financing Purposes**"). The educational facilities to be financed from the proceeds of the Bonds are or will be (i) owned and operated by Roosevelt; (ii) located on land owned by Roosevelt at or near 421-425 South Wabash Avenue, Chicago, Illinois; 430 South Michigan Avenue, Chicago, Illinois; 509 South Wabash Avenue, Chicago, Illinois and 1400 North Roosevelt Boulevard, Schaumburg, Illinois; and (iii) located on land leased to RMU (which leases will be assigned to Roosevelt) at or near 1507 Waukegan Road, Waukegan, Illinois; 206 SW Adams Street, Peoria, Illinois; 2121 South Goebertt Road, Arlington Heights, Illinois; 12 South Center Street, Bensenville, Illinois; and 17130 Prime Boulevard, Lockport, Illinois. **Program:** 501(c)(3) Revenue Bonds (Tax-Exempt and Taxable) **Extraordinary Conditions:** None. No IFA Funds at risk. No State Funds at risk.
BOARD ACTION	Final Bond Resolution **<u>Preliminary Bond Resolution approved December 10, 2019</u> <u>by the following vote</u>**: Yeas: 13; Nays: 0; Abstentions: 0; Absent: 2 (Poole; Zeller); Vacancies: 0
MATERIAL CHANGES	Wells Fargo Securities, LLC has been selected as Underwriter for this private placement sale to Preston Hollow Capital, LLC. Funding of a Debt Service Reserve Fund has been added to the scope of prospective uses of bond proceeds.
JOB DATA (AS REPORTED IN THE UNIVERSITY'S 2018 EMMA FILING POSTED IN FEBRUARY 2019 AND AS UPDATED IN THE UNIVERSITY'S OCTOBER 7, 2019 WEBSITE "FACTS AT A GLANCE" POSTING)	201 Faculty (Full-time) 379 Staff (Full-time) — Current jobs; N/A — New jobs projected Not Determined — Jobs Retained; Not available yet — Construction Jobs
BORROWER DESCRIPTION	● Locations: Chicago, Arlington Heights, and Schaumburg (Cook County/Northeast Region); Bensenville (DuPage County/Northeast Region); Lockport (Will County/Northeast Region); Peoria (Peoria County/ North Central Region); Waukegan (Lake County / Northeast Region) ● Type of entity: Roosevelt University is a private co-educational, non-sectarian higher education institution established in 1945. ● Roosevelt enrolled approximately 4,329 students (undergraduate and graduate) at its campuses in Chicago and Schaumburg in Fall 2018 (FY 2019). Approximately 78.2% of FY 2018 credit hours reflected enrollment at its Loop Campus. The Schaumburg campus is home to the University's School of Pharmacy and its doctoral program in Industrial-Organizational Psychology. ● Robert Morris University enrolled approximately 1,889 students at its Illinois campuses as of Fall 2018 (FY 2019). Robert Morris offers instruction at five (5) Illinois campus locations (Arlington Heights, Bensenville, Lockport, Peoria, and Waukegan).
CREDIT INDICATORS	● Roosevelt's outstanding debt is currently rated by Moody's and Fitch. The University's IFA Series 2007 Bonds are currently rated 'B1' / 'BB-' (Moody's/Fitch) as of 1/7/2020. Fitch downgraded Roosevelt's Series 2007 Bonds from 'BB' (Stable Outlook) to 'BB-' (Stable Outlook) as assigned as of 3/28/2019. Moody's most recent ratings action occurred as of 6/29/2018 when Moody's downgraded

CREDIT INDICATORS (CONT'D.)	Roosevelt's long-term rating on the Series 2007 Bonds from 'Ba2' (Negative Outlook) to 'B1' (Negative Outlook). (Robert Morris University is a non-rated institution.) ● The IFA Series 2020 Bonds will be on parity with the IFA Series 2018A/2018B/2019A Bonds and are expected to have materially the same covenants and restrictions. ● As with the University's outstanding IFA Series 2018A, 2018B, and 2019A Bonds, the Series 2020 Bonds will be a general obligation of the University. Additionally, it is anticipated that the Series 2020 bondholders will participate on a *parri passu* (i.e., *pro rata* allocation) basis in the mortgage security offered to the existing IFA Series 2018A/2018B/2019A bondholders. ● Pledged mortgage collateral consists of all real property owned by Roosevelt University and consisting of (i) its flagship 32-story 425 S. Wabash Building (the "Wabash Building") office-administration/classroom/student residences) which opened in 2012, (ii) its 501 S. Wabash ("Goodman Center") Athletic/Recreation Center which opened in 2012, (iii) 430 S. Michigan Ave., Chicago, IL 60605 ("Auditorium Theatre Building"), and (iv) its Schaumburg (Robin) Campus at 1400 N. Roosevelt Blvd., Schaumburg, IL, 60173 (renovated in 1995). (According to the Official Statement for the IFA Series 2019A Bonds, the combined appraised value of the four mortgaged properties totals approximately \$368.8 million (based on appraisal reports dated as of August 2018 and March 2019).)
STRUCTURE	● <u>The IFA Series 2020 Bonds, as contemplated, will be initially privately placed on a non-rated basis by Wells Fargo Securities, LLC, as Underwriter, for this financing.</u> The initial private placement purchaser pursuant to this private placement will be Preston Hollow Capital, LLC of Dallas, TX. Sale of the privately placed IFA Series 2020 Bonds will be limited to Accredited Investors ("AIs") and/or Qualified Institutional Buyers ("QIBs") in minimum denominations of \$100,000 (and would thereby be sold in a manner consistent with existing IFA Bond Handbook requirements). ● **<u>Note</u>**: The non-rated Series 2020 Bonds will be sold pursuant to Bond Purchase Agreements and Investor Letters that will satisfy all existing IFA Bond Program Handbook policies applicable to the sale of non-rated bonds (i.e., Bonds will be sold in minimum denominations of \$100,000). Accordingly, no policy exceptions regarding IFA's minimum bond denomination policy will be necessary. *Additional information describing Roosevelt's credit rating history is presented on p. 5.* ● Interest Rate: It is contemplated that the Series 2020A-B Bonds may be each issued in one or more series or subseries and shall bear interest at fixed tax-exempt or taxable interest rates featuring maturities of up to 40 years. The Final Bond Resolution establishes interest rate parameters not to exceed (i) 6.00% on the Series 2020A (Tax-Exempt) Bonds and (ii) 10.00% on the Series 2020B (Taxable) Bonds. ● Maturity: no later than 40 years after the date of issuance (maximum parameter established by the Final Bond Resolution)

SOURCES AND USES (PRELIMINARY ESTIMATES – SUBJECT TO CHANGE)

Sources:		**Uses:**	
Series 2020 Bonds	\$15,000,000	Capital Expenditures (including paying or reimbursing the University for the payment of, the costs of acquiring certain assets of Robert Morris University)	\$15,000,000
Equity:	<u>450,000</u>	**Costs of Issuance	<u>450,000</u>
Total	**<u>\$15,450,000</u>**	**Total**	**<u>\$15,450,000</u>**

**Costs of issuance are expected to be paid from borrower equity (preliminary, subject to change).

RECOMMENDATION	The Project Review Committee recommends approval of a Final Bond Resolution for this financing (in substantially the form presented to the IFA Board under separate cover).
EXTRAORDINARY CONDITION:	This financing will return to the Board for a separate Resolution that would authorize distribution of an Official Statement for the Series 2020 Bonds, thereby enabling potential resale of the Series 2020 Bonds in the secondary market subject to satisfying IFA Bond Handbook requirements. More specifically, as long as the IFA Series 2020 Bonds remain non-rated, secondary market resale of the Series 2020 Bonds would be limited to Accredited Investors and Qualified Institutional Buyers (as consistent with IFA Bond Handbook requirements). This subsequent IFA Board Resolution (and the accompanying Official Statement) would not be presented for consideration until after Roosevelt receives all necessary regulatory approvals (i.e., Higher Learning Commission and Illinois Board of Higher Education) and has closed on its asset purchase of Robert Morris University.

ILLINOIS FINANCE AUTHORITY
PROJECT SUMMARY REPORT
January 14, 2020

INFORMATIONAL – CONTENT IS PRELIMINARY, SUBJECT TO CHANGE

Project: Roosevelt University

STATISTICS

IFA Project:	12438	Amount:	$15,000,000 (not-to-exceed amount)
Type:	501(c)(3) Revenue Bonds	IFA Staff:	Rich Frampton and Brad R. Fletcher
Locations:	Chicago, Arlington Heights Bensenville, Schaumburg, Lockport, Peoria, Waukegan	Counties/ Regions:	Cook, Du Page, Lake, Will / Northeast; Peoria / North Central

BOARD ACTION

Final Bond Resolution
Conduit 501(c)(3) Revenue Bonds
No IFA funds at risk

The Project Review Committee recommends approval of a Final Bond Resolution (in substantially the form presented to the IFA Board under separate cover).

Extraordinary Condition (also described on p. 2,): Roosevelt will be returning to the IFA Board, subject to Roosevelt closing on its proposed Robert Morris University (Illinois) asset purchase, for consideration of a Resolution that would authorize distribution of an Official Statement which would include (directly or in appendices to the Official Statement) (i) Roosevelt's FYE 8/31/2019 audit report, (ii) Roosevelt's 8/31/2019 financial and operational management narrative, and (iii) a description of its acquisition and integration of RMU into Roosevelt. *Roosevelt does not plan to request consideration of this Resolution authorizing distribution of an Official Statement until after it closes on the Roosevelt University acquisition.*

VOTING RECORD

Preliminary Bond Resolution approved December 10, 2019 by the following vote: Yeas: 13; Nays: 0; Abstentions: 0; Absent: 2 (Poole; Zeller); Vacancies: 0

PURPOSE

The Borrower and financing team currently anticipate that the Series 2020 Bonds will be issued for the purpose of (i) paying or reimbursing the University for the payment of the costs of acquiring certain assets of **Robert Morris University** ("**RMU**"); (ii) paying or reimbursing the University for payment of the costs of acquiring fixtures, furniture and equipment, making improvements to leased and/or owned facilities and relocating staff and programs and (iii) paying certain expenses incurred in connection with the issuance of the Bonds, all as permitted by the Act (collectively, the "**Financing Purposes**").

IFA PROGRAM AND CONTRIBUTION

501(c)(3) Bonds are municipal bonds authorized under the Internal Revenue Code that enable 501(c)(3) corporations to finance capital projects furthering support of their mission. The IFA's issuance of these Bonds will convey federal tax-exempt status on interest paid to bondholders, thereby enabling bondholders to accept a below market interest rate that is passed through to the borrower.

VOLUME CAP

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

FINANCING SUMMARY

Structure – *Private Placement; Investor Letter; Restrictions on Transfers*: It is anticipated that the Series 2020 Bonds will be underwritten by Wells Fargo Securities, LLC and sold on a private placement basis (pursuant to one or more Purchase Contracts) to Preston Hollow Capital, LLC of Dallas, Texas.

Preston Hollow Capital, LLC, as the initial purchaser, will be required to deliver an investor letter to the Authority for each series of Bonds (in the form approved by counsel to the Authority and consistent with the Authority's Bond Handbook requirements, as amended and supplemented) stating, among other things, that Preston Hollow satisfies the specified 'tests' for being considered (i) an institutional "**Accredited Investor**" ("**AI**") within the meaning of Regulation D, Sections 501 through 506, or (ii) a "**Qualified Institutional Buyer**" ("**QIB**") within the meaning of Rule 144A, under the Securities Act of 1933, as amended.

Additionally, the Bond Indentures shall contain such restrictions, as counsel to the Authority shall reasonably determine are necessary or advisable, on the transfer of the Series 2020 Bonds by the Purchaser or by any Accredited Investor or Qualified Institutional Buyer to which the Purchaser transfers the Series 2020 Bonds.

<u>Note: No exception to any IFA Bond Handbook provision is being requested at this time.</u> Nevertheless, in the event the Series 2020A-B Bonds are subsequently rated and assigned an investment grade rating, the Loan Agreements have been drafted to provide appropriate covenants that would permit the Series 2020 Bonds to be sold to non-institutional (i.e., non-AI, non-QIB) investors under appropriate specified conditions.

Official Statement (to be released after closing of RMU asset Acquisition): Subsequent to closing on the acquisition of Robert Morris University assets (which is subject to Higher Learning Commission and Illinois Board of Higher Education approval), Roosevelt plans to return to the IFA Board for consideration of a subsequent Resolution to authorize the distribution and release of an Official Statement relating to the Series 2020 Bonds. (The IFA Board will have access to the Official Statement and Appendix A information as well as the updated FYE 8/31/2019 audit report and management's financial and operational narrative (which Roosevelt expects to post on EMMA next month).)

Bondholder Security: The Series 2020 Bonds will be secured by (i) a general unrestricted revenue pledge of the University and (ii) a mortgage on Roosevelt University's real estate holdings, including substantially all of the University's real estate holdings located in Chicago and Schaumburg.

Interest Rate: The Series 2020A (Tax-Exempt) and Series 2020B (Taxable) Bonds shall initially bear interest at one or more fixed interest rates and may be sold in maturities of up to 40 years. The Bond Resolution establishes not-to-exceed interest rate parameters of (i) 6.00% fixed on the Series 2020A (Tax-Exempt) Bonds, and (ii) 10.00% fixed on the Series 2020B (Taxable) Bonds.

Maturity: The Bonds shall mature no later than 40 years after their date of issuance. Both the Series 2020A (Tax-Exempt) Bonds and the Series 2020B Bonds (Taxable) shall be subject to mandatory sinking fund provisions as provided in their respective Indentures. Both the Series 2020A and Series 2020B Bonds shall be subject to optional and extraordinary redemption and be payable as set forth in their respective Indentures.

Ratings: Although the Series 2020 Bonds will be sold on a non-rated basis with initial sale and secondary market resale restricted to Accredited Investors and Qualified Institutional Buyers consistent with IFA Bond Handbook requirements), the University will continue to maintain its Moody's and Fitch debt ratings on its Series 2007 Bonds (approximately $30 million outstanding) through the scheduled final maturity date of 4/1/2037.

Below are the University's current ratings on its IFA Series 2007 Bonds.

Current Long-Term Debt/Issue Ratings and most recently reported ratings actions for the IFA Series 2007 Bonds (Roosevelt University) – as of 1/7/2020:

IFA Series 2007 Bonds:

- Moody's: 'B1'
  - Moody's downgraded from 'Ba2' (Negative Outlook) to 'B1' (Negative Outlook) effective 6/29/2018
- Fitch: 'BB-'
  - Fitch downgraded the University's long-term debt rating from 'BB' (Stable Outlook) to 'BB-' (Stable Outlook) as of 3/28/2019.

Links to EMMA Disclosures on Roosevelt University's Debt Ratings History and filings related to its Series 2007 Bonds:

Series 2007 Bonds: https://emma.msrb.org/IssueView/Details/MS176228

Note: Unlike the proposed IFA Series 2020 Bonds, and the outstanding IFA Series 2018A-B and IFA Series 2019A Bonds, the Series 2007 Bonds ***are not*** secured by Mortgages on the University's real estate holdings (nor are the Series 2007 Bonds supported by a Debt Service Reserve Fund).

Estimated Closing Date: February 2020 (The Bonds will close prior to regulatory approvals to provide for reimbursement of certain renovation expenditures already incurred. The Bonds will be structured as draw down bonds. Accordingly, in the event that the acquisition is not approved by regulators, Roosevelt is likely to cease drawing proceeds. Nevertheless, Roosevelt would, of course, remain obligated to repay any draws of Series 2020 proceeds.).

Rationale: The tax-exempt status of the proposed IFA Series 2020 Bonds will be integral in helping Roosevelt reduce its borrowing costs, thereby enabling the University to maintain affordable tuition, maintain its infrastructure, provide new course offerings, and accelerate integration of Robert Morris University's operations into Roosevelt University in order to accomplish the announced objectives of Roosevelt University's asset acquisition of Robert Morris University.

BUSINESS SUMMARY

Background – Roosevelt Univ.: **Roosevelt University** ("**Roosevelt**" or the "**University**") is a private, non-sectarian, Illinois not-for-profit institution of higher education with campuses located in downtown Chicago and in Schaumburg (located SW of the I-290/I-90 (Jane Adams Tollway) interchange). The University was established in 1945 and was named in honor of both former President Franklin D. Roosevelt and First Lady Eleanor Roosevelt. The University is incorporated as a 501(c)(3) corporation for federal income tax purposes.

Pursuant to the form of draft Final Bond Resolution as of 1/7/2020, bond proceeds may also used by Roosevelt in connection with capital expenditures undertaken by Roosevelt University at five leased facilities where operations of Robert Morris University may be continued (with Roosevelt assuming the leases) subsequent to the RMU acquisition, including: 1507 Waukegan Road in Waukegan, IL; 206 SW Adams Street in Peoria, IL; 2121 South Goebertt Road in Arlington Heights, IL; 12 South Center Street in Bensenville, IL; and, 17130 Prime Boulevard in Lockport, IL.

Roosevelt University is governed by a 31-member Board of Trustees (see pp. 11-12). Additionally, there are 7 Life Trustees and 3 Honorary Trustees.

There is one additional organizational unit (The Auditorium Theatre of Roosevelt University, Inc. or "The Auditorium Theatre", and Illinois not-for-profit corporation) whose financial results are consolidated with Roosevelt University.

As presented in Roosevelt University's most recent EMMA-posted financial statements (audit report for FYE 8/31/2019), unrestricted operating revenues of the Auditorium Theatre comprised less than 1.5% of the Unrestricted Consolidated Operating Revenues of Roosevelt University and its affiliates.

Description – Roosevelt Univ.: Roosevelt University was initially chartered as Thomas Jefferson College on March 28, 1945 and had financial backing from Marshall Field III, the Julius Rosenwald Foundation, the International Ladies' Garment Workers Union, and numerous others. Two weeks later, President Franklin D. Roosevelt died. The college obtained his widow Eleanor's permission to rename the institution as Roosevelt College in President Roosevelt's memory (the College was later rededicated to both Franklin and Eleanor Roosevelt in 1959).

The University is a four-year university with campuses in the Loop and Schaumburg. The University's stated mission has been "to make higher education available to all academically qualified students regardless of their background".

Roosevelt University - Facilities and Physical Expansion:

- **In 1947, Roosevelt purchased the historic Auditorium Building at 430 S. Michigan Ave.** which has housed the University's Chicago classes since that time, numerous administrative offices, and the Auditorium Theatre of Roosevelt University.
- **In August 1996, the University opened its 225,000 SF Albert A. Robin Campus in Schaumburg which is located on approximately 27 acres of land and repurposed a portion of the former regional headquarters facility of the Union Oil Company of California.** The Schaumburg campus is home to the University's Doctor of Pharmacy program, which accepted its inaugural class in July 2011 and received full accreditation in 2014. The Schaumburg campus is also home to the University's Industrial-Organizational Psychology Ph.D. program. (Following the proposed acquisition of Robert Morris, Roosevelt intends to relocate RMU's nursing and allied health programs to renovated space at the Schaumburg campus.)
- **In 2007, the University expanded its downtown Chicago footprint by acquiring approximately 126,000 SF of office condominium space in the Gage Building located at 18-28 S. Michigan Avenue.** *Roosevelt sold this Gage Building office condominium space to National Louis University in December 2018 (see p. 7 for Strategic Real Estate Divestitures).*
- **In 2012, the University opened the Lillian and Larry Goodman Center (the "Goodman Center" is located at 501 S. Wabash Ave., (SE corner of E. Ida B. Wells Dr. and S. Wabash Ave).** The Goodman Center is a two-story, 27,834-gross-square-foot athletic facility field house featuring a multi-purpose gymnasium on the second floor and first-floor space containing offices, meeting rooms, a team lounge, locker rooms, an

athletic training room, and a strength and conditioning center which is also home to Roosevelt's indoor intercollegiate athletic teams.
- **In 2012, the University opened its new, 32-story downtown campus facility at 421-425 S. Wabash Avenue, known as the "Wabash Building".** The Wabash Building is the second-tallest higher education building in the U.S. and the sixth tallest in the world. The Wabash Building serves as a "vertical campus" and is a multi-purpose building hosting (i) classrooms, (ii) science labs, (iii) administrative offices, and (iv) approximately 600 beds of student residences (located on floors 14-32), with shared lounges overlooking Lake Michigan on each floor). *The Wabash Building was partially financed (development cost of approximately $123MM according to published reports) with a portion of the proceeds of an approximately $183.64MM IFA bond issue (issued December 9, 2009).*

Roosevelt University - Strategic Real Estate Divestitures:

- **In August 2017, the University sold its ownership interest in the Educational Advancement Fund, Inc., a 1,729-bed University Center Chicago student housing facility.** (The University Center Chicago project was owned by the Educational Advancement Fund, Inc. ("EAF"), a joint venture special purpose corporation that was co-owned by Roosevelt University, DePaul University, and Columbia College Chicago to construct, own, and operate the University Center Chicago facility.) The University continues to lease space in the building for its students under a long-term agreement.

- **In December 2018, Roosevelt sold 100% of the Gage Building office space (comprising administrative and faculty offices and classroom space) to National Louis University.** In advance of this divestiture, Roosevelt had relocated offices and moved classes previously located at the Gage Building to its Wabash Building (421-425 S. Wabash) and Auditorium Building (430 S. Michigan Ave.). (IFA issued $26.5 million of Bonds on behalf of National Louis University in early 2019, with a portion of the proceeds to be applied to finance renovations of the Gage Building condominium space to enable relocation and consolidation of Kendall College into National Louis University.)

Recent Development – October 7, 2019 – Announcement of Merger/Integration of Robert Morris University (Illinois) into Roosevelt University:

On October 7, 2019, Roosevelt University and Robert Morris University (Illinois) announced submission of an application by Roosevelt University to the Higher Learning Commission to make Robert Morris University a part of Roosevelt (with a decision anticipated in Spring 2020). The new university would continue to be named Roosevelt University. Roosevelt is planning to create a new college within the University, the Robert Morris Experiential College, in which Robert Morris programs not currently offered by Roosevelt would reside (e.g., nursing, allied health, and culinary programs). The integration of Robert Morris University's nursing program and associate degree programs in allied health would increase facility utilization at Roosevelt's Schaumburg campus (where Roosevelt's Pharmacy College is located) and complement Roosevelt's baccalaureate programs in biology, biochemistry, allied health, and health science administration. Certain Robert Morris programs would be offered at Roosevelt's Chicago campus and online.

According to Roosevelt's website blog on the RMU acquisition and integration plan, the acquisition will help Roosevelt achieve its key strategic initiatives, which include (i) improving (i.e., increasing) enrollments; (ii) increasing revenues; and (iii) reducing expenses.

Public Information on Roosevelt University's Acquisition of Robert Morris University:

NOTE: The joint Roosevelt University/Robert Morris University Press Release announcing the Roosevelt acquisition together with key excerpts from Roosevelt's publicly posted Roosevelt/Robert Morris Merger Blog (which is hyperlinked within Roosevelt's EMMA-posted 10/7/2019 press release) are attached as Appendix A to this report.

- Roosevelt University's 10/7/2019 public announcement link is here (this was posted on EMMA as of 10/8/2019): https://emma.msrb.org/ER1261582-ER985524-ER1387605.pdf
- The link to the Roosevelt's public blog site regarding the RMU acquisition and integration plan is here: http://blogs.roosevelt.edu/stronger

Academics, Faculty, and Student Body – Roosevelt University:

Roosevelt University currently offers undergraduate (64 majors and 38 minors) and graduate degrees (54 graduate programs and 3 doctoral programs) through five colleges: the College of Arts and Sciences, the Heller College of Business, the Chicago College of Performing Arts, the College of Education, and the College of Pharmacy.

- Roosevelt University's top 5 undergraduate majors according to *US News and World Report* (2018) were: Psychology; Biology; Hospitality Administration/Management; Management Science; and Accounting.

- The 10 most popular degree programs for Graduate Students in recent years have been: MBA, Pharmacy (PharmD), Clinical Psychology (MA); Clinical Psychology (PsyD); Industrial/Organizational Psychology (MA); Human Resources Management (MSHRM); Computer Science (MS); Clinical Mental Health Counseling (MA); Accounting (MSA); and, Integrated Marketing Communications (MS).

According to the University's most recent public postings (including its annual Financial Disclosure posting on EMMA in February 2019, which included its 8/31/2018 audited financial statements), Roosevelt's publicly disseminated enrollment information and facts for academic year 2018-2019 included the following:

- Enrollment (headcount) of 4,329 as of Fall 2018 (FY 2019), comprised of 2,419 undergraduate students and 1,910 graduate and doctoral students;
- 213 full-time faculty, with 87% of full-time faculty holding a Ph.D. degree or equivalent;
- A student/faculty ratio of 10:1; and
- An average class size of approximately 18.

Accreditation:

The University is accredited as a Higher Education University by the Higher Learning Commission of the North Central Association of Colleges and Schools (the "Higher Learning Commission" or "HLC").

Additionally, specialized academic programs have also received program-specific accreditation focusing on the curriculum, faculty resources, and specific methods of assessment for a specific academic and/or professional discipline. Currently held professional accreditations include:

- Accreditation Council for Pharmacy Education (ACPE)
- American Bar Association
- American Chemical Society
- American Psychological Association (PSYD)
- Association of Collegiate Business Schools and Programs
- Council for Accreditation of Counseling and Related Education Programs

- Council for the Accreditation of Educator Preparation
- Illinois Veterans Commission
- National Association of Schools of Music

NOTE: *The HLC will be reviewing Roosevelt's application to acquire Robert Morris University and presenting to the HLC Board for consideration. HLC Board approval of Roosevelt's application to acquire RMU will be necessary (along with approval by the Illinois Board of Higher Education) before Roosevelt University may proceed to close on the acquisition. According to Roosevelt's blog site, HLC Board consideration is contemplated in early 2020.*

Press Recognition of Roosevelt's Campus Diversity:

Roosevelt was ranked as the third most diverse higher education institution in the Midwest in the 2018 edition of the *U.S. News & World Report Annual Guide to Colleges* while Niche.com ranked Roosevelt the 4th best college location in Illinois in 2019 with the sixth-best residence hall in Illinois.

Key Management: About Roosevelt's (1) President (Dr. Ali R. Malekzadeh) and (2) Chief Financial Officer (Mr. Andrew Harris):

- **Dr. Ali R. Malekzadeh (Ph.D.) – President**: Since becoming Roosevelt's President in 2015, Malekzadeh has worked to raise over $37 million for student scholarships and grants, and continues to stabilize enrollments. He is a strong advocate for faculty research and innovation, established a Professional Mentoring Program for students, and created a Chicago-area council for diversity and inclusion. Under Malekzadeh's leadership, Roosevelt has expanded services for veterans and students with disabilities, and focused on new programs for multicultural students. Prior to Roosevelt, Malekzadeh served as the Edgerley Family Dean of the College of Business Administration at Kansas State University, where he increased annual fundraising from an average of $2 million to more than $40 million, and led the business college in raising funding for a new business education building.

  Dr. Malekzadeh earned his doctorate in business administration with an emphasis on strategic management from the University of Utah, and a bachelor's in management and Masters in Business Administration from the University of Denver.

- **Mr. Andrew Harris – Vice President and Chief Financial Officer:** Mr. Harris joined Roosevelt as Chief Financial Officer on June 1, 2018. Mr. Harris is a senior financial and operational leader with more than 25 years in the higher education, non-profit and government sectors, including both higher education and the U.S. military. Mr. Harris has served public and private universities at the vice president level in finance, budgeting, treasury/cash operations, technology and general administration. Mr. Harris' higher education career began in Boston University ("BU"), where he worked 14 years and assisted in the transformation of BU from a commuter school to a comprehensive university with membership in the Association of American Universities. Subsequently, Mr. Harris joined the University of Chicago ("UofC") as associate vice president and university budget director, where he was also involved in bond issues to fund expansion of the UofC's physical plant.

  Mr. Harris' UofC tenure was punctuated by an overseas tour of duty with his military unit, the first of two deployments in his career. Mr. Harris ultimately attained the rank of colonel, commanded an infantry brigade combat team, and recently retired from the Vermont Army National Guard for which he last served as chief of staff.

  Following his military deployment, Mr. Harris joined the University of North Texas ("UNT"), where he served in a dual role as (1) vice chancellor for finance of the UNT System and (2) vice president for finance and administration at the flagship campus, where he had regular and sustained interaction with governing boards, legislative bodies and a variety of external entities important to public higher education in Texas.

During Mr. Harris' nearly 6½-year tenure at UNT and UNT System his accomplishments included (1) attaining a double upgrade of UNT's bond rating from 'A1' to 'Aa2' (Moody's); (2) securing financing large-scale campus building projects including: (a) a football stadium, (b) business school, (c) student union, and (d) other campus infrastructure projects; and (3) implementing a long-term investment pool that added millions in unrestricted cash to the operating budget of UNT.

Mr. Harris is a graduate of the Boston University Questrom School of Business and the U.S. Army War College, having earned an MBA and a Master's degree in strategic studies.

PROJECT SUMMARY (FOR FINAL BOND RESOLUTION)

Roosevelt University, an Illinois not for profit corporation (the "**University**" or "**Roosevelt**"), has requested that the Authority issue not-to-exceed $15,000,000 (excluding original issue discount and premium, if any) in aggregate principal amount of revenue bonds consisting of (i) one or more series or subseries of Revenue Bonds (Roosevelt University) Series 2020A initially bearing interest at fixed, tax-exempt rates (the "**Series 2020A Bonds**") and (ii) one or more series or subseries of Revenue Bonds (Roosevelt University) Series 2020B initially bearing interest at fixed, taxable rates (the "**Series 2020B Bonds**" and together with the Series 2020A Bonds, the "**Series 2020 Bonds**") in providing all or some of the funds necessary to do any or all of the following: (i) pay or reimburse the University for the payment of the costs of acquiring certain assets of **Robert Morris University**, an Illinois not for profit corporation ("**RMU**"); (ii) pay or reimburse the University for the payment of the costs of acquiring fixtures, furniture and equipment, making improvements to leased and/or owned facilities and relocating staff and programs, (iii) fund capitalized interest, (iv) fund one or more debt service reserve funds for the benefit of the Series 2020 Bonds, if deemed necessary or desirable by the University, and (v) paying certain expenses incurred in connection with the issuance of the Series 2020 Bonds, all as permitted by the Illinois Finance Authority Act (the "**Act**", and (i)-(v), collectively, the "**Financing Purposes**").

The educational facilities to be financed from the proceeds of the Bonds are or will be (i) owned and operated by Roosevelt; (ii) located on land owned by Roosevelt at or near 421-425 South Wabash Avenue, Chicago, Illinois; 430 South Michigan Avenue, Chicago, Illinois; 509 South Wabash Avenue, Chicago, Illinois and 1400 North Roosevelt Boulevard, Schaumburg, Illinois; and (iii) located on land leased to RMU (which leases will be assigned to Roosevelt) at or near 1507 Waukegan Road, Waukegan, Illinois; 206 SW Adams Street, Peoria, Illinois; 2121 South Goebertt Road, Arlington Heights, Illinois; 12 South Center Street, Bensenville, Illinois; and 17130 Prime Boulevard, Lockport, Illinois.

ECONOMIC DISCLOSURE STATEMENT

Applicant:	Roosevelt University, 430 S. Michigan Ave. Chicago, IL 60605
Contact:	Mr. Andrew Harris, CFO, 430 S. Michigan Ave. Chicago, IL 60605; (T) 312.341.3583 email: aharris52@roosevelt.edu
Applicant Website:	http://www.roosevelt.edu
Project name:	Illinois Finance Authority Revenue Bonds, Series 2020 (Roosevelt University Project)
Locations – Prospective Project Sites:	Proceeds may be used at the following locations: 421-425 South Wabash Avenue, Chicago, Illinois (Wabash Building); 430 South Michigan Avenue, Chicago, Illinois (Auditorium Building); 501 South Wabash Avenue, Chicago, Illinois 60605 (Goodman Center); 1400 North Roosevelt Boulevard, Schaumburg, Illinois 60173 (Schaumburg Campus); 1507 Waukegan Road, Waukegan, IL; 206 SW Adams Street, Peoria, IL; 2121 South Goebertt Road, Arlington Heights, IL; 12 South Center Street, Bensenville, IL; and, 17130 Prime Boulevard, Lockport, IL.

Organization: Illinois not-for-profit corporation; incorporated as a 501(c)(3) not-for-profit corporation for federal income tax purposes

Roosevelt University's Board of Trustees: **Roosevelt University's Board of Trustees** (as posted on the University's website as of 11/14/2019):

<u>Chair/Vice Chair/Officers – Roosevelt University Board of Trustees:</u>

<u>Chair</u>

- Patricia Harris (BGS, '80) – Global Chief Diversity Officer and VP of Global Community Engagement, McDonald's Corporation

<u>Senior Vice Chairs</u>

- Melvin L. Katten, Senior Counsel, Katten Muchin Rosenman LLP
- Robert Mednick (BS, '62), Retired Managing Partner, Andersen Worldwide
- Kenneth L. Tucker (BS, '54), Principal, Kenneth L. Tucker Company

<u>Vice Chair</u>

- Susan T. Bart, Partner, Schiff Hardin LLP

<u>Secretary to the Board</u>

- Bruce A. Crown, Chairman, BevBar, Inc.

<u>Public Members – Roosevelt University Board of Trustees:</u>

- Steven H. Abbey, Senior Vice President, Huntington Bank
- Marian Azzaro, Faculty Trustee (Associate Professor of Integrated Marketing, Roosevelt University)
- Tom Balanoff, President, SEIU Local 1
- Stephen Cerrone, Chief Human Resources Officer, SunEdison
- Mark Crayton, Faculty Trustee (Lecturer Voice – Chicago College of Performing Arts, Roosevelt University)
- Maureen A. Ehrenberg, Jones Lang LaSalle
- Gerald W. Fogelson, President, The Fogelson Properties, Inc.
- Ann Ford, Chief Ethics and Compliance Officer – Privacy Officer; Medline Industries, Inc.
- Viki Fuller (BSBA, '79), Former Chief Investment Officer, NYS Common Retirement Fund
- Thomas Gladden, Founder, Macrosight LLC
- John R. Hall, III, Ed.D., CEO, Edugaged, LLC
- Gregory Hauser, Faculty Trustee (Professor of Education Leadership)
- Larissa Herczeg, Managing Director, CIO, Oak Street Real Estate Capital
- Meme Hopmayer
- Abby Kahaleh, Faculty Trustee (Associate Professor of Pharmacy Administration, Roosevelt University)
- John O. Keshner, Managing Director – Endowments and Foundations, The Northern Trust
- William J. Kirby, Retired, FMC Corporation
- Ron Kubit, CCO, Sopris Health
- Robert Y. Paddock, Executive Vice President and Vice Chairman, Paddock Publications, Inc.
- Joseph A. Pasquinelli, Foundation Principal Archideas
- Terry Peterson, VP – Government Affairs, Rush University Medical Center
- Maurice Smith, President, Health Care Service Corporation
- Marek A. Wierzba, Partner – Assurance & Advisory Business Services, Ernst & Young
- Robert L. Wieseneck (BS, '58), Retired, SPS Payment Systems, Inc.
- Carolyn Wiley, Faculty Trustee (Professor of Management, Roosevelt University)

PROFESSIONAL & FINANCIAL

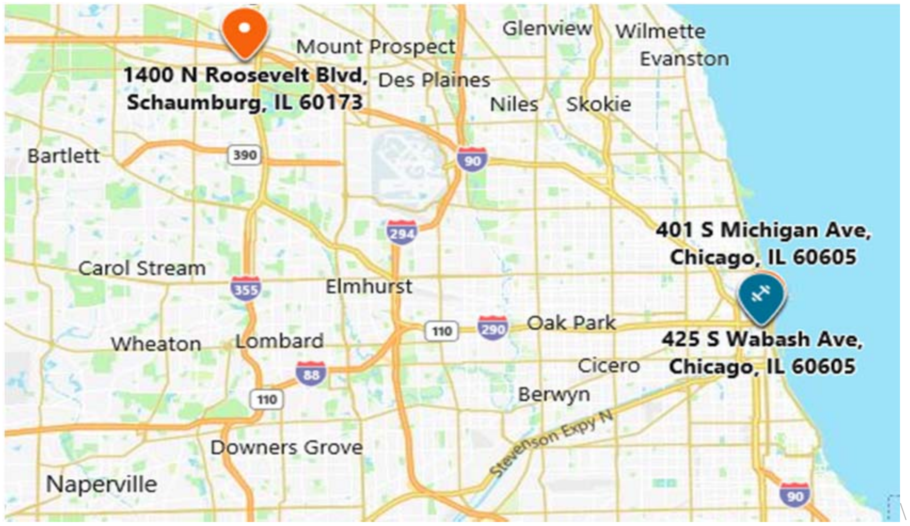
Auditor:	Crowe Horwath LLP	Chicago, IL	
Borrower's Counsel:	Chuhak & Tecson	Chicago, IL	Andrew Tecson
Financial Advisor to Borrower:	Columbia Capital Management, LLC	Chicago, IL Overland Park, KS	Jeff White Adam Pope
Bond Counsel:	Katten Muchin Rosenman LLP	Chicago, IL	Janet Hoffman Chad Doobay
Underwriter:	Well Fargo Securities, LLC	Chicago, IL	
Underwriter's Counsel:	Mayer Brown LLP	Chicago, IL	David Narefsky, Jeremy Cannon
Initial Investor/Bond Purchaser (via Private Placement):	Preston Hollow Capital, LLC	Dallas, TX	Charlie Visconsi
Investor's Counsel:	Squire Patton Boggs LLP	Columbus, OH	Greg Daniels
Bond Trustee:	BNY Mellon	Chicago, IL	Eydie Wrobel, Robert Hardy
IFA Counsel:	Chapman and Cutler LLP	Chicago, IL	David Kates, Sharone Levy
IFA Financial Advisor:	Acacia Financial Group, Inc.	Chicago, IL	Phoebe Selden, Brittany Whelen

LEGISLATIVE DISTRICTS

	RU- Loop Campus	RU-Schaumburg Campus	Waukegan	Peoria	Arlington Heights	Bensenville	Lockport
Congressional:	7	8	10	17	8	8	3
State Senate:	3	28	30	46	27	39	19
State House:	5	55	59	92	53	77	37

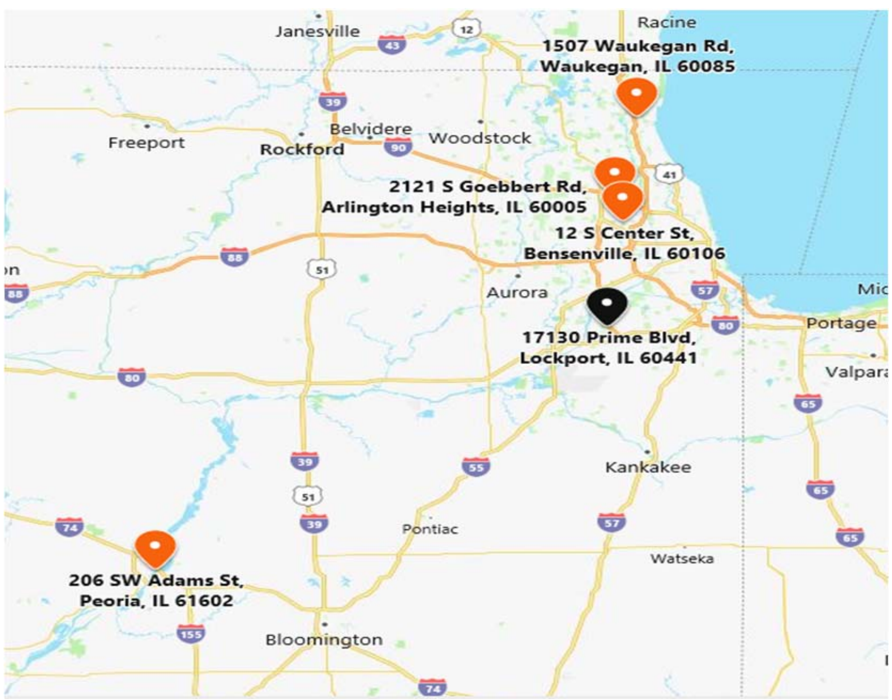
SITE MAPS (Source: Bing Maps)

1. **Roosevelt University –properties subject to Mortgage which secure the IFA Series 2018A-B, IFA Series 2019A, and the proposed IFA Series 2020 Bonds.**



(Note: Chicago campus also includes 501 S. Wabash (Goodman Center))

2. **Leased Facilities identified in IFA Bond Resolution for prospective use by the Robert Morris Experiential College at Roosevelt University (5 Locations):**



ILLINOIS FINANCE AUTHORITY

Memorandum

To: IFA Board of Directors

From: Sara Perugini

Date: January 14, 2020

Re: Assist Northwest Community Hospital with amendments related to the Illinois Finance Authority Variable Rate Demand Revenue Bonds, Series 2008B, Series 2008C and Series 2011 (Northwest Community Hospital)
IFA 2011 File Number H-HO-TE-CD-8477

On October 17, 2008, the Illinois Finance Authority (the *"Authority"*) issued its (i) Illinois Finance Authority Variable Rate Demand Revenue Bonds, Series 2008B (Northwest Community Hospital) (the *"Series 2008B Bonds"*), currently outstanding in the aggregate principal amount of $26,785,000, pursuant to a Bond Trust Indenture dated as of September 1, 2008 (the *"Original 2008B Bond Indenture"*), between the Authority and Wells Fargo Bank, National Association, as bond trustee (the *"Bond Trustee"*), and (ii) Illinois Finance Authority Variable Rate Demand Revenue Bonds, Series 2008C (Northwest Community Hospital) (the *"Series 2008C Bonds"* and, together with the Series 2008B Bonds, the "*Series 2008 Bonds"*), currently outstanding in the aggregate principal amount of $26,785,000, pursuant to a Bond Trust Indenture dated as of September 1, 2008 (the *"Original 2008C Bond Indenture"* and, together with the Original 2008B Bond Indenture, the "*Original 2008 Bond Indentures"*), between the Authority and the Bond Trustee. The proceeds of the Series 2008 Bonds were loaned to Northwest Community Hospital, an Illinois not for profit corporation (the *"Hospital"*), pursuant to two Loan Agreements each dated as of September 1, 2008, between the Authority and the Hospital.

On December 1, 2011, the Authority issued its Illinois Finance Authority Variable Rate Demand Revenue Bonds, Series 2011 (Northwest Community Hospital) (the *"Series 2011 Bonds"* and, together with the Series 2008 Bonds, the *"Series 2008/2011 Bonds"*), currently outstanding in the aggregate principal amount of $39,500,000, pursuant to a Bond Trust Indenture dated as of December 1, 2011 (the *"Original 2011 Bond Indenture"* and, together with the Original 2008 Bond Indentures, the *"Original Bond Indentures"*) between the Authority and the Bond Trustee. The proceeds of the Series 2011 Bonds were loaned to the Hospital pursuant to the Loan Agreement dated as of December 1, 2011 between the Authority and the Hospital.

The Hospital desires to convert each series of the Series 2008/2011 Bonds to bear interest at fixed rates in accordance with the provisions of the applicable Original Bond Indenture (such conversions being referred to herein as the *"Conversion"*).

To accomplish the foregoing, each series of the Series 2008/2011 Bonds will be subject to mandatory tender on the date of the Conversion and remarketed to and purchased by JPMorgan Chase Bank, National Association (*"JPMorgan"*), DNT Asset Trust, a wholly owned subsidiary of JPMorgan or another affiliate of JPMorgan (the *"Purchaser"*), on a direct purchase basis.

The Hospital and the Purchaser desire to make certain amendments to each Original Bond Indenture in connection with the Conversion to provide for (i) a cross-default to the supplemental bondholder's agreements to be executed between the Hospital and the Purchaser with respect to each series of Series 2008/2011 Bonds, and (ii) a new form of each series of Series 2008/2011 Bond be executed and delivered on the date of the Conversion (collectively, the *"Purchaser-Requested Bond Indenture Amendments"*).

In order to have the Series 2008/Series 2011 Bonds comply with the Authority's requirements for nonrated bonds and to conform to the current provisions of the Authority's Bond Program Handbook, the Authority has requested certain amendments to each Original Bond Indenture in connection with the Conversion to provide for (i) the Series 2008/2011 Bonds to be in minimum denominations of $100,000 and $5,000 multiples in excess thereof while bearing interest at fixed rates and (ii) the Executive Director of the Authority and certain other persons to execute the Series 2008/2011 Bonds (collectively, the *"Authority-Requested Bond Indenture Amendments"* and, together with the Purchaser-Requested Bond Indenture Amendments, the *"Bond Indenture Amendments"*).

The Hospital has requested that the Authority authorize and approve certain of its Members and officers to execute supplements to the Original Bond Indentures to effectuate the Bond Indenture Amendments; as well as execute, authorize and/or approve any other supplements, documents, certificates or undertakings as deemed necessary or required in connection with carrying out and complying with the matters set forth above and in the Resolution.

The amendments to the Original Series 2008 Bond Indentures are authorized by the existing terms of those documents, and will be consented to by the Purchaser. The amendments to the Original Series 2011 Bond Indenture will be consented to by the Purchaser. Chapman and Cutler LLP is expected to provide an opinion that the Conversion and the Bond Indenture Amendments will not adversely affect the tax-exempt status of any of the bonds.

IFA staff recommends the approval of the accompanying resolution.

PROFESSIONAL & FINANCIAL

Borrower's Financial Advisor:	Kaufman Hall	Chicago, IL	Glenn Wagner
Bond Counsel:	Chapman and Cutler LLP	Chicago, IL	David Kates
Bond Purchaser:	JP Morgan	Chicago, IL	Luke Kowal
Bank Counsel:	Chapman and Cutler LLP	Chicago, IL	David Field
Issuer's Counsel:	Foley & Lardner LLP	Chicago, IL	Laura Bilas
IFA Financial Advisor:	Acacia Financial Group, Inc.	Chicago, IL	Phoebe Selden Brittany Whalen

ECONOMIC DISCLOSURE STATEMENT

The Board of Directors for the Hospital is listed below:

Diane G. Hill
Mary R. Sheahen, M.S., R.N.
Craig E. Christell
Jay S. Cowen, M.D.

Guy W. Eisenhuth
Ann K. Ford
John L. Gatta
Marla F. Glabe
Richard D. Hoffman
Thomas P. MacCarthy
E. Quinn Regan, M.D.
Stephen O. Scogna
Kenneth Spero, M.D.
Thomas G. Wischhusen

RESOLUTION 2020-0114-CF__

RESOLUTION AUTHORIZING AND APPROVING AMENDMENTS RELATED TO THE ILLINOIS FINANCE AUTHORITY VARIABLE RATE DEMAND REVENUE BONDS, SERIES 2008B (NORTHWEST COMMUNITY HOSPITAL), ILLINOIS FINANCE AUTHORITY VARIABLE RATE DEMAND REVENUE BONDS, SERIES 2008C (NORTHWEST COMMUNITY HOSPITAL) AND ILLINOIS FINANCE AUTHORITY VARIABLE RATE DEMAND REVENUE BONDS, SERIES 2011 (NORTHWEST COMMUNITY HOSPITAL), THE PROCEEDS OF WHICH WERE LOANED TO NORTHWEST COMMUNITY HOSPITAL.

WHEREAS, the Illinois Finance Authority (the *"Authority"*) has been created by, and exists under, the Illinois Finance Authority Act, as amended; and

WHEREAS, on October 17, 2008, the Authority issued its (i) Illinois Finance Authority Variable Rate Demand Revenue Bonds, Series 2008B (Northwest Community Hospital) (the *"Series 2008B Bonds"*) pursuant to a Bond Trust Indenture dated as of September 1, 2008 (the *"Original 2008B Bond Indenture"*), between the Authority and Wells Fargo Bank, National Association, as bond trustee (the *"Bond Trustee"*), and (ii) Illinois Finance Authority Variable Rate Demand Revenue Bonds, Series 2008C (Northwest Community Hospital) (the *"Series 2008C Bonds"* and, together with the Series 2008B Bonds, the "*Series 2008 Bonds"*) pursuant to a Bond Trust Indenture dated as of September 1, 2008 (the *"Original 2008C Bond Indenture"* and, together with the Original 2008B Bond Indenture, the "*Original 2008 Bond Indentures"*), between the Authority and the Bond Trustee; and

WHEREAS, the proceeds of the Series 2008 Bonds were loaned to Northwest Community Hospital, an Illinois not for profit corporation (the *"Hospital"*), pursuant to two separate Loan Agreements each dated as of September 1, 2008, between the Authority and the Hospital; and

WHEREAS, on December 1, 2011, the Authority issued its Illinois Finance Authority Variable Rate Demand Revenue Bonds, Series 2011 (Northwest Community Hospital) (the *"Series 2011 Bonds"* and, together with the Series 2008 Bonds, the *"Series 2008/2011 Bonds"*) pursuant to a Bond Trust Indenture dated as of December 1, 2011 (the *"Original 2011 Bond Indenture"* and, together with the Original 2008 Bond Indentures, the *"Original Bond Indentures"*) between the Authority and the Bond Trustee; and

WHEREAS, the proceeds of the Series 2011 Bonds were loaned to the Hospital pursuant to the Loan Agreement dated as of December 1, 2011 between the Authority and the Hospital; and

WHEREAS, the Hospital desires to convert each series of the Series 2008/2011 Bonds to bear interest at fixed rates in accordance with the provisions of the applicable Original Bond Indenture (such conversions being referred to herein as the *"Conversion"*); and

WHEREAS, to accomplish the foregoing, each series of the Series 2008/2011 Bonds will be subject to mandatory tender on the date of the Conversion and remarketed to and purchased by JPMorgan Chase Bank, National Association (*"JPMorgan"*), DNT Asset Trust, a wholly owned subsidiary of JPMorgan or another affiliate of JPMorgan (the *"Purchaser"*), on a direct purchase basis; and

WHEREAS, the Hospital and the Purchaser desire to make certain amendments to each Original Bond Indenture in connection with the Conversion to provide for certain additional events of default, changes to the authorized denominations for the Series 2008/2011 Bonds while bearing interest at fixed rates and certain other amendments (collectively, the *"Bond Indenture Amendments"*); and

WHEREAS, a draft of the First Supplemental Bond Trust Indentures each between the Authority and the Bond Trustee (the *"First Supplemental Bond Indentures"* and, together with the Original Bond Indentures, the *"Bond Indentures"*) describing the Bond Indenture Amendments has been previously provided to the Authority and is on file with the Authority; and

WHEREAS, in connection with the Conversion, the following additional documents may be executed and delivered by parties other than the Authority (collectively, the *"Additional Transaction Documents"*):

(i) a Second Supplemental Master Trust Indenture among the Hospital, Northwest Community Healthcare, an Illinois not for profit corporation (the *"Parent"*), and Wells Fargo Bank, National Association, as master trustee, providing for, among other things, the issuance of the Bank Obligations (as hereinafter defined);

(ii) a separate Supplemental Bondholder's Agreement each among the Hospital, the Parent and the Purchaser, related to each series of Series 2008/2011 Bonds (collectively, the *"Supplemental Bondholder's Agreements"* and, each, a *"Supplemental Bondholder's Agreement"*);

(iii) a Direct Note Obligation, Series 2008B (DNT Asset Trust) (the *"Series 2008B Bank Obligation"*), which will be pledged to the Purchaser as security for the Supplemental Bondholder's Agreement related to the Series 2008B Bonds;

(iv) a Direct Note Obligation, Series 2008C (DNT Asset Trust) (the *"Series 2008C Bank Obligation"*), which will be pledged to the Purchaser as security for the Supplemental Bondholder's Agreement related to the Series 2008C Bonds; and

(v) a Direct Note Obligation, Series 2011A-2 (DNT Asset Trust) (the *"Series 2011 Bank Obligation"* and, together with the Series 2008B Bank Obligation and the Series 2008C Bank Obligation, the *"Bank Obligations"*), which will be pledged to the Purchaser as security for the Supplemental Bondholder's Agreement related to the Series 2011 Bonds;

NOW THEREFORE, Be It Resolved by the Illinois Finance Authority as follows:

Section 1. Approval of the Conversion and the Bond Indenture Amendments. The Authority hereby approves the Conversion and the Bond Indenture Amendments.

Section 2. First Supplemental Bond Indentures. The Authority does hereby authorize and approve the execution 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 of the First Supplemental Bond Indentures. The First Supplemental Bond Indentures shall be substantially in the form on file with the Authority and hereby approved, or with such changes therein as shall be approved by the Authorized Officer of the Authority executing the same, with such execution to constitute conclusive evidence of such Authorized Officer's approval and the Authority's approval of any changes or revisions therein from such form of the First Supplemental Bond Indentures, and to constitute conclusive evidence of such Authorized Officer's approval and the Authority's approval thereof.

Section 3. New Bonds. In order to carry out the remarketing of the Series 2008/2011 Bonds to the Purchaser and the effectiveness of the Bond Indenture Amendments, the Authority hereby authorizes and approves the execution and delivery to the Purchaser of a new and amended bond with respect to each series of the Series 2008/2011 Bonds (each, a *"New Bond"* and, together, the *"New Bonds"*), in substantially the form attached to the related First Supplemental Bond Indenture as *Exhibit A* and previously provided to and on file with the Authority or with such changes therein as any Authorized Officer shall approve, the execution thereof to constitute conclusive evidence of such approval of any and all changes or revisions therein from such form. Such New Bonds shall be executed in the name, for and on behalf of the Authority with the manual or facsimile signature of its Chairperson, Vice Chairperson or its Executive Director and attested by the manual or facsimile signature of its Executive Director, 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. The Chairman, Vice Chairman, Executive Director or any other office of the Authority shall cause the New Bonds, as so executed and attested, to be delivered to the Bond Trustee, as bond registrar, for authentication. When such New Bonds are executed on behalf of the Authority in the manner contemplated by the Bond Indentures and this Resolution, they shall represent the approved forms of such New Bonds.

Section 4. Tax Agreements. The Authority is hereby authorized to enter into one or more Tax Exemption Certificates and Agreements (together, the *"Tax Agreements"*) with the Hospital, the Parent and the Bond Trustee in the form to be approved by bond counsel, by counsel for the Hospital and the Parent and by counsel to the Authority; the Authorized Officers of the Authority be, and each of them hereby is, authorized, empowered and directed to execute and deliver the Tax Agreements as so approved; when such Tax Agreements are executed and delivered on behalf of the Authority as herein provided, such Tax Agreements will be binding on the Authority; and from and after the execution and delivery of such Tax Agreements, the officers, employees and agents of the Authority are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary or desirable to carry out and comply with the provisions of such Tax Agreements as executed.

Section 5. Direct Placement; Investor Letter; Restrictions on Transfers. The Authority hereby authorizes the execution and delivery of the New Bonds to the Purchaser on a direct purchase basis pursuant to the Bond Indentures; the Purchaser shall deliver an investment letter to the Authority (in the form approved by counsel to the Authority and consistent with the Authority's Bond Program Handbook) stating, among other things, that the Purchaser is either an institutional "accredited investor" within the meaning of Regulation D, Sections 501 through 506 or a "qualified institutional buyer" within the meaning of Rule 144A, under the Securities Act of 1933, as amended; and each such investor letter shall contain such restrictions as counsel to the Authority shall reasonably determine are necessary or advisable, on the transfer of the New Bonds by the Purchaser or by any accredited investor or qualified institutional buyer to which the Purchaser transfers any of the New Bonds. Based on the fact that the Hospital reasonably expects that the New Bonds will be sold to the Purchaser, who is a qualified institutional buyer or accredited investor, in a private placement in minimum denominations of at least $100,000, the Authority finds that the issuance of the New Bonds complies with the Authority's policy regarding unrated bonds.

Section 6. Additional Transaction Documents. The Authority does hereby approve the execution and delivery of the Additional Transaction Documents. The Additional Transaction Documents shall be in substantially the forms previously provided to and on file with the Authority and hereby approved, with such changes therein as shall be approved by, or in such final forms as are approved by, the Authorized Officer of the Authority executing the First Supplemental Bond Indentures, with such execution to constitute conclusive evidence of such Authorized Officer's approval and the Authority's approval of the final forms of the Additional Transaction Documents or any changes or revisions therein from such forms of the Additional Transaction Documents.

Section 7. 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, approve and/or accept, as applicable, all such agreements, certificates, instruments and documents (including, without limitation, the execution and delivery of one or more IRS Forms 8038 and one or more supplemental loan agreements) as may be necessary to carry out and comply with the provisions of these resolutions, the First Supplemental Bond Indentures and the Bond Indenture Amendments, 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.

Section 8. Severability. The provisions of this 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 Resolution.

Section 9. Conflicts. All resolutions and orders, or parts thereof, in conflict herewith are hereby superseded to the extent of such conflict.

Section 10. Effectiveness. This Resolution shall be in full force and effect immediately upon its passage, as by law provided.

Approved and effective this 14th day of January, 2020 by vote as follows:

Ayes:

Nays:

Abstain:

Absent:

Vacant:

ILLINOIS FINANCE AUTHORITY

By______________________________________
Executive Director

ATTEST:

____
Assistant Secretary

[SEAL]

ILLINOIS FINANCE AUTHORITY

Memorandum

To: IFA Board of Directors

From: Sara Perugini

Date: January 14, 2020

Re: Resolution Authorizing Amendments Relating to the Illinois Finance Authority Variable Rate Demand Revenue Bonds, Series 2008A (Little Company of Mary Hospital and Health Care Centers), the Illinois Finance Authority Variable Rate Demand Revenue Bonds, Series 2008B (Little Company of Mary Hospital and Health Care Centers), and the Illinois Finance Authority Revenue Bonds, Series 2015 (Little Company of Mary Hospital and Health Care Centers); and Approving Related Matters
IFA 2015 File Number: H-HO-TE-CD-8479

The Illinois Finance Authority ("*IFA*") has previously issued three series of bonds for the benefit Little Company of Mary Hospital and Health Care Centers ("*LCOM*"): (i) the $67,170,000 Illinois Finance Authority Variable Rate Demand Revenue Bonds, Series 2008A (Little Company of Mary Hospital and Health Care Centers) (the "*Series 2008A Bonds*"), of which $42,240,000 are currently outstanding, (ii) the $67,170,000 Illinois Finance Authority Variable Rate Demand Revenue Bonds, Series 2008B (Little Company of Mary Hospital and Health Care Centers) (the "*Series 2008B Bonds*" and, together with the Series 2008A Bonds, the "*Series 2008 Bonds*"), of which $42,220,000 are currently outstanding and (iii) the $102,000,000 Illinois Finance Authority Revenue Bonds, Series 2015 (Little Company of Mary Hospital and Health Care Centers) (the "*Series 2015 Bonds*" and, together with the Series 2008 Bonds, the "*Bonds*"), of which $102,000,000 are currently outstanding.

LCOM and OSF Healthcare System ("*OSF*"), have entered into an Affiliation Agreement dated October 7, 2019 under the terms of which LCOM will merge into OSF on or about February 1, 2020 (the "*Transaction*"). The master trust indenture relating to LCOM will be terminated and the obligations issued thereunder securing the Bonds will be cancelled and exchanged for obligations issued pursuant to the OSF master trust indenture (the "*MTI Note Exchange*"). OSF and LCOM have requested that the IFA execute supplements and amendments to documents relating to the Bonds, and certain other documents, which may be necessary to reflect the assumption by OSF of the obligations of LCOM with respect to the Bonds as a result of the Transaction and the MTI Note Exchange, and to provide any necessary waivers, consents or approvals in connection with the Transaction and MTI Note Exchange.

The Series 2008 Bonds are secured by letters of credit issued by Barclays Bank PLC (the "*Bank*"), and the terms of such bond trust indentures permit the Bank to consent to amendments to the LCOM master trust indenture and bond documents relating to the Series 2008 Bonds. The Series 2015 Bonds were private placed and are currently owned by DNT Asset Trust (the "*Series 2015 Bondholder*" and a wholly-owned subsidiary of JPMorgan Chase Bank, National Association), and the Series 2015 Bondholder has the authority to consent to amendments to the LCOM master trust indenture and bond documents relating to the Series 2015 Bonds. The Transaction and the MTI Note Exchange will not be completed until the requisite consents have been obtained. Chapman and Cutler LLP is expected to provide an opinion that the Transaction and MTI Note Exchange will not adversely affect the tax-exempt status of the Bonds.

The IFA resolution approves the execution of supplements and amendments to documents relating to the Bonds, and certain other documents, which may be necessary to reflect the assumption by OSF of the obligations of LCOM as a result of the Transaction and MTI Note Exchange, and to provide any necessary waivers, consents or approvals in connection with the Transaction and MTI Note Exchange.

IFA staff recommends the approval of the accompanying resolution.

PROFESSIONAL & FINANCIAL

Bond Counsel:	Chapman and Cutler LLP	Chicago, IL	John Bibby Megan Rudd
Borrower's Counsel:	Foley & Lardner	Chicago, IL	Laura Bilas
Borrower's Financial Advisor:	Kaufman Hall	Chicago, IL	Matt Robbins
Bank Counsel:	Nixon Peabody LLP	Chicago, IL	Julie Seymour
Issuer's Counsel:	Quarles & Brady LLP	Chicago, IL	Mary Ann Murray
IFA Financial Advisor:	Sycamore Advisors LLC	Chicago, IL	Diana Hamilton Courtney Tobin

ECONOMIC DISCLOSURE STATEMENT

The Board of Directors for OSF is listed below:

Sister Judith Ann, O.S.F.
Sister Diane Marie, O.S.F.
Sister Agnes Joseph, O.S.F
Sister Theresa Ann, O.S.F.
Sister Rose Therese, O.S.F.
Sister M. Mikela, F.S.G.M.
Robert Sehring
Gerald McShane, MD
Brian Silverstein, MD

RESOLUTION 2020-0114-CF__

RESOLUTION AUTHORIZING AMENDMENTS RELATING TO THE ILLINOIS FINANCE AUTHORITY VARIABLE RATE DEMAND REVENUE BONDS, SERIES 2008A (LITTLE COMPANY OF MARY HOSPITAL AND HEALTH CARE CENTERS), ILLINOIS FINANCE AUTHORITY VARIABLE RATE DEMAND REVENUE BONDS, SERIES 2008B (LITTLE COMPANY OF MARY HOSPITAL AND HEALTH CARE CENTERS), AND THE ILLINOIS FINANCE AUTHORITY REVENUE BONDS, SERIES 2015 (LITTLE COMPANY OF MARY HOSPITAL AND HEALTH CARE CENTERS); AND APPROVING RELATED MATTERS

WHEREAS, the Illinois Finance Authority (the "*Authority*") has been created by, and exists under, the Illinois Finance Authority Act (the "*Act*"); and

WHEREAS, the Authority has previously issued its (i) Illinois Finance Authority Variable Rate Demand Revenue Bonds, Series 2008A (Little Company of Mary Hospital and Health Care Centers) (the "*Series 2008A Bonds*"), (ii) Illinois Finance Authority Variable Rate Demand Revenue Bonds, Series 2008B (Little Company of Mary Hospital and Health Care Centers) (the "*Series 2008B Bonds*" and, together with the Series 2008A Bonds, the "*Series 2008 Bonds*") and (iii) Illinois Finance Authority Revenue Bonds, Series 2015 (Little Company of Mary Hospital and Health Care Centers) (the "*Series 2015 Bonds*" and, together with the Series 2008 Bonds, the "*Bonds*") for the benefit of Little Company of Mary Hospital and Health Care Centers, an Illinois not for profit corporation ("*LCOM*"); and

WHEREAS, the Series 2008 Bonds are secured by letters of credit issued by Barclays Bank PLC (the *"Bank"*) and the terms of the bond trust indentures pursuant to which the Series 2008A Bonds and the Series 2008B Bonds were issued (the *"Series 2008 Bond Indentures"*) permit the Bank to consent to amendments to the LCOM Master Indenture (described below), the Series 2008 Bond Indentures and the loan agreements pursuant to which the Authority loaned the proceeds of the Series 2008 Bonds to LCOM (the *"Series 2008 Loan Agreements"*) on behalf of the owners of the Series 2008 Bonds; and

WHEREAS, all of the Series 2015 Bonds were privately placed and are currently owned by DNT Asset Trust (the *"Series 2015 Bondholder"*) and, as the owner of the Series 2015 Bonds, has the authority to consent to certain amendments to the LCOM Master Indenture, the bond trust indenture pursuant to which the Series 2015 Bonds were issued (the *"Series 2015 Bond Indenture"*) and the loan agreement pursuant which the Authority loaned the proceeds of the Series 2015 Bonds to LCOM (the *"Series 2015 Loan Agreement"*); and

WHEREAS, LCOM and OSF Healthcare System, an Illinois not for profit corporation ("*OSF*"), have entered into an Affiliation Agreement dated October 7, 2019 under the terms of which LCOM will merge into OSF on or about February 1, 2020 (the "*Transaction*"); and

WHEREAS, LCOM has previously executed a Master Trust Indenture dated as of April 15, 2008, as amended (the *"LCOM Master Indenture"*), with U.S. Bank, National Association, as master trustee (the *"LCOM Master Trustee"*), under which LCOM has issued certain obligations (the *"LCOM Obligations"*) securing the Bonds; and

WHEREAS, OSF has previously executed a Third Amended and Restated Master Trust Indenture dated as of October 1, 2018, as amended (the *"OSF Master Indenture"*), among OSF and certain other members of an Obligated Group created thereunder (the *"OSF Obligated Group"*), and Wells Fargo Bank, National Association, as master trustee (the *"OSF Master Trustee"*); and

WHEREAS, LCOM and OSF will solicit the consent of the Bank and the Series 2015 Bondholder to amend or waive certain provisions of (i) the LCOM Master Indenture, (ii) the Series 2008 Bond Indentures and the Series 2015 Bond Indenture (together, the *"LCOM Bond Indentures"*), (iii) the Series 2008 Loan Agreements and the Series 2015 Loan Agreement (together, the *"LCOM Loan Agreements"*), to permit the termination of the LCOM Master Indenture and the cancelation of the LCOM Obligations in exchange for obligations of OSF issued pursuant to the OSF Master Indenture (the *"OSF Replacement Obligations"*) as security for the Bonds (referred to herein as the "*MTI Note Exchange*"); and

WHEREAS, LCOM and OSF have requested that the Authority execute such supplements and amendments to the LCOM Bond Indentures, the LCOM Loan Agreements, or any other documents executed by the Authority in connection with the issuance of the Series 2008 Bonds and the Series 2015 Bonds (the "*LCOM Bond Documents*") which may be necessary in order to reflect the assumption by OSF of the obligations of LCOM under such Bond Documents as a result of the Transaction and the MTI Note Exchange and to provide any necessary waivers, consents or approvals as may be necessary under the LCOM Bond Documents in connection with Transaction and the MTI Note Exchange;

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

Section 1. Approval of Documents. The Authority does hereby authorize and approve the execution by its Chairperson, Vice Chairperson, Executive Director, General Counsel or any Assistant Executive Director of the Authority, or any person duly appointed by the Members of the Authority to serve in such offices on an interim basis (each an "*Authorized Officer*") and the delivery and use of such supplements and amendments to the LCOM Bond Documents as may be required in order to reflect the assumption by OSF of the obligations of LCOM under such LCOM Bond Documents as a result of the Transaction and to evidence the the MTI Note Exchange (as determined by an Authorized Officer). Such amendments and supplements shall be substantially in the forms approved by the Authorized Officer of the Authority executing the same, with such execution to constitute conclusive evidence of such Authorized Officer's approval and the Authority's approval of the forms of such documents.

Section 2. 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, providing any necessary waivers, consents or approvals as may be necessary under the LCOM Bond Documents in connection with Transaction and the MTI Note Exchange) as may be necessary to carry out and comply with the provisions of these resolutions, 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, whether heretofore or hereafter taken or done, shall be and are hereby authorized, ratified, confirmed and approved. Unless otherwise provided therein, wherever in any 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 to act, any two Members of the Authority, each of whom is hereby authorized, empowered, 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 applicable document.

Section 3. Conflicts. All resolutions and orders, or parts thereof, in conflict herewith are hereby superseded to the extent of such conflict.

Adopted and effective this 14th day of January 2020:

Ayes:

Nays:

Abstain:

Absent:

ILLINOIS FINANCE AUTHORITY

By ____________________________________
Executive Director

ATTEST:

____
Assistant Secretary

[SEAL]

ILLINOIS FINANCE AUTHORITY

Memorandum

To: IFA Board of Directors

From: Rich Frampton & Brad R. Fletcher

Date: January 14, 2020

Re: Resolution Authorizing the Execution and Delivery of a First Amendment to Trust Indenture Relating to the Illinois Finance Authority Revenue Refunding Bonds, Series 2014 (North American Spine Society) to Provide for Certain Amendments Relating to a Conversion to the New Long-Term Rate Period 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 Amendment; and Authorizing and Approving Related Matters
IFA 2014 File Number: N-NP-TE-CD-8672

Request:

North American Spine Society, an Illinois not-for-profit corporation (the "**Borrower**") and **BMO Harris Bank N.A**. (the "**Bond Purchaser**" or "**Bank**"), are requesting approval of a Resolution to (i) authorize the execution and delivery of a First Amendment to Trust Indenture and (ii) approve related documents to effectuate a change in the interest rate formula relating to the Illinois Finance Authority Revenue Refunding Bonds, Series 2014 (North American Spine Society) (the "**Series 2014 Bond**").

On February 26, 2014, the Authority issued the Series 2014 Bond in the original principal amount of $8,860,000 which was purchased by the Bank in order to fully redeem the outstanding Illinois Finance Authority Variable Rate Demand Revenue Bonds (North American Spine Society) Series 2007 (the "**Prior Bonds**"). The Prior Bonds were secured by a direct-pay letter of credit from the Bank which was otherwise scheduled to expire.

Currently, the Series 2014 Bond is bearing a variable rate of interest based on LIBOR during the Index Rate Period for an initial term of approximately 7 years otherwise ending February 26, 2021, with a final maturity date of December 1, 2031. The outstanding principal amount of the Series 2014 Bond was approximately $5,500,000 as of January 1, 2020.

Impact:

Approval of this Resolution will provide consent to changes as agreed to by the Borrower and the Bank concerning the Series 2014 Bond. Specifically, the Borrower and the Bank desire to convert the Series 2014 Bond from the Index Rate to a Long-Term Rate and extend the initial term approximately 9 and 6 months to July 1, 2029. The effective interest rate borne on the Series 2014 Bond during the Long-Term Rate Period will be subject to certain calculations as provided for in Section 2.06 of the Trust Indenture and performed by the Bank in its capacity as Remarketing Agent.

Bond counsel has determined that a new public hearing on the project (i.e., "**TEFRA Hearing**" as defined by Section 147(f) of the Internal Revenue Code of 1986, as amended) will not be required.

Background:

Proceeds of the Series 2014 Bond were loaned to North American Spine Society in order to provide the Borrower with all or a portion of the funds necessary to (i) refund the outstanding Prior Bonds and (ii) pay certain costs and expenses incurred in connection with the issuance of the Series 2014 Bond and the refunding of the Prior Bonds.

Proceeds of the Prior Bonds (Series 2007) were loaned to North American Spine Society to provide the funds necessary to (a) pay or reimburse, the costs of acquiring, constructing, renovating, remodeling, and equipping improvements to an approximately 38,230 gross square foot facility to house a bio-skills laboratory, classrooms, offices, a multi-media center and a spine care museum, and all necessary and attendant facilities, land, equipment, site work, and utilities related thereto (the "**Project**"), (b) pay a portion of the interest accruing on the Prior Bonds during the period of construction of the Project, (c) fund a debt service reserve fund, (d) fund working capital for the Project, and (e) pay certain expenses incurred in connection with the issuance of the Prior Bonds.

All scheduled payments relating to the Series 2014 Bond were current as of 1/1/2020 and have been paid as scheduled.

As a conduit bond issue, BMO Harris Bank, N.A., as the Bond Purchaser is assuming 100% of the borrower default risk on the Series 2014 Bond.

Recommendation:

The Project Review Committee recommends approval.

ECONOMIC DISCLOSURE STATEMENT

The Board of Directors for the Borrower is listed below:

William Sullivan	Paul Arnold
Eeric Truumees	Charles Cho
Edward Dohring	Jonathan Grauer
Jeffrey Wang	Christopher Kauffman
John Finkenberg	William Mitchell
David O'Brien	Thomas Mroz
Zoher Ghogawala	Donna Ohnmeiss
Patrick Hsieh	Richard Skolasky
Scott Kreiner	Karin Swartz
Mitchell Reiter	Michael Fehlings
Charles Reitman	Donna Lahey
Philip Schneider	Eric Muehlbauer

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Polsinelli P.C.	Chicago, IL	Janet Zeigler
Bond Counsel:	Nixon Peabody LLP	Chicago, IL	Julie Seymour Barry Carrigan
Bond Purchaser:	BMO Harris Bank, N.A.	Chicago, IL	Kyle Suddarth Mitchell Krafcheck
Bank Counsel:	Chapman and Cutler LLP	Chicago, IL	Carol Thompson
Issuer's Counsel:	Sanchez Daniels & Hoffman LLP	Chicago, IL	Heather Erickson
IFA Financial Advisor:	Acacia Financial Group, Inc.	Chicago, IL	Phoebe Selden Brittany Whalen

RESOLUTION NO. 2020-0114-CF____

RESOLUTION AUTHORIZING THE EXECUTION AND DELIVERY OF A FIRST AMENDMENT TO TRUST INDENTURE RELATING TO THE ILLINOIS FINANCE AUTHORITY REVENUE REFUNDING BONDS, SERIES 2014 (NORTH AMERICAN SPINE SOCIETY) TO PROVIDE FOR CERTAIN AMENDMENTS RELATING TO A CONVERSION TO THE NEW LONG-TERM RATE PERIOD 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 AMENDMENT; AND AUTHORIZING AND APPROVING RELATED MATTERS.

WHEREAS, the Illinois Finance Authority (the "Authority") has been created by, and exists under, the Illinois Finance Authority Act, as amended (the "Act"); and

WHEREAS, the Authority has previously issued its $8,860,000 original aggregate principal amount Illinois Finance Authority Revenue Refunding Bonds, Series 2014 (North American Spine Society), $5,500,000 of which remain outstanding (the "Series 2014 Bonds"); and

WHEREAS, the Series 2014 Bonds were issued pursuant to that certain Trust Indenture dated as of February 1, 2014 (the "Original Indenture") between the Authority and U.S. Bank National Association, as Trustee (the "Trustee"); and

WHEREAS, the Series 2014 Bonds were sold on a private placement basis to BMO Harris Bank N.A. (the "Purchaser") and the proceeds from the sale thereof were loaned to North American Spine Society (the "Borrower") pursuant to that certain Loan Agreement dated as of February 1, 2014 between the Authority and the Borrower; and

WHEREAS, under the terms of the Original Indenture, the Series 2014 Bonds currently bear interest at the "Index Rate" (as defined in the Original Indenture); and

WHEREAS, the Borrower has notified the Authority, the Trustee and the Purchaser of its desire to (1) cause a conversion of the Series 2014 Bonds to bear interest at a "Long-Term Rate" (as defined in the Original Indenture) on February 3, 2020 (the "Conversion Date"), and (2) amend the provisions of the Original Indenture regarding setting the "Long-Term Rate" (as defined in the Original Indenture) (collectively, the "Bond Document Amendments"); and

WHEREAS, the Long-Term Rate will commence on the Conversion Date and end on July 1, 2029; and

WHEREAS, the parties desire to amend the Original Indenture with the consent of the Purchaser to reflect the conversion of the Series 2014 Bonds to bear interest at the Long-Term Rate; and

WHEREAS, in order to effect such Bond Document Amendments, the Borrower has requested that the Authority and the Trustee execute and deliver a First Amendment to Trust Indenture (the "First Amendment") between the Authority and the Trustee, supplementing and amending the Original Indenture, (ii) an amended and restated Series 2014 Bond (the "New Bond"), and (iii) such other documents as may be necessary to effect the provisions of the Bond Document Amendments; and

WHEREAS, the Borrower has informed the Authority, based upon the advice of bond counsel to the Authority ("Bond Counsel"), that such Bond Document Amendments may result in the Series 2014 Bonds being treated as "reissued" or "currently refunded" for federal income tax purposes; and

WHEREAS, the Borrower has requested that the Authority authorize and approve the Bond Document Amendments and authorize and approve the execution and delivery of the First Amendment, the New Bond and the execution and delivery of all other documentation deemed necessary or appropriate in connection therewith; and

WHEREAS, the Authority desires to authorize and approve the Bond Document Amendments and to authorize and approve the execution and delivery of the First Amendment, the New Bond and any other necessary or appropriate documentation to effect all of the foregoing;

NOW THEREFORE, Be It Resolved by the Members of the Illinois Finance Authority, as follows:

Section 1. *Approval of Bond Document Amendments*. The Authority hereby authorizes and approves the Bond Document Amendments; and that the Authority hereby acknowledges, based upon the advice of Bond Counsel, that the Bond Document Amendments and the execution and delivery of the First Amendment and the delivery of the New Bond may constitute a "sale" or "exchange" of the Bond under Section 1.1001-3 of the Treasury Regulations, which is more commonly known as a "reissuance" or "current refunding" of the Bond for federal income tax purposes.

Section 2. *First Amendment.* The Authority is hereby authorized to enter into the First Amendment to effect the Bond Document Amendments; the form, terms and provisions of the First Amendment shall be, and hereby are, in all respects approved; each of the Chairperson, Vice Chairperson, Executive Director or General Counsel (and, for purposes of this Resolution, any person duly appointed to any such office on an acting or an interim basis or otherwise authorized to act as provided by resolutions of the Authority) (each, an "Authorized Officer") shall be, and each of them hereby is, authorized, empowered and directed to execute and deliver, and the Secretary or any Assistant Secretary of the Authority shall be and each of them hereby is, authorized, empowered and directed to attest and to affix the official seal of the Authority to, the First Amendment in the name, for and on behalf of the Authority, such First Amendment to be in substantially the same form of the First Amendment previously provided to and on file with the Authority or with such changes therein as any Authorized Officer shall approve, the execution thereof to constitute conclusive evidence of such approval of any and all changes or revisions therein from such form; and that from and after the execution and delivery of the First Amendment, the officers, employees and agents of the Authority are hereby also authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the First Amendment as executed; and that the First Amendment shall constitute, and hereby is made, a part of this Resolution, and a copy of the First Amendment shall be placed in the official records of the Authority and shall be available for public inspection at the office of the Authority.

Section 3. *New Series 2014 Bond.* In order to carry out the effectiveness of the Bond Document Amendments, the Authority hereby authorizes and approves the execution and delivery to the Purchaser of the New Bond, such New Bond to be in substantially the form attached to the First Amendment as Exhibit A and previously provided to and on file with the Authority or with such changes therein as any Authorized Officer shall approve, the execution thereof to constitute conclusive evidence of such approval of any and all changes or revisions therein from such form; such New Bond shall be executed on behalf of the Authority with the manual or facsimile signature of its Chairperson, Vice Chairperson or Executive Director (and for purposes of this Resolution, any person duly appointed to any such office on an acting or an interim basis or otherwise authorized to act as provided by resolutions of the Authority) and attested with the manual or facsimile signature of its Secretary or any Assistant Secretary and the corporate seal of the Authority shall be impressed or imprinted thereon; the Authority shall cause the New Bond, as so executed by the Chairperson, Vice Chairperson, Executive Director or any person duly appointed to any such office on an acting or an interim basis or otherwise authorized to act as provided by resolutions of the Authority and attested by the Secretary or Assistant Secretary, to be delivered to the Trustee for authentication; and when such New Bond is executed on behalf of the Authority in the manner contemplated by the Original Indenture, as supplemented and amended by the First Amendment, and this Resolution, it shall represent the approved form of such New Bond.

Section 4. *Tax Agreement.* The Authority is hereby authorized to enter into a Tax Exemption and Certificate Agreement (the "Tax Agreement") with the Borrower, if deemed necessary by Bond Counsel, in the form to be approved by Bond Counsel, the Borrower and by General Counsel to the Authority; the Authorized Officers of the Authority be, and each of them hereby is, authorized, empowered and directed to execute and deliver the Tax Agreement as so approved; when such Tax Agreement is executed and delivered on behalf of the Authority as herein provided, such Tax Agreement will be binding on the Authority; and from and after the execution and delivery of such Tax Agreement, the officers, employees and agents of the Authority are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary or desirable to carry out and comply with the provisions of such Tax Agreement as executed.

Section 5. *Other Documents*. The Authorized Officers shall be, and each of them hereby is, authorized to (i) execute and deliver such documents, certificates and undertakings of the Authority to effect the Bond Document Amendments and the foregoing described matters, including but not limited to, if necessary, the execution and delivery of one or more IRS Forms 8038 (collectively, the "Other Documents"), (ii) approve the execution and delivery of such other documents, certificates and undertakings of other parties, including, without limitation, the Borrower and the Purchaser, and (iii) take such other actions as may be necessary or required in connection with carrying out and complying with this Resolution, effecting the Bond Document Amendments and the foregoing described matters and/or the execution, delivery and performance of the First Amendment, the New Bond, the Tax Agreement and the Other Documents; and all of the acts and doings of the Authorized Officers which are in conformity with the intent and purposes of this Resolution, whether heretofore or hereafter taken or done, shall be and hereby are authorized, ratified, approved and confirmed.

Section 6. *Other Acts*. All acts of the officers, employees and agents of the Authority which are in conformity with the purposes and intent of this Resolution be, and the same hereby are, in all respects, ratified, approved and confirmed.

Section 7. *Severability*. The provisions of this 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 Resolution.

Section 8. *No Conflict*. All resolutions and orders, or parts thereof, in conflict herewith are hereby superseded to the extent of such conflict.

Section 9. *Effective Date*. This Resolution shall be in full force and effect immediately upon its passage, as by law provided.

ILLINOIS FINANCE AUTHORITY

Memorandum

To: IFA Board of Directors

From: Rich Frampton & Brad R. Fletcher

Date: January 14, 2020

Re: Resolution Authorizing and Approving the Execution and Delivery of a First Amendment to the Bond and Loan Agreement Dated as of December 1, 2011 with The British Home for Retired Men and Women and First Midwest Bank and Approving the Execution of an Amended Bond and Certain Other Agreements Relating Thereto; and Related Matters
IFA Series 2011 File Number: N-NP-TE-CD-8507

Request:

The British Home for Retired Men and Women doing business as Cantana Adult Life Services and Cantana at Home (the "**Borrower**"), an Illinois not for profit corporation, and **First Midwest Bank, N.A.** (the "**Bank**" or "**Bond Purchaser**") are requesting approval of a Resolution to (i) authorize the execution and delivery of a First Amendment to Bond and Loan Agreement and (ii) approve related documents to effectuate a change in the interest rate formula borne on the Illinois Finance Authority Revenue Bond (The British Home for Retired Men and Women Project), Series 2011 (the "**Series 2011 Bond**").

In 2001, the Illinois Development Finance Authority issued its $9,500,000 Variable Rate Demand Revenue Bonds (The British Home for Retired Men and Women Project), Series 2001 (the "Prior Bonds") secured by a direct-pay letter of credit from Bank of America, N.A., as successor to LaSalle Bank, N.A., which were 7-day floating rate bonds that were privately placed by LaSalle Capital Markets.

In 2011, the Authority issued the Series 2011 Bond in the approximate amount of $7,778,845 which was purchased in whole by First Midwest Bank, N.A. in order to:

- Refund the Prior Bonds in the approximate amount of $6,090,205 and convert the debt from a direct-pay letter of credit structure to a bank direct-purchase structure;
- Refinance taxable debt in the approximate amount of $1,576,390 as tax-exempt debt; and
- Pay cost of issuance in the approximate amount of $112,250.

Currently, the Series 2011 Bond is bearing a fixed rate of interest for an initial term of approximately 10 years otherwise ending December 1, 2021, with a final maturity date of December 1, 2031. The outstanding principal amount of the Series 2011 Bond was approximately $4,667,307 as of January 1, 2020.

Impact:

Approval of this Resolution will provide consent to changes as agreed to by the Borrower and the Bank concerning the Series 2011 Bond. Specifically, the Borrower and the Bank desire to decrease the effective interest rate borne on the Series 2011 Bond by approximately 15 basis points and extend the initial term by approximately 9 years. The interest rate borne on the Series 2011 Bond will now be based on LIBOR but synthetically fixed.

Bond counsel has determined that a new public hearing on the project (i.e., "**TEFRA Hearing**" as defined by Section 147(f) of the Internal Revenue Code of 1986, as amended) will not be required.

Background:

Together with other funds available to the Borrower, Series 2011 Bond proceeds were loaned to the Borrower to provide the funds necessary to (i) refund or refinance (the "Refunding") (a) the outstanding amount of Illinois Development Finance Authority Variable Rate Demand Revenue Bonds (The British Home for Retired Men and Women Project), Series 2001 (the "Prior Bonds") and (b) an existing real estate loan previously used to construct and equip the Project (the "Prior Loan"), and (ii) pay all or a portion of the costs of issuing the Bonds. The Prior

Bonds and the Prior Loan financed the costs of the construction and equipping of an assisted living facility located at 8700 West 31st Street in Brookfield, Illinois, owned and operated by the Borrower and related costs of issuance.

All payments relating to the Series 2011 Bond are current and have been paid as scheduled.

As a conduit bond issue, First Midwest Bank, N.A. as the Bond Purchaser is assuming 100% of the borrower default risk on the Series 2011 Bond.

Recommendation:

The Project Review Committee recommends approval.

ECONOMIC DISCLOSURE STATEMENT

The Board of Directors and Officers for the Borrower are listed below:

Name	Title
Andy Jaworski	Director
Barbara Bond	Director
Ellen Hoye-Cortopassi	Director
Jeanne Fournier	Director
Karen Garrison	President
Lorna Bennett	Director
Pat Pike	Director
Paul McAllister	Treasurer
Susanne Vogel	Director
Bruce Jablonski	Secretary
Marlene Ricca	Director
Elisa Robinson	Director
John Larson	CEO
Kevin Heraty	CDO

PROFESSIONAL & FINANCIAL

Bond Counsel:	Ice Miller LLP	Chicago, IL	Jim Snyder Austin Root
Bond Purchaser:	First Midwest Bank	Chicago, IL	Mary Byker
Bank Counsel:	Vedder Price P.C.	Chicago, IL	Matthew T. O'Connor
Issuer's Counsel:	Greenberg Traurig LLP	Chicago, IL	Lorraine Tyson
IFA Financial Advisor:	Sycamore Advisors LLC	Chicago, IL	Courtney Tobin Justin O'Shea

RESOLUTION NO. 2020-0114-CF____

RESOLUTION AUTHORIZING AND APPROVING THE EXECUTION AND DELIVERY OF A FIRST AMENDMENT TO THE BOND AND LOAN AGREEMENT DATED AS OF DECEMBER 1, 2011 AMONG ILLINOIS FINANCE AUTHORITY, THE BRITISH HOME FOR RETIRED MEN AND WOMEN AND FIRST MIDWEST BANK AND APPROVING THE EXECUTION OF AN AMENDED BOND AND CERTAIN OTHER AGREEMENTS RELATING THERETO; AND RELATED MATTERS.

WHEREAS, the **ILLINOIS FINANCE AUTHORITY** (the "Authority") a body politic and corporate duly organized and validly existing under and by virtue of the laws of the State of Illinois (the "State"), including, without limitation the Illinois Finance Authority Act, 20 ILCS 3501/801-1, as supplemented and amended (the "Act"), is authorized by the laws of the State, including, without limitation, the Act, to issue its bonds for the purpose set forth in the Act and to permit the expenditure of the proceeds thereof to defray, among other things, the cost of the acquisition and improvement of "projects" as defined in the Act; and

WHEREAS, THE BRITISH HOME FOR RETIRED MEN AND WOMEN, an Illinois not-for-profit corporation (the "Borrower"), has requested that the Authority amend its Revenue Bonds (The British Home for Retired Men and Women Project), Series 2011 (the "Bond"), issued in the original principal amount of $7,778,845.51, of which an aggregate of not more than $4,667,307 remains outstanding, for the purpose of assisting the Borrower in providing all or a portion of the funds necessary to: (i) refinance or refund (a) the outstanding amount of Illinois Development Finance Authority Variable Rate Demand Revenue Bonds (The British Home for Retired Men and Women Project), Series 2001 (the "Prior Bonds") and (b) an existing real estate loan previously used to construct and equip the hereinafter defined Prior Project (the "Prior Loan"), and (ii) pay all or a portion of the costs of issuance for the Bonds, all as permitted by the Act (collectively, the "Financing Purposes"); and

WHEREAS, the proceeds of the Prior Bonds and the Prior Loan were used to finance the costs of the construction and equipping of an assisted living facility located at 8700 West 31st Street in in Brookfield, Illinois, owned and operated by the Borrower (the "Prior Project"); and

WHEREAS, the Bond was sold to First Midwest Bank, an Illinois banking corporation (the "Purchaser") in whole; and

WHEREAS, a draft of the document entitled "First Amendment to Bond and Loan Agreement and Related Documents" is hereby presented to the Authority at this meeting (the "Authority Document") and is attached hereto as *Exhibit A*; and

WHEREAS, the Authority Document is substantially in a form approved by the Authority and on file with the Authority; and

WHEREAS, under the Authority Document, the Authority, the Borrower and the Purchaser agree to amend the Interest Rate on the Bond and certain other amendments, all as more fully described in the Authority Document.

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

Section 1. **Findings.** Based solely on the representations made by the Borrower, the Authority hereby makes the following findings and determinations with respect to the Borrower, the Bond to be issued by the Authority and the facilities financed or refinanced with the proceeds of the Bond:

(a) The Borrower is an Illinois not-for-profit corporation organized under the laws of the State of Illinois and is qualified to do business in the State of Illinois;

(b) The Borrower has properly filed with the Authority its request for assistance in providing funds to the Borrower which the Borrower will use for the purposes aforesaid;

(c) The facilities to be financed or refinanced with the proceeds of the Bond do not include any property used or to be used for sectarian instruction or as a place of religious worship nor any facility which is used or to be used primarily in connection with any part of the program of a school or department of divinity for any religious denomination or the training of ministers, priests, rabbis or other professional persons in the field of religion; and

(d) The Bond was issued for a valid purpose under and in accordance with the provisions of the Act.

Section 2. **Bond.** The Bond shall be amended as provided for in the Authority Document (the "Amended Bond").

The Amended Bond shall be executed on behalf of the Authority by the manual or facsimile signature of its Chairperson, its Vice Chairperson, or its Executive Director and attested by the manual or facsimile signature of its Secretary or any Assistant Secretary, and may have the corporate seal of the Authority impressed manually or printed by facsimile thereon.

Section 3. **Authority Document.** The Authority does hereby authorize and approve the execution by its Executive Director, or any person authorized by a Resolution of the Authority (each an "Authorized Officer") and the delivery and use of the Authority Document. The Authority Document shall be substantially in the form 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 to constitute conclusive evidence of such person's approval and the Authority's approval of any changes or revisions therein from the form of such Authority Document hereby approved, and to constitute conclusive evidence of such person's approval and the Authority's approval of the terms of the Amended Bond.

Section 4. **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 a document setting forth the agreement and certification of the parties thereto relating to certain federal tax matters) as may be necessary to carry out and comply with the provisions of these resolutions, the Authority Document, 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, whether heretofore or hereafter taken or done, shall be and are hereby authorized, ratified, confirmed and approved.

Section 5. **Approval of Acts.** All acts of the officials of the Authority which are in conformity with the purposes and intent of this Resolution and in furtherance of the Amended Bond, and the same hereby are, in all respects, approved and confirmed.

Section 6. **Severability.** The provisions of this Resolution are hereby declared to be separable and if any section, phrase or provision shall for any reason be declared to be invalid, such declaration shall not affect the validity of remainder of the sections, phrases and provisions.

Section 7. **Repeal of Conflicting Provisions.** All resolutions and parts thereof in conflict herewith are hereby repealed to the extent of such conflict.

Section 8. **Full Force and Effect.** This Resolution shall be in full force and effect immediately upon its passage, as by law provided.

ILLINOIS FINANCE AUTHORITY

Memorandum

To: IFA Board of Directors

From: Rich Frampton & Brad R. Fletcher

Date: January 14, 2020

Re: 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, Series 2017A (Museum of Science and Industry) and (ii) a First Amendment to Bond and Loan Agreement Relating to the Illinois Finance Authority Revenue Refunding Bond, Series 2017B (Museum of Science and Industry), 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
IFA 2017 File Number: 12390

Request:

Museum of Science and Industry, an Illinois not-for-profit corporation (the "**Museum**" or "**Borrower**"), and **PNC Bank, N.A.** (the "**Series 2017A Purchaser**"), as well as **BMO Harris Bank, N.A**. (the "**Series 2017B Bond Purchaser**" and, together with the 2017A Purchaser, the "**Bond Purchasers**"), are requesting approval of a Resolution to (i) authorize the execution and delivery of the respective First Amendments to the Bond and Loan Agreement and (ii) approve related documents to effectuate a change in the interest rate formula borne on both the Illinois Finance Authority Revenue Refunding Bond, Series 2017A (Museum of Science and Industry) (the "**Series 2017A Bond**") and the Illinois Finance Authority Revenue Refunding Bond, Series 2017B (Museum of Science and Industry) (the "**Series 2017B Bond**").

On May 30, 2017, the Authority issued its Series 2017A Bond in the original principal amount of $35 million which was purchased by PNC Bank, N.A. and its Series 2017B Bond in the original principal amount of $25 million which was purchased by BMO Harris Bank, N.A. Issuance of the Series 2017A Bond and Series 2017B Bond refunded the following Series 2009 Bonds (as defined herein) which were each secured by a Direct Pay Latter of Credit otherwise scheduled to expire on September 30, 2017:

(i) $14,900,000 Illinois Finance Authority Adjustable Rate Demand Revenue Bonds, Museum of Science and Industry, Series 2009A ("Series 2009A Bonds");
(ii) $14,900,000 Illinois Finance Authority Adjustable Rate Demand Revenue Bonds, Museum of Science and Industry, Series 2009B ("Series 2009B Bonds");
(iii) $14,900,000 Illinois Finance Authority Adjustable Rate Demand Revenue Bonds, Museum of Science and Industry, Series 2009C ("Series 2009C Bonds"); and
(iv) $14,900,000 Illinois Finance Authority Adjustable Rate Demand Revenue Bonds, Museum of Science and Industry, Series 2009D ("Series 2009D Bonds" and, together with the Series 2009A Bonds, Series 2009B Bonds, and Series 2009C Bonds, collectively the "Series 2009 Bonds").

Currently, the Series 2017A Bond and Series 2017B Bond are each bearing a variable rate of interest based on LIBOR for an initial term of approximately 7 years otherwise ending May 1, 2024, with a final maturity date of December 1, 2039. As of January 1, 2020, the outstanding principal amounts of the Series 2017A Bond and the Series 2017B Bond were approximately $32,084,000 and $22,916,000, respectively (or $55.0 million combined).

Impact:

Approval of this Resolution will provide consent to changes as agreed to by the Borrower and the applicable Bond Purchasers concerning the Series 2017A Bond and Series 2017B Bond. Specifically, the Borrower and the Bond Purchasers desire to decrease the effective interest rate borne on the Series 2017A Bond and Series 2017B Bond by approximately 9 basis points and 19 basis points, respectively. Furthermore, BMO Harris Bank, N.A. will be assigning the Series 2017B Bond to its affiliate BMO Harris Investment Company LLC contemporaneously with the execution and delivery of the First Amendment to Bond and Loan Agreement.

Bond counsel has determined that a new public hearing on the financing (i.e., "**TEFRA Hearing**" as defined by Section 147(f) of the Internal Revenue Code of 1986, as amended) will not be required.

Background:

Proceeds of the Series 2017A Bond and Series 2017B Bond were loaned to the Borrower in order to provide the Borrower with all or a portion of the funds necessary to (i) refund or provide for the payment of all of the outstanding Series 2009 Bonds, and (ii) pay all or a portion of the costs of issuing the Series 2017A Bond and Series 2017B Bond.

Proceeds of the Series 2009 Bonds were loaned to the Borrower in order to provide the Borrower with all or a portion of the funds necessary to (i) refund all of the outstanding (a) Illinois Educational Facilities Authority Variable Rate Demand Revenue Bonds, Museum of Science and Industry, Series 1985 (the "Series 1985 Bonds"), (b) the Illinois Educational Facilities Authority Adjustable Demand Revenue Bonds, Museum of Science and Industry, Series 1992 (the "Series 1992 Bonds"), and (c) the Illinois Educational Facilities Authority Revenue Bonds, Museum of Science and Industry, Series 1998 (the "Series 1998 Bonds) (collectively, the "Prior Bonds"), (ii) refinance the outstanding principal amount of a loan made to the Museum in February, 2006 (the "2006 Cultural Pool Loan") from a portion of the proceeds of the sale of the Illinois Educational Facilities Authority Adjustable Rate Demand Revenue Bonds (Cultural Pooled Financing Program), Series 1985, (iii) refinance all or a portion of the funds borrowed by the Museum from The Northern Trust Company to finance certain costs relating to its cultural facilities (the "Northern Taxable Loan"), (iv) finance, refinance or reimburse itself for the costs of acquiring, constructing, renovating, improving, furnishing and equipping certain cultural facilities owned or operated, or to be owned or operated, by the Museum including capitalized interest on the Series 2009 Bonds, and (v) pay certain costs relating to the issuance of the Series 2009 Bonds (including the costs of credit enhancement thereof), the refunding of the Prior Bonds, the refinancing of the 2006 Cultural Pool Loan and the refinancing of all or a portion of the Northern Taxable Loan.

All scheduled payments relating to the Series 2017A Bond and the Series 2017B Bond were current as of 1/1/2020 and have been paid as scheduled.

As a conduit bond issue, PNC Bank, N.A. as Bond Purchaser for the Series 2017A Bond and BMO Harris Investment Company LLC as Bond Purchaser for the Series 2017B Bond are each assuming 100% of the borrower default risk on the respective series of bonds owned.

Recommendation:

The Project Review Committee recommends approval.

ECONOMIC DISCLOSURE STATEMENT

The Board of Trustees provides oversight and establishes policies for the Museum's governance.

PROFESSIONAL & FINANCIAL

Bond Counsel:	Chapman and Cutler LLP	Chicago, IL	Nancy Burke
2017A Bond Purchaser:	PNC Bank, N.A.	Chicago, IL	Barb Fahnstrom Jon Casiano
2017B Bond Purchaser:	BMO Harris Bank, N.A.	Chicago, IL	Regina Ward Shawn Sullivan
Bank Counsel:	Chapman and Cutler LLP	Chicago, IL	Carol Thompson
Issuer's Counsel:	Sanchez Daniels & Hoffman LLP	Chicago, IL	Heather Erickson
IFA Financial Advisor:	Acacia Financial Group, Inc.	Chicago, IL	Phoebe Selden Brittany Whelan

RESOLUTION NO. 2020-0114-CF____

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, SERIES 2017A (MUSEUM OF SCIENCE AND INDUSTRY) AND (II) A FIRST AMENDMENT TO BOND AND LOAN AGREEMENT RELATING TO THE ILLINOIS FINANCE AUTHORITY REVENUE REFUNDING BOND, SERIES 2017B (MUSEUM OF SCIENCE AND INDUSTRY), 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.

WHEREAS, the Illinois Finance Authority (the “Authority”) has been created by, and exists under, the Illinois Finance Authority Act, as amended (the “Act”); and

WHEREAS, the Authority has previously issued its $35,000,000 original aggregate principal amount Illinois Finance Authority Revenue Refunding Bond, Series 2017A (Museum of Science and Industry), of which $32,084,000 remains outstanding (the “Series 2017A Bond”); and

WHEREAS, the Series 2017A Bond was issued pursuant to that certain Bond and Loan Agreement dated as of May 1, 2017 (the “Original Series 2017A Agreement”), among the Authority, Museum of Science and Industry (the “Corporation”) and PNC Bank, National Association, a national banking corporation (the “Series 2017A Purchaser”); and

WHEREAS, the Series 2017A Bond was sold on a private placement basis to the Series 2017A Purchaser and the proceeds from the sale thereof loaned to the Corporation, all as more fully described in the Original Series 2017A Agreement; and

WHEREAS, the Authority has previously issued its $25,000,000 original aggregate principal amount Illinois Finance Authority Revenue Refunding Bond, Series 2017B (Museum of Science and Industry), all of which remains outstanding (the “Series 2017B Bond” and together with the Series 2017A Bond, the “Bonds”); and

WHEREAS, the Series 2017B Bond was issued pursuant to that certain Bond and Loan Agreement dated as of May 1, 2017 (the “Original Series 2017B Agreement” and together with the Original Series 2017A Agreement, the “Original Agreements”), among the Authority, the Corporation and BMO Harris Bank N.A, a national banking association (the “Original Series 2017B Purchaser”); and

WHEREAS, the Original Series 2017B Purchaser is assigning its ownership interests and rights to and under the Series 2017B Bond, the Original Series 2017B Agreement and other related documents to its affiliate, BMO Harris Investment Company LLC (the “Series 2017B Purchaser” and, together with the Series 2017A Purchaser, the “Purchasers”); and

WHEREAS, under the terms of each of the Original Agreements, each of the Bonds bears interest at the “Index Floating Rate” (as defined in each of the Original Agreements), which is a variable rate of interest determined based upon an index rate formula; and

WHEREAS, such formula takes into account changes the statutory rate of federal income tax imposed on corporations and applicable to the Purchaser (the "Corporate Tax Rate") such that the Index Floating Rate on each of the Bonds increases when the Corporate Tax Rate decreases; and

WHEREAS, after the issuance of the Bonds, the Corporate Tax Rate decreased and, as a result, the Index Floating Rate on each of the Bonds increased; and

WHEREAS, each of the Purchasers and the Corporation desire to amend each of the related Original Agreements to amend the definitions of Applicable Factor, Applicable Margin and Margin Rate Factor and make certain other related changes in order to limit the impact of the increase in the Corporate Tax Rate on the calculation of the Index Floating Rate (such amendments are collectively referred to herein as the "Bond Document Amendments"); and

WHEREAS, in order to effect such Bond Document Amendments and to evidence the assignment of the Series 2017B Bond by the Original Series 2017B Purchaser to the Series 2017B Purchaser as described above, the Corporation has requested that the Authority execute and deliver (i) a First Amendment to Bond and Loan Agreement (the "Series 2017A First Amendment") among the Authority, the Corporation and the Series 2017A Purchaser, supplementing and amending the Original Series 2017A Agreement, (ii) a First Amendment to Bond and Loan Agreement (the "Series 2017B First Amendment" and, together with the Series 2017A First Amendment, the "First Amendments") among the Authority, the Corporation and the Series 2017B Purchaser, supplementing and amending the Original Series 2017B Agreement, (iii) an amended and restated Series 2017B Bond (the "New Series 2017B Bond"), and (iv) such other documents as may be necessary to effect the Bond Document Amendments; and

WHEREAS, the Corporation has informed the Authority that upon giving effect to the Bond Document Amendments, the amount of interest on each of the Bonds that is currently payable by the Corporation to each of the Purchasers, respectively, will decrease; and

WHEREAS, the Corporation has requested that the Authority authorize and approve the Bond Document Amendments and authorize and approve the execution and delivery of the First Amendments, the New Series 2017B Bond and any other documentation deemed necessary or appropriate to effect the foregoing; and

WHEREAS, the Authority desires to authorize and approve the Bond Document Amendments and to authorize and approve the execution and delivery of the First Amendments, the New Series 2017B Bond and any other documentation deemed necessary or appropriate to effect the foregoing;

NOW THEREFORE, Be It Resolved by the Members of the Illinois Finance Authority, as follows:

Section 1. Approval of Bond Documents Amendments. The Authority hereby authorizes and approves the Bond Document Amendments.

Section 2. First Amendments. The Authority is hereby authorized to enter into each of the First Amendments to effect the Bond Document Amendments; the form, terms and provisions of each of the First Amendments shall be, and hereby are, in all respects approved; each of the Chairperson, Vice Chairperson, Executive Director or General Counsel (and, for purposes of this Resolution, any person duly appointed to any such office on an acting or an interim basis or otherwise authorized to act as provided by resolutions of the Authority) (each, an "Authorized Officer") shall be, and each of them hereby is, authorized, empowered and directed to execute and deliver, and the Secretary or any Assistant Secretary of the Authority shall be and each of them hereby is, authorized, empowered and directed to attest and to affix the official seal of the Authority to, each of the First Amendments in the name, for and on behalf of the Authority, such First Amendments to be in substantially the same form thereof previously provided to and on file with the Authority or with such changes therein as any Authorized Officer shall approve, the execution thereof to constitute conclusive evidence of such approval of any and all changes or revisions therein from such form; and that from and after the execution and delivery of each of the First Amendments, the officers, employees and agents of the Authority are hereby also authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of each of the First Amendments as executed; and that each of the First Amendments shall constitute, and hereby is made, a part of this Resolution, and a copy of each of the First Amendments shall be placed in the official records of the Authority and shall be available for public inspection at the office of the Authority.

Section 3. *New Series 2017B Bond.* In order to evidence the assignment of the Series 2017B Bond by the Original Series 2017B Purchaser to the Series 2017B Purchaser, the Authority hereby authorizes and approves the execution and delivery to the Series 2017B Purchaser of the New Series 2017B Bond, such New Series 2017B Bond to be in substantially the form attached to the Series 2017B First Amendment as Exhibit A and previously provided to and on file with the Authority or with such changes therein as any Authorized Officer shall approve, the execution thereof to constitute conclusive evidence of such approval of any and all changes or revisions therein from such form; such New Series 2017B Bond shall be executed on behalf of the Authority with the manual or facsimile signature of its Chairperson, Vice Chairperson or Executive Director (and for purposes of this Resolution, any person duly appointed to any such office on an acting or an interim basis or otherwise authorized to act as provided by resolutions of the Authority) and attested by the manual or facsimile signature of its Secretary or any Assistant Secretary and the seal of the Authority shall be impressed or imprinted thereon; the Authority shall cause the New Series 2017B Bond, as so executed by the Chairperson, Vice Chairperson, Executive Director or any person duly appointed to any such office on an acting or an interim basis or otherwise authorized to act as provided by resolutions of the Authority and attested by the Secretary or Assistant Secretary, to be delivered to the Series 2017B Purchaser, as bond registrar, for authentication; and when such New Series 2017B Bond is executed on behalf of the Authority in the manner contemplated by the Original Series 2017B Agreement, as supplemented and amended by the Series 2017B First Amendment, and this Resolution, it shall represent the approved form of each of such New Series 2017B Bond.

Section 4. *Other Documents*. Each of the Authorized Officers is authorized to (i) execute and deliver such documents, certificates and undertakings of the Authority to effect the Bond Document Amendments, the assignment of the Series 2017B Bond and the foregoing described matters (collectively, the “Other Documents”), (ii) approve the execution and delivery of such other documents, certificates and undertakings of other parties, including, without limitation, the Corporation and each of the Purchasers, and (iii) take such other actions as may be necessary or required in connection with carrying out and complying with this Resolution, effecting the Bond Document Amendments, the assignment of the Series 2017B Bond and the foregoing described matters and/or the execution, delivery and performance of the First Amendments, the New Series 2017B Bond and the Other Documents; and all of the acts and doings of the Authorized Officers which are in conformity with the intent and purposes of this Resolution, whether heretofore or hereafter taken or done, shall be and hereby are authorized, ratified, approved and confirmed.

Section 5. *Other Acts*. All acts of the officers, employees and agents of the Authority which are in conformity with the purposes and intent of this Resolution be, and the same hereby are, in all respects, ratified, approved and confirmed.

Section 6. Severability. The provisions of this 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 Resolution.

Section 7. No Conflict. All resolutions and orders, or parts thereof, in conflict herewith are hereby superseded to the extent of such conflict.

Section 8. Effective Date. This Resolution shall be in full force and effect immediately upon its passage, as by law provided.

ILLINOIS FINANCE AUTHORITY

160 North LaSalle Street
Suite S-1000
Chicago, IL 60601
312-651-1300
312-651-1350 fax
www.il-fa.com

Date: January 14, 2020

To: Members of the Illinois Finance Authority ("Authority")

From: Chris Meister, Executive Director

Subject: ***IFA Comments on S&P Global Ratings Proposed Methodology***

The Authority took the opportunity to comment on S&P Global Ratings' Proposed Methodology for U.S. Rental Housing Bonds, please see the attached letter, dated December 18, 2019.

ILLINOIS FINANCE AUTHORITY

160 North LaSalle Street
Suite S-1000
Chicago, IL 60601
312-651-1300
312-651-1350 fax
www.il-fa.com

<u>Via Electronic Mail</u> December 18, 2019

Ms. Marian Zucker
Housing Sector Lead
S&P Global – Ratings
55 Water Street, 38th Floor
New York, New York 10041

Re: Illinois Finance Authority Comment on S&P Global Ratings' Proposed Methodology for U.S. Rental Housing Bonds

Dear Ms. Zucker:

Thank you for the opportunity for the Illinois Finance Authority ("Authority") to comment on your proposed methodology. Representatives of the Authority did participate in the S&P Global Ratings webcast on November 7, 2019.

Authority Background

The Illinois Finance Authority ("Authority") is a body politic and corporate created by State law and exercises its powers as an essential public function. 20 ILCS 3501/801-15. Among the General Assembly's policy declarations with respect to the Authority is the determination:

> ". . . that in the absence of direct governmental subsidies the unaided operations of private enterprise do not provide sufficient resources for residential construction, rehabilitation, rental or purchase, and that support from housing related commercial facilities is one means of stimulating residential construction, rehabilitation, rental and purchase . . ." 20 ILCS 3501/801-5 (h).

The issuance of federally tax-exempt conduit bonds as allowed by the federal tax code and State law is the Authority's primary means to fulfill its policy declarations, including Section 801-5 (h) of the Authority Act. See 20 ILCS 3501/801-10(dd). Additionally, fees generated by the issuance of federally tax-exempt conduit bonds is the Authority's primary revenue source since the Authority does not receive State appropriations to support its operations. Importantly, the Authority, as a conduit issuer, is not a regulator of either the bond issues or the projects financed with bond proceeds.

Better Housing Foundation Bonds

The Authority served as a federally tax-exempt conduit bond issuer for five separate bond issues between 2016 and 2018, the proceeds of which were loaned to special purpose affiliates of Better Housing Foundation, Inc., an Ohio not-for-profit corporation. The Authority understands that with one exception, each series of bonds issued below was assigned an investment grade rating by S&P Global Ratings at the time of issuance based upon the *Ratings Methodology And*

Assumptions For Affordable Multifamily Housing Bonds (June 19, 2014; the "2014 Methodology"):

Illinois Finance Authority - Better Housing Foundation Bond Issues				
Project	Series	PAR	S&P Ratings*	Issue Date
Shoreline Portfolio Project	2016A	11,655,000	BBB	29-Jul-16
	2016B (Taxable)	540,000	Not Rated	29-Jul-16
	2016C (Subordinate)	1,365,000	BBB-	29-Jul-16
Icarus Portfolio Project	2017A	45,470,000	A-	22-May-17
	2017B (Subordinate)	6,335,000	BBB	22-May-17
Windy City Portfolio Project	2017A-1	49,630,000	A-	21-Nov-17
	2017A-2 (Taxable)	2,355,000	A-	21-Nov-17
	2017B (Subordinate)	7,995,000	BBB-	21-Nov-17
Ernst Portfolio Project	2018A-1	15,340,000	A-	8-Mar-18
	2018A-2 (Taxable)	620,000	A-	8-Mar-18
	2018B (Subordinate)	3,080,000	BBB-	8-Mar-18
Blue Station Project	2018A-1	19,600,000	BBB+	29-May-18
	2018A-2 (Taxable)	2,495,000	BBB+	29-May-18
	2018B (Subordinate)	2,930,000	BBB-	29-May-18

*At time of issuance

Evidently, within a very short time after the closing of each bond transaction, the housing projects financed by these bonds experienced rapid and significant physical and economic deterioration that led to defaults, impairments and ratings downgrades, culminating in ratings withdrawals. These events and their consequences have been well-documented in both local and trade media. These events have also led to litigation involving the Authority. The Authority has regularly discussed performance issues concerning Better Housing Foundation's bonds and projects at its public meetings. These events have adversely impacted the Authority's reputation, exposed bondholders to financial loss and, most importantly, have catastrophically impacted residents of these projects as well as their adjacent residential properties and neighborhood communities.

S&P Global Rating Methodology

The Authority lacks direct experience on the specifics of applying the S&P Global Ratings criteria, processes and forecasting models as the Authority's conduit borrowers and the borrower's financing team are solely responsible for applying for credit ratings, obtaining credit enhancement, or obtaining other financing commitments necessary to issue a conduit bond. Given the Authority's legally limited role as a conduit issuer, we also lack first-hand factual knowledge of the causes of the physical and economic deterioration regarding the Better Housing Foundation properties. Accordingly, the Authority is not in a position to comment with particularity on possible improvements to your criteria, processes or models. However, we strongly urge S&P Global Ratings to continue your self-evaluation to determine which aspects of your existing ratings criteria, particularly the 2014 Methodology, require modification to avoid, to the extent reasonably possible, rapid and catastrophic situations and ratings downgrades similar to those experienced in connection with the Better Housing Foundation properties.

Some broad elements that you may consider in your evaluation include, but are not limited to:

- Increased debt service coverage on each project;

- Increased reserve funding for each project;
- Increased focus on the management capacity, resources and experience of the borrower, particularly if operations are being scaled-up;
- Requiring audited financial statements on the underlying properties;
- The extent to which the borrower outsources its project duties; and
- The financial capacity of the borrower to fund unplanned maintenance and operating expenses in order to avoid adverse consequences to project residents, adjacent residential properties, neighborhood communities and bondholders.

For the reasons cited above, despite the Authority's legally limited role as a conduit issuer, the Better Housing Foundation bonds and the properties these bonds financed remain the subject of continuing concern to the Authority. If you would like to discuss these matters further, we remain available to do so.

Sincerely,

Christopher B. Meister
Executive Director
Illinois Finance Authority

ILLINOIS FINANCE AUTHORITY

160 North LaSalle Street
Suite S-1000
Chicago, IL 60601
312-651-1300
312-651-1350 fax
www.il-fa.com

Date: January 14, 2020

To: Members of the Illinois Finance Authority ("Authority")

From: Sara Perugini, Vice President
Jacob Stuckey, Deputy Executive Director

Subject: ***Recent Report Regarding Taxable Municipal Bonds in 2020***

In follow up to the Authority's December 10, 2019 meeting agenda item 12, the Members will find of interest the attached article: "Taxables could account for 20% of municipal bond issuance in 2020" – *The Bond Buyer*, January 2, 2020*

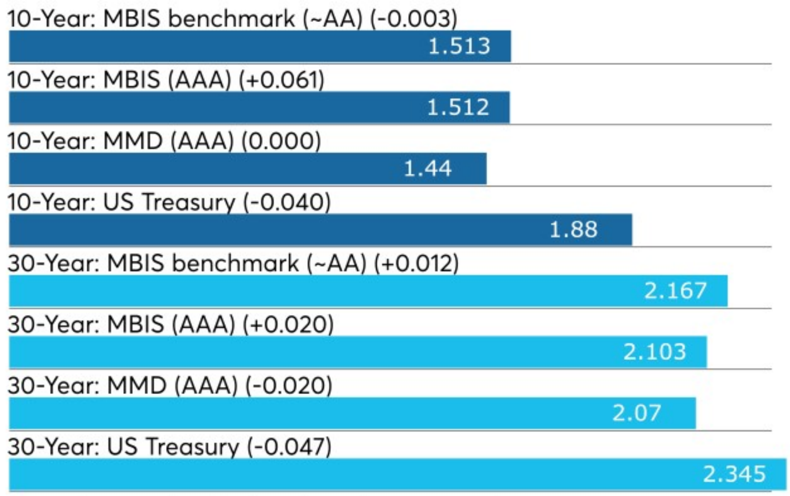
At today's meeting, we will provide a further update.

* This item has been provided on a confidential basis to the Members. At the time of printing of this Authority Board Book, permission has not yet been obtained to post this item publicly.

Taxables could account for 20% of municipal bond issuance in 2020

By **Aaron Weitzman**
Published **January 02 2020, 3:29pm EST**

More in **Primary bond market,Secondary bond market,Taxable bonds,State of New York,State of California,State of Texas,Metropolitan Transportation Authority,New York City Transitional Finance Authority,Pennsylvania Commonwealth Financing Authority**



MBIS indices are updated hourly on the Bond Buyer Data Workstation

While investors patiently wait until next week for the first new issuance of the year, the muni asset class is well positioned entering 2020 against a compelling backdrop of market technicals and a stable credit outlook.

This will likely bring continued active buyer interest from individuals and mutual funds, according to Jeffrey Lipton, managing director and head of municipal research and strategy at Oppenheimer.

“Similar to 2019, this unique technical environment with demand as an unwavering constant should be a key driver of performance in 2020 and munis can be expected to outperform U.S. Treasuries with a continuation of net negative supply potentially extending this performance,” Lipton said.

He added that he believes that 20% of all 2020 issuance will be of the taxable variety, as the taxable muni presence should appeal to existing tax-efficient investments such retirement accounts seeking alternative investment proxies, as well as to foreign buyers seeking to add diversification and above-average credit quality to their portfolios against a backdrop of negative yielding global sovereign debt.

“Thus far, we are not concerned that taxable issuance would have a crowding-out effect on traditional tax-exempts as the core buyer base for each tends to be different,” he said. “However, this may become a larger talking point should the taxable push extend beyond expectations and we begin to see noted convergence and blurred distinctions among the investor cohorts.”

Secondary market
Munis were mixed on the MBIS benchmark scale, with yields falling by less than one basis point in the 10-year maturity and rising by one basis point in the 30-year maturity. High-grades were weaker, with yields on MBIS AAA scale increasing six basis points in the 10-year maturity and by two basis points in the 30-year maturity.

On Refinitiv Municipal Market Data’s AAA benchmark scale, the yield on the 10-year of 2030 was unchanged at 1.44%, while the 30-year of 2050 was down two basis points to 2.07%.

The 10-year muni-to-Treasury ratio was calculated at 76.6% while the 30-year muni-to-Treasury ratio stood at 88.5%, according to MMD.

Treasuries were lower while stocks were in the green.

The Dow Jones Industrial Average was up about 0.81%, the S&P 500 Index gained around 0.46% and the Nasdaq was up about 1.01%.

The Treasury three-month was yielding 1.536%, the two-year was yielding 1.569%, the five-year was yielding 1.673%, the 10-year was yielding 1.880% and the 30-year was yielding 2.345%.

Municipal bond yields

Index	10-year	20-year	30-year
Bloomberg	1.483%	1.930%	2.153%
IHS Markit	1.450%	1.870%	2.070%
MMD	1.440%	N.A.	2.090%
BondWave	1.656%	2.050%	2.220%
MBIS	1.516%	2.055%	2.155%

Source: 12/31 close MSRB, Refinitiv; MMD AAA, BVAL AAA callable, IHS AAA, BondWave AA, MBIS benchmark

Primary market
It has been a few weeks since the muni bond market has seen any kind of big issuance. Despite the fact that there was almost no issuance for roughly the last two weeks of the year, muni volume still finished the year at $421.69 billion.

As of press time, there were 15 deals scheduled for next week of $100 million or larger — with only four of those negotiated deals.

"There is pent up demand and I would suspect that investors will be ready to pounce all over the new deals next week," said one New York trader. "Next week won't be the biggest volume week, but it's better than nothing."

JPMorgan Securities is expected to price the Arizona Transportation Board's $466.48 million of highway revenue taxable bonds.

RBC Capital Markets is scheduled to price the Commonwealth Financing Authority, Pa.'s $238.82 million of revenue refunding federally taxable bonds.

Citigroup is slated to run the books on Conroe Independent School District, Texas' $110.8 million of school building bonds.

JPMorgan is also scheduled to price Grant County Public Utility District No. 2, Wash.'s (Aa3/AA/AA) $127.4 million of revenue refunding taxable bonds.

Topping the competitive slate next week will be the New York Metropolitan Transportation Authority, which is coming to market with around $2.4 billion of deals composed of about $940 million of green revenue bonds selling on Thursday and $1.5 billion of bond anticipation notes selling on Monday.

The New York Transitional Finance Authority is also heading to market with a competitive sale of about $109 million of Fiscal 2020 NYC recovery bonds on Tuesday.

Previous session's activity

The MSRB reported 21,997 trades Tuesday on volume of $4.26 billion. The 30-day average trade summary showed on a par amount basis of $10.85 million that customers bought $5.75 million, customers sold $3.27 million and interdealer trades totaled $1.82 million.

New York, California and Texas were most traded, with the Empire State taking 15.085% of the market, the Golden State taking 13.786% and the Lone Star State taking 9.732%.

The most actively traded CUSIP was the State of Texas tax revenue anticipation note 4s of 2020, which traded 4 times on a par amount of $10.76 million.

Bond Buyer indexes little changed

The weekly average yield to maturity of the Bond Buyer Municipal Bond Index, which is based on 40 long-term bond prices, remained at 3.63% from the week before.

The Bond Buyer's 20-bond GO Index of 20-year general obligation yields dipped to 2.73% from 2.74% the week before.

The 11-bond GO Index of higher-grade 11-year GOs was slipped to 2.26% from 2.27% the prior week.

The Bond Buyer's Revenue Bond Index was down to 3.20% from 3.21% from the previous week.

The yield on the U.S. Treasury's 10-year note was slightly lower to 1.88% from 1.90% the week before, while the yield on the 30-year Treasury increased to 2.34% from 2.33%.

Treasury auctions bills

The Treasury Department Thursday auctioned $35 billion of four-week bills at a 1.500% high yield, a price of 99.883333. The coupon equivalent was 1.527%. The bid-to-cover ratio was 3.31.

Tenders at the high rate were allotted 10.44%. The median rate was 1.490%. The low rate was 1.465%.

Treasury also auctioned $35 billion of eight-week bills at a 1.515% high yield, a price of 99.764333. The coupon equivalent was 1.544%. The bid-to-cover ratio was 3.15.

Tenders at the high rate were allotted 92.73%. The median rate was 1.500%. The low rate was 1.470%.

Treasury auctions announced

The Treasury Department announced these auctions:

- $16 billion 29-year 10-month 2 3/8% bonds selling on Jan. 9;
- $24 billion 9-year 10-month 1 3/4% notes selling on Jan. 8;
- $38 billion three-year notes selling on Jan. 7;
- $36 billion 182-day bills selling on Jan. 6; and
- $42 billion 91-day bills selling on Jan. 6.

Gary E. Siegel contributed to this report.

Data appearing in this article from **Municipal Bond Information Services,** including the **MBIS municipal bond index,** is available on **The Bond Buyer Data Workstation.**

Updated January 2, 2020 at 4:25PM: Updates with Bond Buyer Indexes

Aaron Weitzman

160 North LaSalle Street
Suite S-1000
Chicago, IL 60601
312-651-1300
312-651-1350 fax
www.il-fa.com

Date: January 14, 2020

To: Members of the Illinois Finance Authority ("Authority")

From: Sara Perugini, Vice President

Subject: ***Rules, Regulation and Transparency in the Municipal Securities Market***

The Authority, as a conduit issuer, operates in the framework of the municipal securities market established and regulated by many federal and state agencies. Below is a high level snap shot at how certain rules are created and changed, and the Authority's role in connection therewith.

The Municipal Securities Rulemaking Board and its Electronic Municipal Market Access System

The Municipal Securities Rulemaking Board (the "MSRB") is the principal regulator of the municipal securities market. The MSRB was established by Congress in 1975, and it is authorized to regulate broker-dealers, banks and municipal advisors that provide advice to municipal entities about the issuance of bonds and municipal financial products. The MSRB creates rules for dealers and municipal advisors. The MSRB also protects investors and municipal entities by increasing the transparency and availability of market information by making such information publically available via its Electronic Municipal Market Access ("EMMA") website. Members may find the following article on the MSRB to be of interest:

- The Role and Jurisdiction of the MSRB (2018). Retrieved from http://www.msrb.org/msrb1/pdfs/Role-and-Jurisdiction-of-MSRB.pdf.

The Securities and Exchange Commission and the MSRB

The Securities and Exchange Commission (the "SEC") is one of the entities that oversees the MSRB. In furtherance of the MSRB's mission to protect the interest of municipal securities investors, issuers and the public, the MSRB establishes rules, which are generally subject to SEC approval. Members may find the following article, which details a recent MSRB filing with the SEC regarding a proposed rule change, to be of interest:

- U.S. Securities and Exchange Commission, Release No. 34-87583; File No. SR-MSRB-2019-13 (November 21, 2019) (available at https://www.sec.gov/rules/sro/msrb/2019/34-87583.pdf

The National Association of Health and Educational Facilities Finance Authorities and the MSRB

The National Association of Health and Educational Facilities Finance Authorities ("NAHEFFA") is a national association representing issuers of tax-exempt debt. The Authority is a longstanding member of NAHEFFA. NAHEFFA provides educational and professional development opportunities for its members, as well as advocacy and support for issues of importance to conduit issuers. As part of NAHEFFA's advocacy and support on behalf of its members, the NAHEFFA President meets with the MSRB once or twice a year (the Authority's own Executive Vice President Pam Lenane is a past NAHEFFA President). NAHEFFA member Barry Fick, Executive Director, Minnesota Higher Education Facilities Authority, was recently named to a MSRB advisory committee on compliance. The Authority monitors federal rulemaking and legislation through organizations such as NAHEFFA, and also the National Association of Bond Lawyers and the Council of Development Finance Agencies. While the Authority always cooperates with various federal and state regulators and market participants, where appropriate, either directly or indirectly through larger organizations such as NAHEFFA, we work to have constructive input on the rulemaking and legislative process. Such input is generally through a comment process. Through its comments, the Authority may highlight practical or real world implications that the regulator may not have considered or even been aware of. In NAHEFFA's December 18, 2019 comments to the above referenced SEC release, NAHEFFA raises questions and provides recommendations with respect to the MSRB's proposed rule changes. The proposed changes and comments are technical in nature.

- Comments of the National Association of Health and Educational Facilities Finance Authorities on U.S. Securities and Exchange Commission, Release No. 34-87583; File No. SR-MSRB-2019-13 (December 18, 2019) (available at https://www.sec.gov/comments/sr-msrb-2019-13/srmsrb201913-6558778-200956.pdf)

MSRB

Municipal Securities Rulemaking Board

The Role and Jurisdiction of the MSRB

msrb.org

Jurisdiction of the MSRB

The Municipal Securities Rulemaking Board (MSRB) was established by Congress in 1975 and charged with a mandate to protect municipal securities investors, municipal entities and the public interest.[1] As a self-regulatory organization, the MSRB is governed by a Board of Directors that consists of 21 members with deep expertise in municipal securities markets, including 11 representatives of the public and 10 representatives of regulated entities.

The MSRB safeguards the nearly $4 trillion municipal securities market that helps provide reliable income for investors and efficient capital for communities.

Congress initially authorized the MSRB to regulate the activities of broker-dealers and banks that buy, sell and underwrite municipal securities (collectively, "dealers"). Congress expanded the MSRB's authority in 2010 to include the regulation of municipal advisors — the firms (and their financial professionals) that provide advice to state and local governments and other municipal entities about the issuance of bonds and municipal financial products. Importantly, the MSRB is not authorized to regulate municipal entities, including state and local government issuers of municipal securities. The MSRB is overseen by Congress and the Securities and Exchange Commission (SEC), and MSRB rules generally must be approved by the SEC before becoming effective.

The MSRB safeguards the nearly $4 trillion municipal securities market that helps provide reliable income for investors and efficient capital for communities. In support of its mission, the MSRB:

- Prevents fraud and manipulation, and promotes fair dealing by establishing **rules for municipal securities dealers and municipal advisors**;
- Supports equal access to information and **market transparency** through its Electronic Municipal Market Access (EMMA®) website, the official source for municipal securities data and disclosure documents; and
- Improves market understanding with **educational resources** for market stakeholders and objective market analysis.

While the MSRB is the principal regulator of the municipal securities market, the MSRB does not carry out the enforcement of its rules or conduct compliance examinations. The MSRB instead provides support to the Financial Industry Regulatory Authority (FINRA), the SEC and federal bank regulators that share responsibility for enforcement and compliance examinations. The MSRB also frequently communicates with the Internal Revenue Service, which enforces tax laws related to municipal securities.

[1] *See* Securities Exchange Act of 1934 Section 15B

Role of the MSRB

Rules for Dealers and Municipal Advisors

Under its mission to protect investors and municipal entities and the public interest, the MSRB creates rules governing the conduct of municipal financial professionals. Core MSRB rules for dealers and municipal advisors include:

- **Professional Qualifications.** MSRB Rules G-2 and G-3 establish professional qualification standards for dealer and municipal advisor professionals and outline requirements regarding continuing education.
- **Fair Dealing.** MSRB Rule G-17 obligates dealers and municipal advisors to deal fairly with all persons and not engage in any deceptive, dishonest, or unfair practice in the conduct of their municipal securities and municipal advisory activities.
- **Suitability.** MSRB Rule G-19 requires a dealer to have reasonable grounds for believing that a recommendation made to an investor is suitable for the investor.
- **Standards of Conduct.** MSRB Rule G-42 establishes the core standards of conduct for municipal advisors, including their obligations related to their fiduciary duty to municipal entity clients.
- **Fair Pricing.** MSRB Rule G-30 requires prices, commissions and any mark-up or mark-down (a form of dealer compensation) dealers charge to investors to be fair and reasonable.
- **Best Execution.** MSRB Rule G-18 requires dealers to seek the most favorable terms reasonably available for their retail customers' transactions.
- **Dealer Compensation.** MSRB Rule G-15 requires dealers to provide customer confirmations that include information about the transaction, attributes of the security, the amount of any commission and the amount of any mark-up or mark-down for certain trades.
- **Time-of-Trade Disclosure.** MSRB Rule G-47 requires dealers to disclose to customers all material information known (or available from an established industry source) about a transaction and security at or prior to the time of trade.

The MSRB protects investors and municipal entities in the municipal market by increasing the transparency and availability of market information.

Market Transparency

Another way the MSRB protects investors and municipal entities in the municipal market is by increasing the transparency and availability of market information. The MSRB provides free access to municipal bond trade data, offering documents (known as official statements) and continuing disclosures so that investors can understand the terms, characteristics, potential risks and rewards of a particular municipal security, and assess the financial health of the issuer over time. These data and documents also help issuers better evaluate their financing options. Importantly, this information is made publicly available through the MSRB's Electronic Municipal Market Access (EMMA®) website.

The MSRB provides objective municipal market education, analysis and data, and addresses topics that can have an impact on the integrity or efficiency of the municipal market.

Dealers generally are required under MSRB Rule G-14 to report all trades in municipal securities within 15 minutes of the time of trade to the MSRB, which makes the information available through EMMA. The regulatory framework for issuer disclosures is established by the SEC under the Exchange Act, which prohibits false or misleading information in disclosures to investors. Under SEC Rule 15c2-12, dealers acting as underwriters generally must contract with issuers to receive official statements disclosing certain features of the transaction to investors. They also must ensure the state or local government issuing the bonds enters into an agreement to provide certain information about the securities, such as annual financial information and events such as defaults and ratings changes that would be significant to investors, on an ongoing basis. Official statements and ongoing disclosures are made freely available to the public through EMMA.

In addition to security-specific information, the EMMA website provides a broader view of municipal market activity, with statistical data and interactive tools, including municipal market yield curves and indices, and a calendar of new bond issues scheduled to come to market.

Educational Resources

Consistent with its mission, the MSRB provides objective municipal market education, analysis and data, and addresses topics that can have an impact on the integrity or efficiency of the municipal market. The MSRB develops free educational resources, available in its online Education Center, to help investors and municipal entities make informed decisions. The MSRB also offers an online platform called MuniEdPro®, with courses focused on market activities and MSRB regulations. The MSRB publishes data reports and other analyses to enhance understanding of the municipal market. As a self-regulatory organization, the MSRB regularly engages with dealers and municipal advisors to support their understanding of MSRB rules, inform future rulemaking and other initiatives, and consider ways to streamline, modernize and update existing rules.

Municipal Securities Rulemaking Board
1300 I Street NW, Suite 1000 Washington, DC 20005 202-838-1500
msrb.org emma.msrb.org Twitter: @MSRB_News

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-87583; File No. SR-MSRB-2019-13)

November 21, 2019

Self-Regulatory Organizations; Municipal Securities Rulemaking Board; Notice of Filing of a Proposed Rule Change to Amend the Information Facility of the MSRB's Electronic Municipal Market Access (EMMA®) System

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act" or "Exchange Act")[1] and Rule 19b-4 thereunder,[2] notice is hereby given that on November 19, 2019 the Municipal Securities Rulemaking Board ("MSRB") filed with the Securities and Exchange Commission ("SEC" or "Commission") the proposed rule change as described in Items I, II, and III below, which Items have been prepared by the MSRB. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

The MSRB filed with the Commission a proposed rule change to amend the information facility of the MSRB's Electronic Municipal Market Access (EMMA®) system (the "EMMA IF")[3] to provide for (1) the automated calculation and static display of the number of days

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1 15 U.S.C. 78s(b)(1).

2 17 CFR 240.19b-4.

3 The EMMA IF serves to outline the basic functionality and the high-level parameters by which the MSRB operates the EMMA system. As further described in the EMMA IF, the EMMA system consists of the EMMA Primary Market Disclosure Service, the EMMA Continuing Disclosure Service, the EMMA Trade Price Transparency Service and the EMMA Short-Term Obligation Rate Transparency Service. See EMMA IF, available at: http://www.msrb.org/Rules-and-Interpretations/MSRB-Rules/Facilities/EMMA-Facility.aspx.

between (i) the annual fiscal period end date for an issuer[4] or obligated person[5] and (ii) the date an annual financial disclosure[6] is submitted to the EMMA system for such annual fiscal period (the "Submission Calculator") and (2) the reconfiguration of certain information shown on the

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4 Under 17 CFR 240.15c2-12 of the Exchange Act ("Rule 15c2-12" or the "Rule"), the Commission has generally defined the term "issuer of municipal securities" to mean any governmental issuer specified in section 3(a)(29) of the Act and the issuer of any separate security, including a separate security as defined in rule 3b–5(a) under the Act. See 17 CFR 240.15c2-12(f)(4). The proposed rule change uses the term issuer consistent with Rule 15c2-12(f)(4) to mean any such "issuer of municipal securities" submitting continuing disclosure documents and related information to the EMMA system, whether on a voluntary basis or pursuant to a contractual undertaking, such as a continuing disclosure agreement (as hereinafter defined in note 6 infra).

5 Section 15B(e)(10) of the Act defines "obligated person" as "any person, including an issuer of municipal securities, who is either generally or through an enterprise, fund, or account of such person, committed by contract or other arrangement to support the payment of all or part of the obligations on the municipal securities to be sold in an offering of municipal securities." 15 U.S.C. 78o-4(e)(10). As interpreted by the Commission in Rule 15c2-12(f)(10), the term "obligated person" means any person, including an issuer of municipal securities, who is either generally or through an enterprise, fund, or account of such person committed by contract or other arrangement to support payment of all, or part of the obligations on the municipal securities to be sold in the offering (other than providers of municipal bond insurance, letters of credit, or other liquidity facilities). See 17 CFR 240.15c2-12(f)(10). The proposed rule change uses the term obligated person consistent with Rule 15c2-12(f)(10) to mean any such "obligated person" submitting continuing disclosure documents and related information to the EMMA system, whether on a voluntary basis or pursuant to a contractual undertaking, such as a continuing disclosure agreement.

6 Under Rule 15c2-12, a participating underwriter in an offering of certain municipal securities must determine that an issuer or obligated person has undertaken in a written agreement or contract for the benefit of holders of the municipal securities to provide certain information to the MSRB (a "continuing disclosure agreement"), which includes a requirement, among others, to provide certain annual financial and operating information (i.e., "annual financial filings") and audited financial statements (i.e., "audited financial filings"), if available (collectively, "annual financial disclosures"). See 17 CFR 240.15c2-12(b)(5)(i).

EMMA public website (emma.msrb.org) (the "EMMA Portal")[7] to more prominently display an issuer's or obligated person's annual financial disclosures and related information (the "proposed rule change").

The Board is proposing these amendments to the EMMA IF and corresponding enhancements to the EMMA system to promote greater transparency in the municipal securities market, including by making financial information more readily apparent to investors, market professionals, and the general public through the EMMA Portal. The Board believes the proposed rule change is consistent with the Act. By promoting greater transparency and awareness of the financial disclosures available in the municipal securities market, the Board believes the proposed rule change would promote (1) the protection of investors and the public interest and (2) the prevention of fraudulent and manipulative acts and practices. The Board has determined to file the proposed rule change under Section 19(b)(2) of the Act and requests that the proposed rule change become operative on a date to be determined by the MSRB through a notice published on its website not later than 180 days following the publication of the Commission's approval of the proposed rule change in the Federal Register, with such operative date being not more than one year from the date of such MSRB notice.

The text of the proposed rule change is available on the MSRB's website at www.msrb.org/Rules-and-Interpretations/SEC-Filings/2019-Filings.aspx, at the MSRB's principal office, and at the Commission's Public Reference Room.

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7 As further defined in the EMMA IF, the EMMA Portal is the functionality for displaying and otherwise making certain documents and data available to the public without charge.

II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the MSRB included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The MSRB has prepared summaries, set forth in Sections A, B, and C below, of the most significant aspects of such statements.

A. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

1. Purpose

The proposed rule change consists of amendments to the EMMA IF that would provide for (1) the development and operation of the Submission Calculator and (2) the reconfiguration of certain information shown on the EMMA Portal, in order to more prominently display an issuer's or obligated person's annual financial disclosures and related information.

The Collection and Display of Financial Information on the EMMA Portal

The EMMA System and EMMA Portal. The EMMA system consists of several component functions that process and disseminate market information submitted to the MSRB. For example, the EMMA Trade Price Transparency Service publishes information on the EMMA Portal about trading activity in the municipal securities market when such information is reported by brokers, dealers, and municipal securities dealers (collectively, "dealers") in accordance with MSRB Rule G-14, on reports of sales or purchases. Similarly, the EMMA Primary Market Disclosure Service processes submissions of official statements, preliminary official statements, and related pre-sale documents for display on the EMMA Portal when such information is submitted voluntarily or in compliance with MSRB Rule G-32, on disclosures in connection with primary offerings. Consequently, issuers, obligated persons, dealers, investors, and the general public routinely interact with the EMMA system in order to submit or access information. The EMMA Portal averages more than 95,000 pageviews per day, which amounts to over 35 million pageviews in a full year. In this way, the EMMA Portal is relied upon as a free and credible source of market information and provides unprecedented transparency about the municipal securities market.[8]

Rule 15c2-12 and the EMMA Continuing Disclosure Service. A continuing disclosure agreement that is entered into consistent with the requirements of Rule 15c2-12 commits an issuer or obligated person to provide continuing disclosure documents in conformance with the process and other requirements prescribed by the MSRB, including the entry of certain identifying information.[9] The EMMA Continuing Disclosure Service is the component of the

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8 See, e.g., Securities and Exchange Commission, Report on the Municipal Securities Market, at p. 35 (July 31, 2012) ("2012 Municipal Report") (stating EMMA "significantly improved the availability of both primary market and continuing disclosure documents to investors"), available at https://www.sec.gov/news/studies/2012/munireport073112.pdf, and Commissioner Michael S. Piwowar, Remarks at MSRB Dinner to Celebrate Milestones in Municipal Market Transparency (April 24, 2018) (stating EMMA has "empowered investors with a level of transparency that was previously unknown in this market and has transformed the municipal securities industry"), available at https://www.sec.gov/news/speech/speech-piwowar-20180424.

9 See 17 CFR 240.15c2-12(b)(5)(i); see also Release No. 34-59062 (December 5, 2008) 73 FR 76104 (December 15, 2008) (File No. S7-21-08) (the "Sole Repository Release") ("The final amendments require a Participating Underwriter to reasonably determine that the issuer or obligated person has agreed at the time of a primary offering: (1) to provide the continuing disclosure documents to the MSRB instead of to each NRMSIR and the appropriate SID, if any; and (2) to provide the continuing disclosure documents in an electronic format and accompanied by identifying information as prescribed by the

EMMA system authorized to receive, process, and disseminate continuing disclosure information submitted by issuers, obligated persons, and their agents (collectively, "disclosure submitters" or "submitters").[10] Upon receipt and processing, the EMMA Continuing Disclosure Service disseminates annual financial disclosures, event notices, and other disclosure documents on the EMMA Portal, making them publicly available at no cost. The EMMA system uses certain identifying information provided by submitters to electronically index and systematically display submissions, which allows external users to more readily find and access disclosure documents on the EMMA Portal.

Submission Process for Annual Financial Disclosures. In authorizing the EMMA Continuing Disclosure Service, the Commission granted authority to the MSRB to prescribe the identifying information collected by the EMMA system for purposes of sorting, categorizing, and retrieving continuing disclosure submissions.[11] When receiving the submission of an annual

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MSRB."). As further described herein, the EMMA system uses certain identifying information provided by a submitter to electronically index a disclosure document.

10 See Release No. 34-59061 (December 5, 2008), 73 FR 75778 (December 12, 2008) (File No. SR-MSRB-2008-05) (December 8, 2008) (the "Continuing Disclosure Service Release") (establishing the EMMA Continuing Disclosure Service "for the receipt of, and for making available to the public, continuing disclosure documents and related information to be submitted by issuers, obligated persons and their agents pursuant to continuing disclosure undertakings entered into consistent with Rule 15c2-12").

11 See 17 CFR 240.15c2-12(b)(5)(i). See also the Sole Repository Release, supra note 9, 73 FR at 76114 ("We [i.e., the SEC] believe that providing identifying information with each submitted document will permit the repository to sort and categorize the document efficiently and accurately. We also anticipate that the inclusion with each submission of the basic information needed to accurately identify the document will facilitate the ability of investors, market participants, and others to reliably search for and locate relevant disclosure documents.") and the Continuing Disclosure Service Release, supra note 10, 73 FR at 75781, fn. 48 (stating "the commitment by an issuer to provide identifying information exists only if it were included in a continuing disclosure agreement. As a

financial disclosure, the MSRB generally requires[12] disclosure submitters to enter the following information:

- Disclosure Category. Submitters identify the appropriate indexing category for the annual financial disclosure (the "disclosure category") as being an annual financial filing and/or audited financial filing.[13]
- Brief Content Description. Submitters may provide a brief description of the content of the annual financial filing and/or audited financial filing.
- Fiscal Period Covered. Submitters enter the annual fiscal period covered by the annual financial disclosure in the date field, including a fiscal year end date (the "Fiscal Period End Date").[14]

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result, issuers submitting continuing disclosure documents pursuant to the terms of undertakings that were entered into prior to the effective date of [the amendments to the Rule effectuated by the Sole Repository Release] and that did not require identifying information will be able to submit documents without supplying identifying information.")

12 As noted in the Continuing Disclosure Service Release, a continuing disclosure agreement specifies whether an issuer or obligated persons must provide identifying information. As a result, issuers and obligated persons submitting continuing disclosure documents pursuant to the terms of certain continuing disclosure agreements – i.e., agreements entered into prior to the effective date of the Commission's 2008 amendments to the Rule that did not require identifying information – are permitted to submit documents without supplying such identifying information. See Continuing Disclosure Release, supra note 10, at 73 FR 75781, fn. 48.

13 Disclosure submitters select the "Annual Financial Information and Operating Data (Rule 15c2-12)" disclosure category field for an annual financial filing and/or the "Audited Financial Statements or CAFR (Rule 15c2-12)" disclosure category field for an audited financial filing.

14 The EMMA Dataport Manual for Continuing Disclosure Submissions provides instructions and other information for issuers, obligated persons, dealers, municipal advisors, or staff of any other organization submitting to the EMMA Continuing

Once published by a disclosure submitter, the EMMA Continuing Disclosure Service (1) timestamps the annual financial disclosure to register the time and date of the submission of the annual financial disclosure to the EMMA system (the "Posted Date"), (2) processes the information entered by a submitter to classify and index the annual financial disclosure on the EMMA Portal, and (3) disseminates the annual financial disclosure document and related information, such as the fiscal period information, on the EMMA Portal, making the annual financial disclosure and related information publicly available at no cost.

Concerns Regarding the Timeliness of Annual Financial Disclosures

The timeliness of financial disclosures is often cited as an important factor in their usefulness to investors and other market participants, and the subject of how to improve the timeliness of financial disclosures in the municipal securities market has been, and continues to be, a significant concern of the Commission and various market participants.[15]

The Commission's 1994 Interpretive Release and Rule Amendments. The Commission has emphasized the importance of timely disclosure for decades. As early as its 1994 interpretive release regarding the disclosure obligations of municipal security issuers and others, the Commission stated that, "[t]o avoid providing investors with a stale, and therefore potentially misleading, picture of financial condition and results of operations, issuers and obligors need to

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Disclosure Service via the EMMA Dataport web user interface. The manual is published on the MSRB's website and is available at: http://www.msrb.org/~/media/pdfs/msrb1/EMMA/pdfs/EMMACDManual.ashx?la=en.

15 See, e.g., 2012 Municipal Report, supra note 8 at p. 74 (citing Release No. 34-33741, "Statement of the Commission Regarding Disclosure Obligations of Municipal Securities Issuers and Others" (March 9, 1994), 59 FR 12748 (March 9, 1994)).

release their annual financial statements as soon as practical."[16] Later in the same year when it amended Rule 15c2-12 to require continuing disclosure agreements to thereafter incorporate provisions regarding annual financial disclosures and certain event notices, the Commission further highlighted the importance of financial information in the secondary market, declaring that "purchasers in the secondary market need the same level of financial information and operating data in making investment decisions as purchasers in the underwritten offering."[17]

The Commission's 2012 Municipal Report. Building on its prior statements, the Commission's 2012 Municipal Report affirmed that, "[t]imely financial reporting, including timely issuance of audited annual financial information, not only aids market participants in making informed investment decisions, but is critical to the function of an efficient trading market."[18] Citing comments from market participants, the 2012 Municipal Report concluded that, "[t]he major challenge in the secondary market disclosure, according to market participants, is the timeliness and completeness of filings as well as compliance with continuing disclosure agreements." The report also noted certain concerns raised by municipal issuers about the burden of increased regulation,[19] including the concern that mandating a specific timeframe for the

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16 Release No. 34-33741, "Statement of the Commission Regarding Disclosure Obligations of Municipal Securities Issuers and Others" (March 9, 1994), 59 FR 12748, at 12753 (March 9, 1994) (File No. S7-4-94).

17 Release No. 34-34961 (November 10, 1994), 59 FR 59950 (November 17, 1994) (File No. S7-5-94).

18 2012 Municipal Report, supra note 8, at p. 74.

19 Id., at p. iv ("the Report notes concerns raised by issuers about potential burdens that could result from increased regulation.")

dissemination of financial information may not be feasible for the municipal market.[20] In acknowledgment of the limitations on the regulation of municipal issuers under the existing regulatory scheme, the 2012 Municipal Report made a series of recommendations involving "a combination of approaches, including legislative, regulatory and industry-based initiatives."[21] One of those recommendations included the enhancement of the EMMA system, so that "retail investors have better access to disclosure with respect to municipal securities as soon as practicable."[22]

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20 Id., at p. 80 (citing to the concerns of issuer representatives at certain hearings regarding "the necessity, or even feasibility, of a mandated shorter timeframe for the dissemination of financial information" and the possibility that "shorter deadlines could diminish the value of financial information" by causing governments to adopt a "reduced set of basic financial statements").

21 Id., at p. vii ("First, in light of the Commission's limited regulatory authority, we recommend a number of potential legislative changes which, if implemented by Congress, would provide the Commission with additional authority to initiate changes to improve municipal securities disclosures made by issuers. The legislative changes would not result, however, in the repeal or modification to the existing proscriptions on the SEC or the MSRB requiring any presale filing of disclosure documents, known as the 'Tower Amendment' (discussed in more detail in the Report). The legislative recommendations would nonetheless give the Commission the authority to take regulatory steps that it determines to be appropriate to meaningfully enhance disclosure practices by municipal issuers, which could be accomplished in a short period of time.")

22 Id., at p. 141; see also Recommendation of Market Structure Subcommittee of IAC [i.e., the Commission's Investor Advisory Committee], Select Enhancements to Protect Retail Investors in Municipal and Corporate Bonds, July 5, 2018, available at https://www.sec.gov/spotlight/investor-advisory-committee-2012/iac061418-market-structure-subcommittee-recommendation.pdf (recommending the MSRB enhance the EMMA Portal to highlight to "investors, when they reach an obligor's landing page, if the obligor is out of compliance with its continuing disclosure requirements as it relates to financial reporting").

Recent Commission Statements. Echoing the language of the 2012 Municipal Report, SEC Chairman Jay Clayton stated in December 2018 that, "[t]imely and accurate information is essential for investors and analysts. Without that, it is challenging to accurately evaluate the current financial condition of a municipal issuer (or any issuer for that matter)."[23] In the same speech, Chairman Clayton tasked the Commission's Office of Municipal Securities to work with the MSRB and other stakeholders to explore potential approaches to improve transparency around the age and type of financial information.[24] Reiterating his thoughts more recently, Chairman Clayton stated in July 2019 that "the timeliness of municipal issuer financial reporting . . . can and should be improved."[25]

NFMA Letter to the Board. In May 2019, the Board received a letter from the National Federation of Municipal Analysts (NFMA) that expressed concerns regarding the timing of financial information in the municipal securities market. The letter asserted that "[u]sers of EMMA do not have an easy way to determine the currency of financial reporting by an issuer" and encouraged the Board to "create a counter that would calculate and prominently display the

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23 See Chairman Jay Clayton, Opening Remarks at the Municipal Securities Conference, December 6, 2018, available at https://www.sec.gov/news/public-statement/statement-clayton-120618.

24 Id ("To be clear: I believe that there are potential steps that the SEC and the MSRB can take – that would be wholly consistent with the words and spirit of the Tower Amendment – to improve transparency around the age and type of financial information.").

25 See Chairman Jay Clayton, Remarks to the SEC Fixed Income Market Structure Advisory Committee, July 29, 2019, available at https://www.sec.gov/news/public-statement/clayton-remarks-fimsac-072919#_ftn1.

greater of the number of days since the end of the last fiscal year to the audit filing date or the number of days since the last fiscal year for which there is not a submitted audit."[26]

The Board has developed the proposed rule change cognizant of the historical evolution of disclosure practices in the municipal securities market[27] and the present concerns of certain market participants regarding the timing of financial disclosures in the municipal securities market.[28] The Board believes the proposed rule change would further promote transparency and efficiency in the municipal securities market – primarily by making information about the timing

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26 Letter from Scott Andreson, Chair, National Federation of Municipal Analysts (NFMA), dated May 3, 2019 (the "NFMA Letter"), available at https://www.nfma.org/assets/documents/position.stmt/nfmaLetterSECMSRBmay3.pdf (last accessed on October 15, 2019).

27 In February 2017, the MSRB published a report analyzing the timing of the submission of annual financial disclosures to the EMMA system between the years 2010 and 2016. See MSRB: Timing of Annual Financial Disclosures by Issuers of Municipal Securities (February 2017), available at http://www.msrb.org/msrb1/pdfs/MSRB-CD-Timing-of-Annual-Financial-Disclosures-2016.pdf. The Government Accounting Standards Board (GASB) assessed the timeliness of audited annual financial reports in a 2018 research memorandum measuring the number of days to the release of audited annual financial reports broken down by various factors such as size and type of government. See GASB, Research Memorandum: Timeliness of Financial Reporting (December 12, 2018), available at https://www.gasb.org/cs/ContentServer?c=Document_C&cid=1176171975910&d=&pagename=GASB%2FDocument_C%2FDocumentPage (last accessed on October 15, 2019).

28 The Board is also aware that the Government Finance Officers Association (GFOA) has announced an industry working group to address timely and meaningful disclosures. See GFOA, Weekly Members News, GFOA Launches Industry Working Group on Municipal Bond Disclosure (July 25, 2019), available at http://www.estoregfoa.org/StaticContent/staticpages/NL07252019.html (last accessed on October 15, 2019); see also Sarah Wynn, New GFOA working group to address timely disclosure, The Bond Buyer (July 26, 2019), available at https://www.bondbuyer.com/news/new-gfoa-working-group-to-address-timely-disclosure (last accessed on October 15, 2019).

of annual financial disclosures more prominent on the EMMA Portal, so that market participants can make more informed decisions – without imposing significant additional burdens on dealers, municipal issuers, or obligated persons.

The Submission Calculator and Illustrative Examples

The Board believes that the Submission Calculator would provide an important transparency tool for market participants that would make information reported to the EMMA system regarding the timing of annual financial disclosures more readily apparent. As discussed above, the Submission Calculator would automatically calculate and statically display the elapsed number of days between (1) the Fiscal Period End Date for an issuer or obligated person, as such date is entered by a submitter through the process of publishing an annual financial disclosure on the EMMA Portal, and (2) the Posted Date of an annual financial disclosure submitted to the EMMA system for such annual fiscal period.[29] The Submission Calculator would depend on the existing information required to be provided by a submitter, calculating the number of days elapsed based solely on the entry of the Fiscal Period End Date and the Posted Date for an annual financial disclosure.[30] The day of the Posted Date would be included in the

29 Both dates are currently visible on the EMMA Portal.

30 Consistent with its current functionality, the EMMA system would continue to intake, display, and disseminate annual financial disclosures and related information. The EMMA system would continue to conduct format checks, validate the submitter, and timestamp annual financial disclosures with a Posted Date; however, there would not be an evaluative analysis of the documents or information submitted, nor a validation of the disclosure categories selected by the submitter (e.g., "Other Financial/Operating Data" is erroneously selected rather than "Annual Financial Information and Operating Data (Rule 15c2-12)" or "Audited Financial Statements or CAFR (Rule 15c2-12)"). Nevertheless, the submission calculator would show as not applicable upon the entry of erroneous information that would result in negative calculations and, in the future, the EMMA system may provide soft data checks requesting submitters to confirm entries that are

calculation, as further demonstrated below.[31] This number of days elapsed would be displayed on the EMMA Portal at the individual security details level.[32] Importantly, the MSRB would not evaluate the substantive content of the documents and information submitted, and the Submission Calculator would not analyze the relevant content to evaluate an issuer's or obligated person's compliance with the terms of an applicable continuing disclosure agreement or any applicable law, regulation, or other legal obligation.[33]

The following are illustrative examples of the submission process and resulting calculations of the Submission Calculator.

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likely erroneous. See Release No. 34-84837 (December 17, 2018), 83 FR 65765, at 65767 (November 21, 2018) (File No. SR-MSRB-2018-09) (describing the "ministerial" functioning of the EMMA system). Accordingly, the submitter would remain responsible for the content of the documents and information submitted to the EMMA system related to an annual financial disclosure, including the proper disclosure category (or categories) of an annual financial disclosure. Moreover, as the resulting calculation performed by the Submission Calculator would depend on this information, it is imperative that disclosure submitters make accurate and complete submissions.

31 Stated differently, the Posted Date would not count as an additional full day toward the Submission Calculator's count total. For illustrative purposes, if an issuer submitted an annual financial disclosure on the same day as the date of the end of its annual fiscal period, the Submission Calculator would display zero days as the timing of such annual financial disclosure. If an issuer submitted an annual financial disclosure on the day following the date of the end of its annual fiscal period, the Submission Calculator would display one day as the timing of such annual financial disclosure, and so on.

32 The EMMA Portal's security details pages enable users to access documents and information associated with a particular municipal security, such as an official statement, continuing disclosure document, and/or trade report.

33 Consistent with the EMMA system's current functionality, if a submitter enters an erroneous Fiscal Period End Date for an annual financial disclosure, then the Submission Calculator would perform its calculation based on the erroneous Fiscal Period End Date entered by the submitter. See also note 30.

- Example One – Single Submission. An issuer submits its audited financial statements to the EMMA system on December 23, 2020 and identifies[34] (1) the annual financial disclosure as meeting both disclosure categories of an audited financial filing and annual financial filing[35] and (2) the Fiscal Period End Date for the annual financial disclosure as June 30, 2020. The Submission Calculator would display the number of days between the Posted Date for the issuer's annual financial disclosure and the Fiscal Period End Date of the issuer's 2020 annual fiscal period as 176 days.[36]

  Example Two – Second Year Submission. An issuer submits its audited financial statements to the EMMA system on December 23, 2020 and

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[34] A submitter would need to select the appropriate disclosure category (or disclosure categories) applicable to the submission of an annual financial disclosure for the Submission Calculator to perform its calculation. For example, if the submitter in this fact pattern only identified the submission as falling within the disclosure category of "Other," then the Submission Calculator would not have the necessary information to perform or display its calculation. In these circumstances, the Submission Calculator would display as not applicable on the EMMA Portal for the relevant securities until such time as the issuer submits a disclosure selected as meeting the disclosure category of an annual financial disclosure with a Fiscal Period End Date.

[35] Submitters may select multiple disclosure categories for a continuing disclosure filing, including an annual financial disclosure. The fields currently entitled "Annual Financial Information and Operating Data (Rule 15c2-12)" and "Audited Financial Information Statements or CAFR (Rule 15c2-12)" are respectively intended for the submission of annual financial filings and audited financial filings.

[36] The Submission Calculator would display the calculation available for the annual financial disclosure with the earliest Posted Date for the most recent Fiscal Period End Date. The results of a Submission Calculator would show as not applicable on the EMMA Portal for securities that do not yet have a published annual financial disclosure submission.

identifies (1) the annual financial disclosure as meeting both disclosure categories of an audited financial filing and annual financial filing and (2) the Fiscal Period End Date for the annual financial disclosure as June 30, 2020. The Submission Calculator would display the number of days between the Posted Date for the issuer's latest annual financial disclosure and the Fiscal Period End Date of the issuer's 2020 annual fiscal period as 176 days. Subsequently, the issuer's next annual fiscal period ends on June 30, 2021. On January 4, 2022, the issuer submits its audited financial statements to the EMMA system for its annual fiscal period ending on June 30, 2021. The issuer identifies (1) the annual financial disclosure as meeting both disclosure categories of an audited financial filing and annual financial filing and (2) the Fiscal Period End Date for the annual financial disclosure as June 30, 2021. Upon processing of the subsequent submission, the Submission Calculator would refresh to display the number of days between the Posted Date for the issuer's latest annual financial disclosure and the Fiscal Period End Date of the issuer's 2021 annual fiscal period as 188 days.[37]

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37 The Submission Calculator would continue to reflect its calculation for the most recent annual fiscal period until such time as a submitter publishes a new annual financial disclosure for a subsequent fiscal period, as identified by the Fiscal Period End Date entered by a submitter. Upon the processing of a new annual financial disclosure for a subsequent fiscal period, the EMMA system would no longer display the prior calculation for the preceding annual fiscal period. Using the facts of this example to illustrate this point, the Submission Calculator would continue to display the number of days between the issuer's latest annual financial disclosure and the end of its 2020 annual fiscal period as 176 days until the second submission is submitted and processed on January 4, 2022, at which time the Submission Calculator would then display the number

- <u>Example Three – Annual Financial Disclosures through Sequential Submissions for the Same Fiscal Period</u>. An issuer submits its annual financial information and operating data, which does not include the issuer's audited financial statements, to the EMMA system on December 23, 2020. The issuer identifies (1) the annual financial disclosure as meeting the disclosure category of an annual financial filing and (2) the Fiscal Period End Date for the annual financial disclosure as June 30, 2020. The Submission Calculator would display the number of days between the Posted Date for the issuer's annual financial disclosure and the Fiscal Period End Date of the issuer's 2020 fiscal period as 176 days. Subsequently, the issuer submits its audited financial statements on January 4, 2021 for the same annual fiscal period and identifies (1) the annual financial disclosure as meeting the disclosure category of an audited financial filing and (2) the Fiscal Period End Date as June 30, 2020. The Submission Calculator would continue to display the number of days between the Posted Date for the issuer's annual financial disclosure and the Fiscal Period End Date of the issuer's 2020 annual fiscal period as 176 days, because the Submission Calculator would generate its

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of days between the issuer's latest annual financial disclosure and the Fiscal Period End Date of its 2021 annual fiscal period as 188 days.

calculation from the earlier Posted Date for the submission of the unaudited financial information and operating data.[38]

- Example Four – Annual Financial Disclosures with Sequential Submissions for Issues with Multiple Obligated Persons with Different Fiscal Periods. An obligated person for an issue of municipal securities ("Obligated Person One") submits its audited financial statements as an annual financial disclosure for an issue of municipal securities on December 23, 2020. Obligated Person One identifies (1) the annual financial disclosure as meeting both disclosure categories of an audited financial filing and annual financial filing and (2) its Fiscal Period End Date as June 30, 2020. The Submission Calculator would display the number of days between the Posted Date of the issue's annual financial disclosure and the Fiscal Period End Date of Obligated Person One's 2020 annual fiscal period as 176 days.

  Subsequently, another obligated person for the same issue of municipal securities ("Obligated Person Two") submits its audited financial statements as an annual financial disclosure for the issue on January 4, 2021. Obligated Person Two identifies (1) the annual financial disclosure as meeting both disclosure categories of an audited financial filing and annual financial filing and (2) its Fiscal Period End Date as June 30, 2020. The Submission

38 The Submission Calculator would apply similar logic in other fact patterns where annual financial disclosures are published to the EMMA system in a piecemeal method, as through multiple submissions on different dates. See Example Four.

Calculator would not refresh and continue to display the number of days between the Posted Date of the issue's prior annual financial disclosure submitted by Obligated Person One and the Fiscal Period End Date of Obligated Person One's 2020 annual fiscal period as 176 days, because the Submission Calculator would perform its calculation based on the earliest Posted Date for an annual financial disclosure with the most recent Fiscal Period End Date.

Subsequently, a third obligated person for the same issue of municipal securities ("Obligated Person Three") submits its audited financial statements as an annual financial disclosure for the issue on January 5, 2021. Obligated Person Three identifies (1) the annual financial disclosure as meeting both disclosure categories of an audited financial filing and annual financial filing and (2) its Fiscal Period End Date as July 31, 2020. Upon processing, the Submission Calculator would refresh to display the number of days between the Posted Date of the issue's annual financial disclosure submitted by Obligated Person Three and the Fiscal Period End Date of Obligated Person Three's 2020 annual fiscal period as 158 days, because the Submission Calculator would perform its calculation based on the Posted Date for Obligated Person Three's annual financial disclosure, which has the most recent Fiscal Period End Date.

Enhancement of the EMMA Display

In addition to providing for the development and operation of the Submission Calculator, the proposed rule change would also provide for the enhancement and reconfiguration of certain information shown on the EMMA Portal to more prominently display an issuer's or obligated person's annual financial disclosures and related information. More specifically, the revised EMMA Portal would more prominently display the information reported about an annual financial disclosure for a municipal security, including the Fiscal Period End Date, the Posted Date, and the results of the Submission Calculator. The MSRB would also increase the prominence of the links provided by any issuer through its customized homepage to other websites containing relevant information.[39] With these enhancements to the EMMA Portal and the implementation of the Submission Calculator, the security details page for a municipal security generally would provide the information shown in Figure 1 below, which is shown as processed with the hypothetical facts and resulting calculation from "Example One – Single Submission" above.

[39] The EMMA system allows issuers to enhance the display of their municipal securities information on EMMA Portal by creating a free custom EMMA issuer homepage. One of the customizations supported is the ability for an issuer to designate links to independent websites. See the MSRB's Customizing an EMMA® Issuer Homepage, available at http://www.msrb.org/msrb1/EMMA/pdfs/EMMA-Issuer-Homepage-Fact-Sheet-for-Issuers.pdf.

Figure 1

Timing of Annual Financial Disclosure
Fiscal Period End Date: 06/30/2020 Posted Date: 12/23/2020 Timing of Disclosure: 176 Days
Hyperlink to Disclosure Document PDF(s) Hyperlink(s) to Other Website(s) if Provided

While each of these data points, other than the Submission Calculator results shown as the Timing of Disclosure in Figure 1, are currently available on the EMMA Portal, the proposed rule change is intended to improve users' awareness of this information. Nothing about this display would be evaluative of an issuer's or obligated person's compliance with the applicable terms of a continuing disclosure agreement. The proposed rule change would not modify how submitters provide this information to the EMMA system, nor require submitters to input any new data, but it would augment the display of information reported to the EMMA system to make it more apparent to users.

Discussion of Proposed Amendments to the Text of the EMMA IF

The proposed rule change would amend the text of the EMMA IF to provide for the development and otherwise describe the operation of the Submission Calculator. More specifically, the proposed rule change would amend the EMMA IF to define the term "EMMA metrics" to mean the calculations, data, and metrics derived from municipal securities disclosure documents and related information submitted to the EMMA system. In this way, the calculations, data, and metrics generated by the Submission Calculator would be included in the term "EMMA metrics." This definition is intended to provide greater clarity regarding the various types of information that may be disseminated by the EMMA system in light of the Submission Calculator's new functionality,[40] including more precisely delineating the distinctions between disclosure documents, related information, indexing information, and EMMA metrics.[41]

2. Statutory Basis

The proposed rule change is consistent with the provisions of Section 15B(b)(2)(C) of the Act,[42] which provides that the MSRB's rules shall:

> . . . be designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in regulating, clearing, settling, processing information with respect to, and facilitating transactions in municipal securities and municipal financial products, to remove impediments to and perfect the mechanism of a free and open market in municipal securities and municipal financial products, and, in general, to protect investors, municipal entities, obligated persons, and the public interest.

The Board believes the proposed rule change is consistent with the Act because the proposed rule change would promote (1) the protection of investors and the public interest and (2) the prevention of fraudulent and manipulative acts and practices, principally by promoting greater transparency and awareness of the financial disclosures available in the municipal securities

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40 Assuming approval of the proposed rule change, on the operative date the EMMA system would only process the EMMA metrics generated by the Submission Calculator for dissemination and display on EMMA Portal.

41 For example, the proposed rule change more precisely articulates that the term 'indexing information' is a subset of 'related information' that includes the disclosure category fields of "Annual Financial Information and Operating Data (Rule 15c2-12)" and the "Audited Financial Statements or CAFR (Rule 15c2-12)" for purposes of the Submission Calculator's functionality. This clarification is important to delineate the Submission Calculator's use of indexing information as entered by a submitter from the EMMA metrics generated by the Submission Calculator.

42 15 U.S.C. 78o-4(b)(2)(C).

market through the EMMA Portal. The proposed rule change would promote the protection of investors and the public interest by increasing investors' and the general public's awareness of the type and timing of financial information available in the municipal securities market and, consequently, enable investors and other market participants to make more informed decisions. More broadly, the proposed rule change would enable the general public to more readily access the financial information reported to the EMMA Portal. The proposed rule change would promote the prevention of fraudulent and manipulative acts and practices by fostering a better understanding among all market participants of the type and timing of financial information available in the municipal securities market, including by making the type and timing of financial information more readily apparent on the EMMA Portal, and, thereby, mitigating some information asymmetries that may exist in the market, such as between retail investors and institutional investors. In short, the Board believes that the proposed rule change is consistent with the Act because it would enhance market transparency regarding existing municipal issuer financial disclosure practices, including by improving the accessibility and availability of information displayed on the EMMA Portal and by making the Submission Calculator results readily apparent to EMMA users.

B. Self-Regulatory Organization's Statement on Burden on Competition

The Board has conducted an analysis on the proposed rule change to gauge its overall economic impact and assess its burden on competition.[43] For the reasons discussed below, the

[43] See "Policy on the Use of Economic Analysis in MSRB Rulemaking," available at http://msrb.org/Rules-and-Interpretations/Economic-Analysis-Policy.aspx. In evaluating the potential burden on competition, the Board was guided by its principles that require the Board to consider costs and benefits of a rule change, its impact on capital formation, and the main reasonable alternative regulatory approaches.

Board has determined that the proposed rule change would not impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Exchange Act.

The Board's Determinations Regarding the Burden on Competition

Section 15B(b)(2)(C)[44] of the Exchange Act requires that MSRB rules shall "not be designed . . . to impose any burden on competition not necessary or appropriate in furtherance of the purposes of this title." The Board believes the proposed rule change is consistent with Section 15B(b)(2)(C)[45] because the proposed rule change promotes transparency in the municipal securities market by (1) calculating and clearly displaying the timing between an issuer's or obligated person's reported Fiscal Period End Date and the Posted Date for the submission of certain of its annual financial disclosures and (2) making existing information about annual financial disclosures more readily apparent on the EMMA Portal. Consequently, the Board believes the proposed rule change would improve the awareness and understanding of market participants regarding the type and timing of financial information currently available on the EMMA Portal. Investors and other market participants would benefit from these enhancements by being able to more readily locate relevant financial information and, thereby, the proposed rule change would improve overall transparency in the market. Similarly, the calculations displayed by the Submission Calculator would assist investors in their analysis of a municipal security's

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44 15 U.S.C. 78o-4(b)(2)(C).

45 Id.

financial information by clearly and prominently displaying a metric for the standardized measure of the timing of that information.[46]

Burdens on Disclosure Submitters. The Board believes that the proposed rule change does not create any new compliance or reporting burdens and, thereby, does not impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Exchange Act. While the information provided to the EMMA Portal by submitters might take on new prominence by virtue of the manner in which the information would be displayed on the EMMA Portal under the proposed rule change, the proposed enhancements would not alter the basic process for submitting annual financial disclosures or change the type of information collected related to such disclosures.[47] Accordingly, the proposed rule change would not alter the burdens on submitters in publishing annual financial disclosures to the EMMA system in this way, and so does not result in any new burdens on competition in this regard.

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[46] Recent economic literature bolsters the statements of market participants that the timing of financial disclosures is a significant factor in their usefulness. Specifically, academic research finds that a delay in reporting is likely to convey a negative signal with respect to issuers and have negative effects on the capital markets, such as higher yield and lower liquidity. See Henke, Trent S. and John J. Maher, "Government Reporting Timeliness and Municipal Credit Market Implications," Journal of Governmental & Nonprofit Accounting, Vol. 5, No. 1, 2016, and Sherrill, D. Eli and Rustin T. Yerkes, "Municipal Disclosure Timeliness and the Cost of Debt," The Financial Review, 53, 2018. At the same time, the MSRB notes that timing may be one among many significant factors in the usefulness of a financial disclosure, as for example the timing of a disclosure generally does not speak to the quality or completeness of a disclosure's contents.

[47] While the proposed enhancements would not alter the basic process for submitting such information or change the type of information collected, the MSRB is continually evaluating how user's interface with the EMMA system and has ongoing projects to improve that interface. See, e.g., "MSRB Improves Search Functionality on EMMA" (May 29, 2019), available at http://www.msrb.org/News-and-Events/Press-Releases/2019/MSRB-Launches-Quick-Search.aspx.

Improvement to Market Transparency. The Board believes that the proposed rule change would increase the accessibility and understanding of financial disclosures in the municipal securities market and, thereby, increase overall transparency in the market. The Submission Calculator would depend entirely on the information entered by a submitter, and the Board is cognizant of the potential for the Submission Calculator to result in the display of a calculation generated from erroneous information published by a submitter. To the degree that the Submission Calculator would provide new prominence to this information, the Board believes that submitters would have an additional incentive to properly categorize and describe annual financial disclosures, and so the incidences of submissions with erroneous information would be expected to marginally decline from current rates.[48] To promote accuracy, the Board would continue to provide educational resources and other tools to assist submitters in properly completing the publication process. Similarly, the Board believes that some of the misperceptions and other information asymmetry that may result from market participants accessing erroneous information published by submitters can be mitigated through appropriate investor education. Consequently, the Board believes at this time that the benefits of the additional awareness and understanding that would result from the adoption of the Submission Calculator would exceed any potential negative consequences of the display of a calculation generated from erroneous information published by a submitter.

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48 To the degree that submitters exert greater diligence in completing the disclosure submission process in response to the Submission Calculator's functionality and the other enhancements to the display of information on the EMMA Portal, the MSRB believes that any additional burdens created by this change in market behavior is exceeded by the benefits of greater market transparency through the improved availability and understanding of market information currently displayed on the EMMA Portal.

The Board's Analysis of Alternatives to the Proposed Rule Change

The Board has assessed alternative approaches to the proposed rule change and has determined that the Submission Calculator and other enhancements to the EMMA Portal are superior to these alternatives.

Alternative Transparency Tools. The Board has considered various iterations of the Submission Calculator for the calculation and display of information regarding the timing of financial disclosures, including various active counters that would sequentially increase each day. One such alternative is a counter that would update each day to dynamically display the number of days elapsed between an issuer's or obligated person's annual fiscal period end and the current date. Similarly, the Board has considered a counter that would dynamically display the number of days elapsing between any financial disclosures submitted by an issuer or obligated person, including interim financial information, rather than just annual financial disclosures.

The Board has determined at this time that such alternatives would be inferior to the proposed rule change's Submission Calculator. In evaluating these alternative approaches, the Board determined that (1) limiting the Submission Calculator to evaluating the timing of annual financial disclosures was most appropriate at this time, particularly in light of the lack of uniformity in the disclosure of interim financial information, and (2) displaying a static calculation would be most easily understood by EMMA users and, thereby, the Submission Calculator would best promote market transparency at this time. Among other considerations, the Board evaluated whether dynamic tools might confuse some users who repeatedly return to the EMMA Portal and misunderstand the increasing display count. Additionally, the Board considered concerns that, at this time, other approaches with more complex functionality may require significant alterations to the submission process and/or require disclosure submitters to provide additional information to the EMMA system. Accordingly, the Board has determined that, at this time, alternatives that would create new burdens on disclosure submitters would be inferior to the Submission Calculator.

Rulemaking Alternatives. The Board has also considered new rulemaking initiatives as an alternative to the proposed rule change. The Board ultimately determined that the MSRB should focus at this time on the proposed rule change's transparency efforts to more prominently display existing financial information on the EMMA Portal and should consider any related rulemaking initiatives in light of the MSRB's ongoing retrospective rule review.[49]

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received from Members, Participants, or Others

The Board did not solicit written comments on the proposed change. However, as previously noted above, the Board did receive one written comment directly relevant to the proposed rule change from NFMA in May 2019.[50] Among other recommendations on how to improve disclosure practices in the municipal securities market, the NFMA Letter encouraged

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49 The Board recently prioritized an ongoing effort to review the MSRB's rules and related interpretive guidance for dealers and municipal advisors. The purpose of the retrospective rule review is to help ensure MSRB rules and interpretive guidance are effective in their principal goal of protecting investors, issuers and the public interest; not overly burdensome; clear; harmonized with the rules of other regulators, as appropriate; and reflective of current market practices. Among other criteria, retrospective rulemaking priorities are evaluated based on whether the benefits of the rule are commensurate with its burdens. See http://www.msrb.org/Rules-and-Interpretations/Retrospective-Rule-Review-Overview.aspx.

50 See NFMA Letter, supra note 26.

the MSRB to modernize the EMMA system, including to provide greater transparency on the currency of audit filings.[51] More specifically, NFMA encouraged the MSRB to "create a counter that would calculate and prominently display the greater of the number of days since the end of the last fiscal year to the audit filing date or the number of days since the last fiscal year for which there is not a submitted audit."[52] While the proposed rule change would not incorporate such a dynamic counter,[53] the MSRB believes that the Submission Calculator and other enhancements to the EMMA system are responsive to this particular recommendation.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

Within 45 days of the date of publication of this notice in the Federal Register or within such longer period of up to 90 days (i) as the Commission may designate if it finds such longer period to be appropriate and publishes its reasons for so finding or (ii) as to which the self-regulatory organization consents, the Commission will:

(A) by order approve or disapprove such proposed rule change, or

(B) institute proceedings to determine whether the proposed rule change should be disapproved.

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51 Id., at p. 4.

52 Id.

53 The Board did not incorporate this aspect of NFMA's recommendation into the proposed rule change because the Board determined at this time that such a dynamic counter would be inferior to the Submission Calculator, in that the non-static functionality of the dynamic counter might counterproductively confuse some users who repeatedly return to the EMMA Portal and misunderstand the dynamic nature of the increasing display count, among other reasons. See related discussion under The Board's Analysis of Alternatives to the Proposed Rule Change.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

Electronic Comments:

- Use the Commission's Internet comment form (http://www.sec.gov/rules/sro.shtml); or
- Send an e-mail to rule-comments@sec.gov. Please include File Number SR-MSRB-2019-13 on the subject line.

Paper Comments:

- Send paper comments in triplicate to Secretary, Securities and Exchange Commission, 100 F Street, NE, Washington, DC 20549.

All submissions should refer to File Number SR-MSRB-2019-13. This file number should be included on the subject line if e-mail is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission’s Internet website (http://www.sec.gov/rules/sro.shtml). Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for website viewing and printing in the Commission’s Public Reference Room, 100 F Street, NE, Washington, DC 20549 on official business days between the hours of 10:00 am and 3:00 pm. Copies of the filing also will be available for inspection and copying at the principal office of the

MSRB. All comments received will be posted without change. Persons submitting comments are cautioned that we do not redact or edit personal identifying information from comment submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File Number SR-MSRB-2019-13 and should be submitted on or before [insert date 21 days from publication in the Federal Register].

For the Commission, pursuant to delegated authority.[54]

Eduardo Aleman
Deputy Secretary

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[54] 17 CFR 200.30-3(a)(12).

December 18, 2019
SR-MSRB-2019-13, Release No. 34-87583
Comments of the National Association of Health and Educational Facilities Finance Authorities

The National Association of Health and Educational Facilities Finance Authorities ("NAHEFFA") is the national association representing conduit issuers of tax-exempt debt for nonprofit institutions in health care, education, cultural and other charitable fields. NAHEFFA has been on the forefront of advocacy and support for issues of tax-exempt financing particularly for health and education providers. We lead and facilitate national advocacy, support, networking and education on behalf of our members.

NAHEFFA currently has 37 members and one affiliate member representing 32 states and billions of dollars of financing every year. Several of our members are year after year among the largest issuers in the country and some of our members have relatively small issuance portfolios. Our members' borrowers range from the largest hospitals and universities in the country to small youth centers, medical clinics and sheltered workshops.

NAHEFFA appreciates the opportunity to comment on the proposed rule change to amend the information facility of the MSRB's EMMA system. MSRB proposes to use existing information submitted to EMMA to provide for the automated calculation and static display of the number of days between (i) the annual fiscal year end date for the issuer or obligated person and (ii) the date an annual fiscal disclosure is submitted to EMMA for such annual fiscal period. In addition, EMMA would be reconfigured to more prominently display this information.

NAHEFFA is strongly supportive of maintaining and enhancing the disclosure practices of our thousands of borrowing charitable institutions, large and small. As individual authorities and as an association we invest heavily in disclosure educational programs with our borrowers and have worked closely for decades with MSRB and SEC on these important issues. For example, we were pleased to work with MSRB in the last significant revision to EMMA providing input from a conduit financing and borrower's point of view, even facilitating borrowing institutions' interaction with MSRB staff, to ensure the ease of both inputting and reviewing information. We are participating actively in the Disclosure Industry Workgroup to provide industry input on measures to enhance the municipal market's disclosure objectives in order to advance our mutual goals of quality, timely and meaningful disclosure.

We appreciate the MSRB's stated goal of using existing information submitted by borrowers and MSRB's technology to provide more prominently displayed information to investors. We also appreciate that part of this goal is to avoid more onerous measures requiring greater resources by issuers and our borrowers. Although we firmly support good disclosure practices, we are also mindful that the cumulative regulatory burden of continued federal requirements create incentives for many borrowers, governmental and nongovernmental, to escape or mitigate the tax and securities regulatory cost environment and finance their capital needs through other means which are not ideal in many cases and will result in less public disclosure.

Unfortunately, this seemingly innocuous proposal does not appear to us to be ready for prime time. As far as we can ascertain, it was developed solely internally within MSRB without consultation with any stakeholder. Nor are we aware to what extent, if any, it has been tested in trial or mock disclosures for a variety of issuer and borrower types, governmental and nongovernmental, including for conduit issuances. The result is there are questions, uncertainties and potential issues with the quality and meaningfulness of the disclosures proposed here as compared with undertakings made in the continuing disclosure agreements, the true essential disclosures.

It is possible that some of these issues can be resolved. But, until then we recommend that the SEC stay action or that MSRB withdraw its proposal until there has been fuller consultation with expert industry stakeholders, some piloting or prototyping of the disclosures in a diversity of circumstances and perhaps even focus groups of a variety of investors to determine whether this information is of significant value. Is this proposal a solution in search of a problem? Can we demonstrate that a user of the information is going to prefer purchasing bonds of a borrower that files this information earlier after their fiscal year than one that files later? In other words, will this activity affect purchase decisions?

Below we discuss some of our specific concerns which are more in the nature of questions or issue spotting.

<u>How will errors in data input and misuse of the system be corrected and what will the result be in the quality, utility and non-deceptiveness of the information provided to investors</u>? The MSRB is clear that neither the quality nor accuracy of submissions of financial disclosures to EMMA are reviewed, including whether the right online boxes are checked in the system and spreadsheets are placed in the right place. It seems inevitable that there will be errors, and it is unclear that these errors can be corrected and overridden, preventing or changing erroneous information that is being displayed to the public in a prominent manner. We believe there should be a clear understanding and protocol developed for these circumstances.

Especially for conduit issuers, will a shortcoming or error attributable to a single borrower potentially end up being a "contagion" for the conduit issuer as a whole? If this information exists on a CUSIP by CUSIP basis what is the possibility that some will aggregate the information at some point and draw conclusions based on an aggregate result which could be terribly unfair to many other borrowers and an issuer?

Further, what is to prevent possible gaming of the system by mislabeled information, for example, being submitted as placeholders for annual and other financial disclosures? Required disclosures may be composed of several items such as audited financials, operating data, tax revenue, and research receipts which could be entered for the calculation.

What are the results of errors or intentional acts in undermining confidence in EMMA and these disclosures as a whole? These issues should be considered before these particular data points become a heightened focus of disclosure.

<u>Treatment of various financial statements</u>. The MSRB filing is unclear, and we do not understand the manner in which annual financial disclosure submissions will be handled versus the date for submission of audited financial statements in terms of what will be displayed to the public. Typically, in our experience, for our institutions both of these documents are completed and often submitted at the same time. But if they are filed separately and only one is displayed in this prominent manner will it provide false and misleading signals to EMMA users?

<u>Conduit financing scenario</u>. In only one place is there a discussion of conduit financings. 84 Fed Reg. 65440, example four. It is an obscurely written scenario relating to annual financial disclosures with multiple obligated persons with different fiscal periods. We believe that this may refer to pooled financings. If so, we do not understand how such financings with borrowers who may have different fiscal periods will be handled without providing significantly misleading information.

It appears, for example, that whichever of a number of obligated persons files the first financial disclosure will have its information displayed <u>for the entire issue</u>, thereby perhaps implying that all obligated persons have filed this information. It also appears that when the next obligated person files that information it will not supplement or change the calculator. Is it considered irrelevant and of no effect? But, at some point the incomplete information about the first filing will be supplanted by a subsequent filing in a manner and rationale which is unclear.

We also wonder if for some reason this example relates to a healthcare system with multiple hospitals in the obligated group that may have different fiscal year ends than the parent? We are not sure whether this would apply since most obligated group systems convert all the hospitals to the same fiscal wide system year-end.

December 18, 2019
SR-MSRB-2019-13-NAHEFFA Comments

We will be glad to work with MSRB to sort this out but the guide star here should be above all do no harm and do not mislead investors by blindly applying an algorithm to a pooled financing where it just doesn't work very well.

*   *   *

We raise these issues not to obstruct progress in disclosure. We support taking advantage of the great data and technology offered by EMMA. Rather, we point out that what may seem to be a very simple proposal raises a number of questions which need to be thought through by experts both inside MSRB/SEC and those on the outside. A badly run program will not work to anyone's advantage and will sour and deter future disclosure initiatives.

Respectfully submitted

Charles A. Samuels

Chuck Samuels
NAHEFFA General Counsel
Mintz
701 Pa. Av. NW #900
Washington D.C. 20004
202-434-7311
casamuels@mintz.com

cc: David Hodapp, Esq, MSRB

160 North LaSalle Street
Suite S-1000
Chicago, IL 60601
312-651-1300
312-651-1350 fax
www.il-fa.com

Date: December 10, 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: Update to Senate Bill ("SB") 1300***

On December 18, 2019, Governor Pritzker signed SB 1300 into law as Public Act 101-0610 ("the Public Act"). The Public Act is effective as of January 1, 2020.

At today's meeting, we will provide an update as to developments concerning the Public Act.

Attachments: Bill Status of SB 1300 [from ilga.gov website]
Governor Pritzker December 18, 2019 Press Release

Bill Status of SB1300 *101st General Assembly*

Full Text **Votes** **Witness Slips** **View All Actions** **Printer-Friendly Version**

Short Description: PEN CD-COOK COUNTY-FUNDING

Senate Sponsors
Sen. Cristina Castro - Linda Holmes

House Sponsors
(Rep. Jay Hoffman - Mark Batinick - Ryan Spain - Michael J. Zalewski, Jonathan Carroll, Karina Villa, Terra Costa Howard and Diane Pappas)

Last Action

Date	Chamber	Action
12/18/2019	Senate	Public Act 101-0610

Statutes Amended In Order of Appearance

40 ILCS 5/9-169 from Ch. 108 1/2, par. 9-169

Synopsis As Introduced
Amends the Cook County Article of the Illinois Pension Code. In a provision concerning employer contributions to the Fund, provides that the contributions may be taken from any revenue source, including, but not limited to, other tax revenue, proceeds of borrowings, or State or federal funds. Effective immediately.

House Floor Amendment No. 5

Deletes reference to:

40 ILCS 5/9-169

Adds reference to:

20 ILCS 3501/801-10

20 ILCS 3501/801-40

20 ILCS 3501/805-20

40 ILCS 5/1-101.6 new

40 ILCS 5/1-109.3

40 ILCS 5/1-113.12

40 ILCS 5/1-160

40 ILCS 5/1A-102

40 ILCS 5/1A-104

40 ILCS 5/1A-109

40 ILCS 5/1A-111

40 ILCS 5/1A-112

40 ILCS 5/1A-113

40 ILCS 5/3-111 from Ch. 108 1/2, par. 3-111

40 ILCS 5/3-112 from Ch. 108 1/2, par. 3-112

40 ILCS 5/3-124.3 new

Translate Website

40 ILCS 5/3-125	from Ch. 108 1/2, par. 3-125
40 ILCS 5/3-132	from Ch. 108 1/2, par. 3-132
40 ILCS 5/3-132.1 new	
40 ILCS 5/4-109	from Ch. 108 1/2, par. 4-109
40 ILCS 5/4-114	from Ch. 108 1/2, par. 4-114
40 ILCS 5/4-117.2 new	
40 ILCS 5/4-118	from Ch. 108 1/2, par. 4-118
40 ILCS 5/4-123	from Ch. 108 1/2, par. 4-123
40 ILCS 5/4-123.2 new	
40 ILCS 5/7-159	from Ch. 108 1/2, par. 7-159
40 ILCS 5/14-110	from Ch. 108 1/2, par. 14-110
40 ILCS 5/14-152.1	
40 ILCS 5/15-120	from Ch. 108 1/2, par. 15-120
40 ILCS 5/15-135	from Ch. 108 1/2, par. 15-135
40 ILCS 5/15-136	from Ch. 108 1/2, par. 15-136
40 ILCS 5/15-159	from Ch. 108 1/2, par. 15-159
40 ILCS 5/15-198	
40 ILCS 5/16-163	from Ch. 108 1/2, par. 16-163
40 ILCS 5/16-164	from Ch. 108 1/2, par. 16-164
40 ILCS 5/16-165	from Ch. 108 1/2, par. 16-165
40 ILCS 5/Art. 22B heading new	
40 ILCS 5/22B-101 new	
40 ILCS 5/22B-102 new	
40 ILCS 5/22B-103 new	
40 ILCS 5/22B-104 new	
40 ILCS 5/22B-105 new	
40 ILCS 5/22B-106 new	
40 ILCS 5/22B-107 new	
40 ILCS 5/22B-108 new	
40 ILCS 5/22B-112 new	
40 ILCS 5/22B-113 new	
40 ILCS 5/22B-114 new	
40 ILCS 5/22B-115 new	
40 ILCS 5/22B-116 new	
40 ILCS 5/22B-117 new	
40 ILCS 5/22B-118 new	
40 ILCS 5/22B-119 new	
40 ILCS 5/22B-120 new	
40 ILCS 5/22B-121 new	
40 ILCS 5/22B-122 new	
40 ILCS 5/22B-123 new	
40 ILCS 5/22B-124 new	
40 ILCS 5/22B-125 new	
40 ILCS 5/Art. 22C heading new	
40 ILCS 5/22C-101 new	
40 ILCS 5/22C-102 new	
40 ILCS 5/22C-103 new	

40 ILCS 5/22C-104 new

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40 ILCS 5/22C-105 new
40 ILCS 5/22C-106 new
40 ILCS 5/22C-107 new
40 ILCS 5/22C-108 new
40 ILCS 5/22C-112 new
40 ILCS 5/22C-113 new
40 ILCS 5/22C-114 new
40 ILCS 5/22C-115 new
40 ILCS 5/22C-116 new
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40 ILCS 5/22C-120 new
40 ILCS 5/22C-121 new
40 ILCS 5/22C-122 new
40 ILCS 5/22C-123 new
40 ILCS 5/22C-124 new
40 ILCS 5/22C-125 new
50 ILCS 145/25
625 ILCS 5/2-115 from Ch. 95 1/2, par. 2-115
30 ILCS 805/8.43

Replaces everything after the enacting clause. Amends the Illinois Pension Code. Creates the Police Officers' Pension Investment Fund and the Firefighters' Pension Investment Fund. Provides for the transfer of the assets and investment authority of downstate police and downstate firefighter pension funds to the Police Officers' Pension Investment Fund and the Firefighters' Pension Investment Fund. Contains provisions concerning the composition of the board of the investment funds; powers and duties; reporting and recordkeeping; auditing of downstate police and downstate firefighter funds; management of investments; and rulemaking. Reduces the amount of training required for trustees under the Downstate Police and Downstate Firefighter Articles. Makes changes to the calculation of certain survivor's benefits for Tier 2 police and firefighters, the calculation of "final average salary" for Tier 2 police and firefighters, and to the limitation on salary applicable to Tier 2 police and firefighters. Makes conforming and other changes. In the Illinois Municipal Retirement Fund (IMRF) Article, authorizes certain surviving spouses of annuitants to re-establish rights to a surviving spouse annuity. In the State Employee Article, provides that the alternative retirement annuity provisions apply to a Tier 2 conservation police officer, investigator for the Secretary of State, Commerce Commission police officer, or arson investigator and authorizes those persons to establish up to 8 years of eligible creditable service for past service. Authorizes a State Policeman to elect to establish up to 5 years of eligible creditable service under the alternative retirement annuity formula for service as a full-time law enforcement officer outside of Illinois. In the State Universities Article: makes changes concerning the retirement age for certain Tier 2 members who have at least 20 years of service as a police officer or firefighter; and provides that the chairperson of the Board shall be appointed by the Governor from among the trustees (instead of the Chairperson of the Board of Higher Education acting as chairperson of the board of trustees). In the Downstate Teacher Article: adds a member of the board of trustees to be appointed by the Governor; adds a member of the board of trustees who is a teacher and elected by the contributing members; provides that the president of the board shall be appointed by the Governor from among the trustees (instead of the Superintendent of Education serving as president of the board); and provides that not more than 4 of the 5 active teachers elected to the Board of Trustees may be active members of the same statewide teacher organization. Amends the Illinois Finance Authority Act. Adds costs incurred in connection with the transition process to the definition of "public purpose project". Authorizes the Illinois Finance Authority to make loans to the Police Officers' Pension Investment Fund and the Firefighters' Pension Investment Fund. Makes other changes. Amends the Local Government Officer Compensation Act. Provides that language reducing an elected officer's compensation to zero if he or she is receiving specified pension benefits from the Illinois Municipal Retirement Fund does not apply to a unit of local government that has adopted a specified ordinance or resolution effective prior to January 1, 2019. Amends the Illinois Vehicle Code. Provides that a Capitol Police Investigator (instead of a Capitol Police Investigator who began employment on or after January 1, 2011) may not be retained in service after he or she has reached 65 years of age. Amends the State Mandates Act to require implementation without reimbursement. Effective January 1, 2020.

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House Floor Amendment No. 6
Provides that the Police Officers' Pension Investment Fund (instead of a third party, including the Police Officers' Pension Investment Fund) shall not have the authority to control, alter, or modify, or the ability to review or intervene in, the proceedings or decisions of the fund. Provides that the Firefighters' Pension Investment Fund (instead of a third party, including the Firefighters' Pension Investment Fund) shall not have the authority to control, alter, or modify, or the ability to review or intervene in, the proceedings or decisions of the fund.

House Floor Amendment No. 7
In the State Employee Article of the Illinois Pension Code: provides that the alternative retirement annuity provisions apply to a Tier 2 investigator for the Department of Revenue or the Illinois Gaming Board and authorizes a Tier 2 investigator for the Department of Revenue or the Illinois Gaming Board to convert up to 8 years of certain service credit established before the effective date of the amendatory Act into eligible creditable service upon application and payment of a specified contribution.

Actions

Date	Chamber	Action
2/7/2019	Senate	Filed with Secretary by Sen. John G. Mulroe
2/7/2019	**Senate**	**First Reading**
2/7/2019	Senate	Referred to Assignments
2/13/2019	Senate	Assigned to Government Accountability and Pensions
3/6/2019	Senate	Postponed - Government Accountability and Pensions
3/13/2019	Senate	Do Pass Government Accountability and Pensions; 009-000-000
3/13/2019	Senate	Placed on Calendar Order of 2nd Reading March 14, 2019
3/20/2019	**Senate**	**Second Reading**
3/20/2019	Senate	Placed on Calendar Order of 3rd Reading March 21, 2019
3/28/2019	**Senate**	**Third Reading - Passed; 046-000-000**
3/28/2019	House	Arrived in House
3/29/2019	House	Chief House Sponsor Rep. Robert Martwick
3/29/2019	**House**	**First Reading**
3/29/2019	House	Referred to Rules Committee
4/9/2019	House	Assigned to Personnel & Pensions Committee
5/9/2019	House	Do Pass / Short Debate Personnel & Pensions Committee; 010-000-000
5/9/2019	House	Placed on Calendar 2nd Reading - Short Debate
5/22/2019	**House**	**Second Reading - Short Debate**
5/22/2019	House	Held on Calendar Order of Second Reading - Short Debate
5/24/2019	House	Final Action Deadline Extended-9(b) May 31, 2019
5/30/2019	House	House Floor Amendment No. 1 Filed with Clerk by Rep. Robert Martwick
5/30/2019	House	House Floor Amendment No. 1 Referred to Rules Committee
5/30/2019	House	House Floor Amendment No. 2 Filed with Clerk by Rep. Robert Martwick
5/30/2019	House	House Floor Amendment No. 2 Referred to Rules Committee
5/30/2019	House	House Floor Amendment No. 3 Filed with Clerk by Rep. Robert Martwick
5/30/2019	House	House Floor Amendment No. 3 Referred to Rules Committee
5/30/2019	House	House Floor Amendment No. 3 Rules Refers to Personnel & Pensions Committee
5/30/2019	Senate	Chief Sponsor Changed to Sen. Omar Aquino

5/30/2019	House	House Floor Amendment No. 3 Recommends Be Adopted Personnel & Pensions Committee; 006-004-000
5/31/2019	House	Final Action Deadline Extended-9(b) June 30, 2019
6/1/2019	House	House Floor Amendment No. 4 Filed with Clerk by Rep. Robert Martwick
6/1/2019	House	House Floor Amendment No. 4 Referred to Rules Committee
6/1/2019	House	House Floor Amendment No. 4 Recommends Be Adopted Rules Committee; 005-000-000
6/28/2019	House	Rule 19(a) / Re-referred to Rules Committee
10/21/2019	House	Alternate Chief Sponsor Changed to Rep. Gregory Harris
10/21/2019	House	Approved for Consideration Rules Committee; 004-000-000
10/21/2019	House	Placed on Calendar 2nd Reading - Short Debate
10/21/2019	House	Final Action Deadline Extended-9(b) November 27, 2019
11/6/2019	House	Added Alternate Chief Co-Sponsor Rep. Mark Batinick
11/6/2019	House	Added Alternate Chief Co-Sponsor Rep. Jay Hoffman
11/6/2019	House	Added Alternate Chief Co-Sponsor Rep. Ryan Spain
11/6/2019	House	Alternate Chief Co-Sponsor Removed Rep. Jay Hoffman
11/11/2019	House	House Floor Amendment No. 5 Filed with Clerk by Rep. Jay Hoffman
11/11/2019	House	House Floor Amendment No. 5 Referred to Rules Committee
11/12/2019	House	Added Alternate Co-Sponsor Rep. Jonathan Carroll
11/12/2019	Senate	Chief Sponsor Changed to Sen. Cristina Castro
11/12/2019	House	House Floor Amendment No. 5 Rules Refers to Personnel & Pensions Committee
11/12/2019	House	Added Alternate Chief Co-Sponsor Rep. Michael J. Zalewski
11/12/2019	House	House Floor Amendment No. 5 Recommends Be Adopted Personnel & Pensions Committee; 007-003-000
11/13/2019	House	Alternate Chief Sponsor Changed to Rep. Jay Hoffman
11/13/2019	Senate	Added as Chief Co-Sponsor Sen. Linda Holmes
11/13/2019	House	House Floor Amendment No. 6 Filed with Clerk by Rep. Jay Hoffman
11/13/2019	House	House Floor Amendment No. 6 Referred to Rules Committee
11/13/2019	House	House Floor Amendment No. 6 Recommends Be Adopted Rules Committee; 004-000-000
11/13/2019	House	House Floor Amendment No. 7 Filed with Clerk by Rep. Jay Hoffman
11/13/2019	House	House Floor Amendment No. 7 Referred to Rules Committee
11/13/2019	House	House Floor Amendment No. 7 Recommends Be Adopted Rules Committee; 004-000-000
11/13/2019	House	Added Alternate Co-Sponsor Rep. Karina Villa
11/13/2019	House	Added Alternate Co-Sponsor Rep. Terra Costa Howard
11/13/2019	House	Added Alternate Co-Sponsor Rep. Diane Pappas
11/13/2019	House	House Floor Amendment No. 1 Tabled
11/13/2019	House	House Floor Amendment No. 2 Tabled
11/13/2019	House	House Floor Amendment No. 3 Withdrawn by Rep. Jay Hoffman
11/13/2019	House	House Floor Amendment No. 4 Withdrawn by Rep. Jay Hoffman
11/13/2019	House	House Floor Amendment No. 5 Adopted
11/13/2019	House	House Floor Amendment No. 6 Adopted
11/13/2019	House	House Floor Amendment No. 7 Adopted
11/13/2019	House	Placed on Calendar Order of 3rd Reading - Short Debate
11/13/2019	House	3/5 Vote Required
11/13/2019	**House**	**Third Reading - Short Debate - Passed 096-014-003**
11/13/2019	Senate	Secretary's Desk - Concurrence House Amendment(s) 5, 6, 7

11/13/2019	Senate	Placed on Calendar Order of Concurrence House A Translate Website - November 13, 2019
11/13/2019	Senate	House Floor Amendment No. 5 Motion to Concur Filed with Secretary Sen. Cristina Castro
11/13/2019	Senate	House Floor Amendment No. 5 Motion to Concur Referred to Assignments
11/13/2019	Senate	House Floor Amendment No. 6 Motion to Concur Filed with Secretary Sen. Cristina Castro
11/13/2019	Senate	House Floor Amendment No. 6 Motion to Concur Referred to Assignments
11/13/2019	Senate	House Floor Amendment No. 7 Motion to Concur Filed with Secretary Sen. Cristina Castro
11/13/2019	Senate	House Floor Amendment No. 7 Motion to Concur Referred to Assignments
11/13/2019	Senate	House Floor Amendment No. 5 Motion to Concur Be Approved for Consideration Assignments
11/13/2019	Senate	House Floor Amendment No. 6 Motion to Concur Be Approved for Consideration Assignments
11/13/2019	Senate	House Floor Amendment No. 7 Motion to Concur Be Approved for Consideration Assignments
11/14/2019	Senate	3/5 Vote Required
11/14/2019	Senate	House Floor Amendment No. 5 Senate Concurs 042-012-000
11/14/2019	Senate	House Floor Amendment No. 6 Senate Concurs 042-012-000
11/14/2019	Senate	House Floor Amendment No. 7 Senate Concurs 042-012-000
11/14/2019	Senate	Senate Concurs
11/14/2019	Senate	Passed Both Houses
12/4/2019	Senate	Sent to the Governor
12/18/2019	Senate	Governor Approved
12/18/2019	Senate	Effective Date January 1, 2020
12/18/2019	**Senate**	**Public Act 101-0610**

Back To Top

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Illinois.gov (/)

Illinois News

After 70 Years of Failed Attempts, Gov. Pritzker Enacts Pension Consolidation for First Responders

New Law Consolidates 649 Downstate and Suburban Police and Fire Pension Plans into Two Statewide Funds

Wednesday, December 18, 2019 - Governor, Office of the

Chicago — After more than 70 years of failed attempts to remedy the patchwork of first responder pension plans across the state, Governor JB Pritzker signed a new law today to consolidate the 649 downstate and suburban plans into two statewide funds.

"Bipartisanship in this General Assembly has achieved what none of their predecessors have been able to do: consolidate the 650 downstate and suburban pension funds to just two, amplifying their investment power and reducing the burden on property taxpayers," **said Governor JB Pritzker.** "Working together, we are helping hundreds of cities in Illinois alleviate their spiraling property tax burdens, and just as importantly, we're showing that Illinois can tackle its most intractable problems."

The new funds will leverage their collective buying power of $15 billion in assets - $8.7 billion in the police fund and $6.3 in the fire fund - to increase investment returns and lower management costs. Helping lower the pressure on local property taxes, the consolidation is estimated to produce greater returns of $820 million to $2.5 billion over the next five years alone and billions more over the next 20 years.

Created by Gov. Pritzker less than a month into office, the Illinois Pension Consolidation Feasibility Task Force - led by co-chairs former CBOE Chairman and CEO Bill Brodsky, AFFI President Pat Devaney and former Senate Republican Leader Christine Radogno - recommended the legislation after months of deliberation.

Senate Bill 1300 passed in the fall veto session with strong bipartisan majorities and the support of the Associated Fire Fighters of Illinois, the Illinois Fraternal Order of Police, the Illinois Municipal League and the countless cities, towns and villages across the state they represent.

"The number one budget issue legislators have been dealing with for decades is the pension crisis," **said Sen. Cristina Castro (D-Elgin), the Senate sponsor of the measure.** "We got a victory today with this consolidation plan, but there's still a lot of work to be done."

"This is a commonsense proposal that will solidify police and fire pensions throughout the state,"

said House Assistant Majority Leader Jay Hoffman (D-Swansea), the House sponsor of the measure. "By combining the investment power of the funds, they will receive an increase in investment income and will relieve the pressure on local property taxes. The Governor should be commended for his leadership in this important issue."

"Consolidating these 649 local plans into two statewide funds for investment purposes will reduce expenses and maximize performance — and most importantly, secure our first responders' futures," **said Associated Fire Fighters of Illinois President Pat Devaney.** "Firefighters deserve to know their retirement will be there and taxpayers should finally be confident it's being funded in the most efficient manner, and this new law signed by Gov. Pritzker moves us toward a financially stable future for every Illinoisan."

"Lawmakers from both parties and Governor Pritzker's office truly listened to police officers' concerns and put in a lot of hard work to get this final bill right," **said Illinois Fraternal of Police Board Chairman Tim Kobler.** "The law will let police officers control the retirement funds for their fellow officers, and it addresses the root causes of the pension dilemma rather than resorting to the same old game of just cutting benefits. The end result will benefit taxpayers and officers alike."

"Consolidating the assets of the more than 650 downstate public safety pension funds throughout Illinois will help provide stronger investment returns for active and retired public safety employees and reduce redundant administrative costs on Illinois' taxpayers," **said Illinois Municipal League Executive Director Brad Cole.** "This is a good first step forward on the complicated and comprehensive issue of pension reform."

"This legislation represents a balanced approach based on thoughtful discussion and compromise among the interested parties after decades of underperformance of these many funds," **said William J. Brodsky, former Chairman and CEO of the Chicago Board Options Exchange and now Chairman of Cedar Street Asset Management, LLC.** "The goal was to maximize the returns for the benefit of the first responders and their families and to minimize the costs to those who fund the pension plans: the taxpayers of Illinois. The leadership of Governor Pritzker was the catalyst that allowed this to happen."

"There is universal agreement that larger pooled investments enjoy lower fees and have more opportunity to invest in higher earning investments," **said former Senate Republican Leader Christine Radogno.** "Consolidation of Illinois' 650 funds into two funds will allow the administrative and fee savings and better returns to be plowed back into the funds for the benefit of retirees and taxpayers."

Local pension boards will continue to administer pension benefits, and no assets or liabilities will be shifted from one local pension plan to another. The new law also brings Tier 2 pensions into compliance to avoid future additional liabilities, which is estimated to cost $70 to $95 million while projected investment gains can generate an additional $820 million to $2.5 billion.

Senate Bill 1300 takes effect immediately.

160 North LaSalle Street
Suite S-1000
Chicago, IL 60601
312-651-1300
312-651-1350 fax
www.il-fa.com

Date: January 14, 2020

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 December 31, 2019*****

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

1. GENERAL OPERATING FUND REVENUES, EXPENSES AND NET INCOME

a. **Total Annual Revenues** of $2.6 million were $154 thousand or 6.4% higher than budget primarily due to **higher** than expected closing fees. Closing fees year-to-date of $1.6 million are $286 thousand or 21.9% **higher** than budget. Annual fees of $120 thousand are $12 thousand higher than budget while Administrative Service Fees of $55 thousand are lower than budget. Application fees total $31 thousand which is $21 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 $241 thousand (which has represented a declining asset since 2014). Net investment income position of $512 thousand for the fiscal year is $17 thousand higher than budget.*

b. In **December** the Authority recorded closing fees of $495 thousand which was higher than the monthly budgeted amount of $218 thousand.

c. **Total Annual Expenses** of $2.1 million were $337 thousand or 14.1% 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 $1.2 million or $191 thousand or 13.3% lower than budget. Professional services expenses total $537 thousand or $122 thousand or 18.6% lower than budget. Annual occupancy costs of $86 thousand are 4.5% lower than budget, while general and administrative costs are $188 thousand for the year, which is 8.7% lower than budget. Total depreciation cost of $9 thousand is 14.3% below budget.

d. In **December** the Authority recorded operating expenses of $409 thousand, which was higher than the monthly budgeted amount of $400 thousand. This was mostly attributable to Information Technology expenditures related to software license renewals for the Authority's telephone system and software upgrades for the accounting/human resources and payroll systems.

**** 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.*

e. **Total Monthly Net Income** of **$256** thousand was driven by higher closing fees.

f. **Total Annual Net Income** is $**492** thousand. The major driver of the annual positive bottom line is the level of overall spending at 14.1% below budget, as well as higher than expected closing fees.

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 $60.1 million. Total assets in the General Fund are $60.4 million (consisting mostly of cash, investments, and receivables). Unrestricted cash and investments total $46.6 million (with $3.6 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 $4.8 million.

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

a. In accordance with Governmental Accounting Standards, the "Other State of Illinois Debt Fund" is comprised of bond activity for the Illinois Environmental Protection Agency ("IEPA") and Northern Illinois University Foundation ("NIUF"). The majority of the activity in this fund derives from the Clean Water Initiative ("CWI") bonds issued for the benefit of IEPA. At this time, financial information is not available.

b. The Locally Held Fire Truck and Ambulance Revolving Loan Funds have total year-to-date receipts of $159 thousand. Year-to-date loan repayments under the Fire Truck and Ambulance Revolving Loan Funds are $1.9 million and $280 thousand, respectively. Year-to-date loans issued under the Fire Truck and Ambulance Revolving Loan Funds are $6.0 million and $2.1 million, respectively. The Net Position for Fire Truck and Ambulance Revolving Loan Funds on the Authority's balance sheet is $24.4 million and $4.4 million, respectively.

c. The Illinois Agricultural Loan Guarantee Fund and the Illinois Farmer Agribusiness Loan Guarantee Fund include restricted assets held by the State Treasurer to make payouts of losses in relation to the Authority's agricultural loan guarantee programs. As of December 31, 2019, the Agricultural Loan Guarantee Fund had a Restricted Net Position of $10.6 million and the Agribusiness Fund had a Restricted Net Position of $8.3 million, with no loss reserves in either fund. However, the Industrial Revenue Bond Insurance Fund includes restricted assets held locally by the Authority to make payouts of losses in relation to the Authority's agricultural loan guarantee programs (please see Senate Bill 324, Public Act 99-0509). The Restricted Net Position for the Industrial Revenue Bond Insurance Fund was $12.1 million as of December 31, 2019.

d. All other nonmajor funds recorded total year-to-date revenues of $344 thousand. Year-to-date expenses total $6 thousand as of December 31, 2019. Total Net Position in the non-major funds is $35.5 million.

e. The Metro East Police District Commission ("Commission") is reported as an agency/fiduciary fund, which has total assets of $4 thousand in the custody of the Authority. The Metro East Police District Act was repealed on December 31, 2019 as provided for in the enabling legislation. The Authority is currently working with the Commission to properly dissolve the Metro East Police District Fund and return the remaining assets.

f. The Illinois Finance Authority NFP Development Fund has a total net position of $12 thousand.

4. AUTHORITY AUDITS AND REGULATORY UPDATES

The Illinois Office of the Auditor General ("OAG") has not yet provided a firm date for the release of the Authority's Fiscal Year 2019 Financial Audit ("Financial Audit"). The OAG, which is an independent state constitutional office reporting to the Legislative Branch of State government rather than the Executive Branch of state government, has sole control over the release date of the Authority's annual Financial Audit.

Typically, the OAG notifies the Authority by email approximately 24 hours before the public release date. In the event that the OAG does release the Financial Audit in advance of the January 14, 2020 Board meeting, staff will do its best to provide copies of the Financial Audit to the Members at the January 14, 2020 Board meeting. However, the consideration and acceptance of the Financial Audit, both by the Audit Plus Committee and the Board, is expected to occur at the February 11, 2020 meeting.

The internal audits for Fiscal Year 2020 remain on track at this time and there is nothing to report.

5. OTHER SUPPLEMENTARY FINANCIAL INFORMATION

The Fiscal Year Comparison of Bonds Issued, the Fiscal Year 2020 Bonds Issued, Schedule of Debt, and Property Assessed Clean Energy ("PACE") bond issuance report area being presented as supplementary financial information in your Board book.

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 DECEMBER 31, 2019
(PRELIMINARY AND UNAUDITED)

	JUL	AUG	SEP	OCT	NOV	DEC	YEAR TO DATE ACTUAL	YEAR TO DATE BUDGET	BUDGET VARIANCE ($)	BUDGET VARIANCE (%)
Operating Revenues:										
Closing Fees	$ 63,918	$ 128,243	$ 2,600	$ 466,000	$ 437,701	$ 494,818	$ 1,593,280	$ 1,307,202	$ 286,078	21.9%
Annual Fees	20,242	17,983	19,227	18,239	18,225	25,821	119,737	108,000	11,737	10.9%
Administrative Service Fees	-	30,000	10,000	12,000	-	3,000	55,000	120,000	(65,000)	-54.2%
Application Fees	1,000	16,750	2,450	3,000	5,600	1,750	30,550	10,002	20,548	205.4%
Miscellaneous Fees	114	107	-	-	499	-	720	1,002	(282)	-28.1%
Interest Income-Loans	40,375	39,864	40,127	42,695	37,558	40,807	241,426	356,940	(115,514)	-32.4%
Other Revenue	125	128	123	123	122	121	742	750	(8)	-1.1%
Total Operating Revenue:	**$ 125,774**	**$ 233,075**	**$ 74,527**	**$ 542,057**	**$ 499,705**	**$ 566,317**	**$ 2,041,455**	**$ 1,903,896**	**$ 137,559**	**7.2%**
Operating Expenses:										
Employee Related Expense	$ 188,470	$ 203,812	$ 202,650	$ 205,644	$ 220,718	$ 221,466	$ 1,242,760	$ 1,434,210	$ (191,450)	-13.3%
Professional Services	53,500	70,140	56,297	71,148	155,912	130,129	537,126	659,502	(122,376)	-18.6%
Occupancy Costs	13,146	15,935	12,670	15,583	13,932	14,411	85,677	89,760	(4,083)	-4.5%
General & Administrative	28,909	28,106	30,024	29,697	31,884	39,377	187,997	205,998	(18,001)	-8.7%
Depreciation and Amortization	1,386	1,437	1,437	1,437	1,437	1,437	8,571	10,002	(1,431)	-14.3%
Total Operating Expense	**$ 285,411**	**$ 319,430**	**$ 303,078**	**$ 323,509**	**$ 423,883**	**$ 406,820**	**$ 2,062,131**	**$ 2,399,472**	**$ (337,341)**	**-14.1%**
Operating Income(Loss)	**$ (159,637)**	**$ (86,355)**	**$ (228,551)**	**$ 218,548**	**$ 75,822**	**$ 159,497**	**$ (20,676)**	**$ (495,576)**	**$ 474,900**	**95.8%**
Nonoperating Revenues (Expenses)										
Miscellaneous Non-Opertg Rev/(Exp)	$ -	$ -	$ -	$ -	$ -	$ -	$ -		$ -	n/a
Bad Debt Adjustments (Expense)	-	-					-	(20,004)	20,004	-100.0%
Interest and Investment Income	74,257	68,209	89,029	66,575	56,057	97,643	451,770	515,580	(63,810)	-12.4%
Realized Gain (Loss) on Sale of Invest	(2,678)	1,103	(6,785)	2,569	59	(3,727)	(9,459)	-	(9,459)	n/a
Net Appreciation (Depr) in FV of Invest	(9,285)	95,877	(26,422)	42,742	(35,908)	3,056	70,060	-	70,060	n/a
Total Nonoperating Rev (Exp)	**$ 62,294**	**$ 165,189**	**$ 55,822**	**$ 111,886**	**$ 20,208**	**$ 96,972**	**$ 512,371**	**$ 495,576**	**$ 16,795**	**3.4%**
Net Income (Loss) Before Transfers	**$ (97,343)**	**$ 78,834**	**$ (172,729)**	**$ 330,434**	**$ 96,030**	**$ 256,469**	**$ 491,695**	**$ -**	**$ 491,695**	**n/a**
Transfers:										
Transfers in from other funds	$ -	$ -	$ -	$ -	$ -		$ -	$ -	-	0.0%
Transfers out to other funds	-	-	-	-	-		-	-	-	0.0%
Total Transfers In (Out)	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**0.0%**
Net Income (Loss)	**$ (97,343)**	**$ 78,834**	**$ (172,729)**	**$ 330,434**	**$ 96,030**	**$ 256,469**	**$ 491,695**	**$ -**	**$ 491,695**	**n/a**

ILLINOIS FINANCE AUTHORITY
STATEMENT OF REVENUES, EXPENSES AND NET INCOME
IFA FUNDS AND CUSTODIAL FUND ACTIVITY
FOR FISCAL YEAR 2020 AS OF DECEMBER 31, 2019
(PRELIMINARY AND UNAUDITED)

	GENERAL FUND*	FIRE TRUCK REV LOAN FUND	AMBULANCE REV LOAN FUND	ALL OTHER NON-MAJOR	TOTAL ALL FUNDS	AGENCY FUNDS
Operating Revenues:						
Closing Fees	$ 1,593,280	$ -	$ -	$ -	$ 1,593,280	$ -
Annual Fees	119,737	-	-	-	119,737	-
Administrative Service Fees	55,000	-	-	-	55,000	-
Application Fees	30,550	-	-	-	30,550	-
Miscellaneous Fees	720	159,430	-	-	160,150	-
Interest Income-Loans	241,426	16,870	1,550	-	259,846	-
Other Revenue	742	-	-	-	742	-
Total Operating Revenue:	**$ 2,041,455**	**$ 176,300**	**$ 1,550**	**$ -**	**$ 2,219,305**	**$ -**
Operating Expenses:						
Employee Related Expense	$ 1,242,760	$ -	$ -		$ 1,242,760	$ -
Professional Services	537,126	2,377	1,668	6,385	547,556	-
Occupancy Costs	85,677	-	-	-	85,677	-
General & Administrative	187,997	-	-	17	188,014	-
Interest Expense	-	-	-	-	-	-
Depreciation and Amortization	8,571	-	-	-	8,571	-
Total Operating Expense	**$ 2,062,131**	**$ 2,377**	**$ 1,668**	**$ 6,402**	**$ 2,072,578**	**$ -**
Operating Income(Loss)	**$ (20,676)**	**$ 173,923**	**$ (118)**	**$ (6,402)**	**$ 146,727**	**$ -**
Nonoperating Revenues (Expenses):						
Miscellaneous non-opertg rev/(exp)	$ -	$ -	$ -		$ -	$ -
Transfer of funds and program interest from the State of Illi	-	-	-	-	-	-
Interest and invesment income*	451,770	54,898	21,046	323,000	850,714	4
Realized Gain (Loss) on sale of investment	(9,459)			(3,493)	(12,952)	-
Net Appreciation (Depr) in fair value of investments**	70,060			24,809	94,869	-
Total Nonoperating Revenues (Expenses)	**$ 512,371**	**$ 54,898**	**$ 21,046**	**$ 344,316**	**$ 932,631**	**$ 4**
				-		
Net Income (Loss) Before Transfers	**$ 491,695**	**$ 228,821**	**$ 20,928**	**$ 337,914**	**$ 1,079,358**	**$ 4**
Transfers:						
Transfers in from other funds	$ -	$ -	$ -	$ -	$ -	$ -
Transfers out to other funds	-	-	-	-	-	-
Total Transfers In (Out)	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Net Income (Loss)	**$ 491,695**	**$ 228,821**	**$ 20,928**	**$ 337,914**	**$ 1,079,358**	**$ 4**

ILLINOIS FINANCE AUTHORITY
STATEMENT OF NET POSITION
IFA FUNDS AND CUSTODIAL FUND ACTIVITY
December 31, 2019

	GENERAL FUND	FIRE TRUCK REV LOAN FUND	AMBULANCE REV LOAN FUND	ALL OTHER NON-MAJOR FUNDS	TOTAL ALL FUNDS	METRO EAST POLICE DISTRICT COMMISSION
Assets and Deferred Outflows:						
Current Assets:						
Unrestricted:						
Cash & cash equivalents	$ 3,643,669	$ -	$ -	$ 17,838	$ 3,661,507	$ -
Investments	28,600,443	-	-	3,184,375	31,784,818	-
Accounts receivable, Net	25,173	-	-	-	25,173	-
Loans receivables, Net	33,348	-	-	-	33,348	-
Accrued interest receivable	464,264	-	-	24,914	489,178	-
Bonds and notes receivable	956,300	-	-	-	956,300	-
Due from other funds	17	-	-		17	-
Prepaid Expenses	210,078	-	-		210,078	-
Total Current Unrestricted Assets	**$ 33,933,292**	**$ -**	**$ -**	**$ 3,227,127**	**$ 37,160,419**	**$ -**
Restricted:						
Cash & Cash Equivalents	$ -	$ 2,036,472	$ 1,198,137	$ 65,338	$ 3,299,947	$ 4,463
Deposits in transit	-		-	-	-	-
Investments	-	-	-	8,651,531	8,651,531	-
Securities lending collateral equity with the Treasurer	-	-	-	-	-	-
Accrued interest receivable	-	12,874	1,178	62,820	76,872	-
Due from other funds	-		-		-	-
Due from primary government	-	-	-		-	-
Bonds and notes receivable from State component units	-		-		-	-
Loans receivables, Net	-	-	-	-	-	-
Total Current Restricted Assets	**$ -**	**$ 2,049,346**	**$ 1,199,315**	**$ 8,779,689**	**$ 12,028,350**	**$ 4,463**
Total Current Assets	**$ 33,933,292**	**$ 2,049,346**	**$ 1,199,315**	**$ 12,006,816**	**$ 49,188,769**	**$ 4,463**
Non-current Assets:						
Unrestricted:				-		
Investments	$ 14,321,231	$ -	$ -	$ 1,312,854	$ 15,634,085	$ -
Loans receivables, Net	4,797,310	-	-	-	4,797,310	-
Bonds and notes receivable	7,349,537	-	-	-	7,349,537	-
Total Noncurrent Unrestricted Assets	**$ 26,468,078**	**$ -**	**$ -**	**$ 1,312,854**	**$ 27,780,932**	**$ -**
Restricted:						
Cash & Cash Equivalents	$ -	$ -	$ -	$ -	$ -	$ -
Investments	-	-	-	3,306,230	3,306,230	-
Funds in the custody of the Treasurer	-	2,410,159	282,039	18,923,667	21,615,865	-
Loans receivables, Net	-	19,966,330	2,882,991	-	22,849,321	-
Bonds and notes receivable from primary government	-	-	-	-	-	-
Bonds and notes receivable from State component units	-	-	-	-	-	-
Total Noncurrent Restricted Assets	**$ -**	**$ 22,376,489**	**$ 3,165,030**	**$ 22,229,897**	**$ 47,771,416**	**$ -**
Capital Assets						
Capital Assets	$ 761,048	$ -	$ -	$ -	$ 761,048	$ -
Accumulated Depreciation	(713,957)	-	-	-	(713,957)	-
Total Capital Assets	**$ 47,091**	**$ -**	**$ -**	**$ -**	**$ 47,091**	**$ -**
Total Noncurrent Assets	**$ 26,515,169**	**$ 22,376,489**	**$ 3,165,030**	**$ 23,542,751**	**$ 75,599,439**	**$ -**
Total Assets	**$ 60,448,461**	**$ 24,425,835**	**$ 4,364,345**	**$ 35,549,567**	**$ 124,788,208**	**$ 4,463**
DEFERRED OUTFLOWS OF RESOURCES:						
Deferred loss on debt refunding	$ -	$ -	$ -	$ -	$ -	$ -
TOTAL DEFERRED OUTFLOWS OF RESOURCES	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Total Assets & Deferred Inflows of Resources	**$ 60,448,461**	**$ 24,425,835**	**$ 4,364,345**	**$ 35,549,567**	**$ 124,788,208**	**$ 4,463**

ILLINOIS FINANCE AUTHORITY

ILLINOIS FINANCE AUTHORITY
STATEMENT OF NET POSITION
IFA FUNDS AND CUSTODIAL FUND ACTIVITY
December 31, 2019

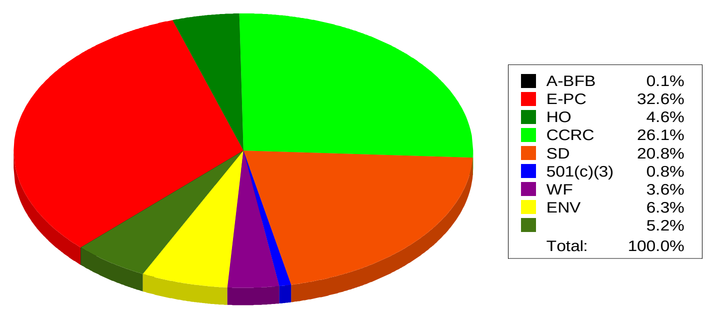
	GENERAL FUND	FIRE TRUCK REV LOAN FUND	AMBULANCE REV LOAN FUND	ALL OTHER NON-MAJOR FUNDS	TOTAL ALL FUNDS	METRO EAST POLICE DISTRICT COMMISSION
Liabilities:						
Current Liabilities:						
Payable from unrestricted current assets:						
Accounts payable	$ 71,605	$ 500	$ 300	$ 600	$ 73,005	$ -
Accrued liabilities	76,197	-	-	-	76,197	-
Payroll Tax Liability	29,605				29,605	
Due to employees	116,560	-	-	-	116,560	-
Due to primary government	1	-	-	-	1	-
Due to other funds	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	4,459
Unearned revenue, net of accumulated amortization	15,676	-	-	-	15,676	-
Total Current Liabilities Payable from Unrestricted Current Assets	**$ 309,644**	**$ 500**	**$ 300**	**$ 600**	**$ 311,044**	**$ 4,459**
Payable from restricted current assets:						
Accounts payable	-	-	-	1,500	1,500	-
Obligation under securites lending of the State Treasurer	-	-	-	-	-	-
Accrued interest payable	$ -	$ -	$ -	$ -	$ -	$ -
Due to other funds	-	-	-	17	17	-
Due to primary government	-	-	-	-	-	-
Bonds and notes payable from primary government	-	-	-	-	-	-
Bonds and notes payable from State component units	-	-	-	-	-	-
Current portion of long term debt	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-
Total Current Liabilities Payable from Restricted Current Assets	**$ -**	**$ -**	**$ -**	**$ 1,517**	**$ 1,517**	**$ -**
Total Current Liabilties	**$ 309,644**	**$ 500**	**$ 300**	**$ 2,117**	**$ 312,561**	**$ 4,459**
Noncurrent Liabilities						
Payable from unrestricted noncurrent assets:						
Noncurrent payables	$ 585	$ -	$ -	$ -	$ 585	$ -
Assets	**$ 585**	**$ -**	**$ -**	**$ -**	**$ 585**	**$ -**
Payable from restricted noncurrent assets:						
Bonds and notes payable from primary government	$ -	$ -	$ -	$ -	$ -	$ -
Bonds and notes payable from State component units	-	-	-	-	-	-
Total Noncurrent Liabilities Payable from Restricted Noncurrent	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Total Noncurrent Liabilities	**$ 585**	**$ -**	**$ -**	**$ -**	**$ 585**	**$ -**
Total Liabilities	**$ 310,229**	**$ 500**	**$ 300**	**$ 2,117**	**$ 313,146**	**$ 4,459**
Net Position:						
Net Investment in Capital Assets	$ 47,091	$ -	$ -	$ -	$ 47,091	$ -
Restricted for Locally Held Agricultural Guarantees	-	-	-	11,941,783	11,941,783	-
Restricted for Public Safety Loans	-	24,196,514	4,343,117	-	28,539,631	-
Restricted for Agricultural Guarantees and Rural Development Loans	-	-	-	18,764,864	18,764,864	-
Restricted for Low Income Community Investments	-	-	-	11,877	11,877	-
Unrestricted	59,599,446	-	-	4,491,012	64,090,458	-
Current Change in Net Position	491,695	228,821	20,928	337,914	1,079,358	4
Total Net Position	**$ 60,138,232**	**$ 24,425,335**	**$ 4,364,045**	**$ 35,547,450**	**$ 124,475,062**	**$ 4**
Total Liabilities & Net Position	**$ 60,448,461**	**$ 24,425,835**	**$ 4,364,345**	**$ 35,549,567**	**$ 124,788,208**	**$ 4,463**

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

Fiscal Year 2020

#	Market Sector	Principal Issued
2	Agriculture - Beginner Farmer	475,700
3	Education	258,780,000
1	Healthcare - Hospital	36,752,000
4	Healthcare - CCRC	207,087,000
3	Local Government Schools	165,090,000
1	501(c)(3) Not-for-Profit	6,595,000
1	Water Facilities	28,500,000
1	Environmental issued under 20 ILCS 3515/9	50,000,000
2	Property Assessed Clean Energy	41,240,000
18		$794,519,700

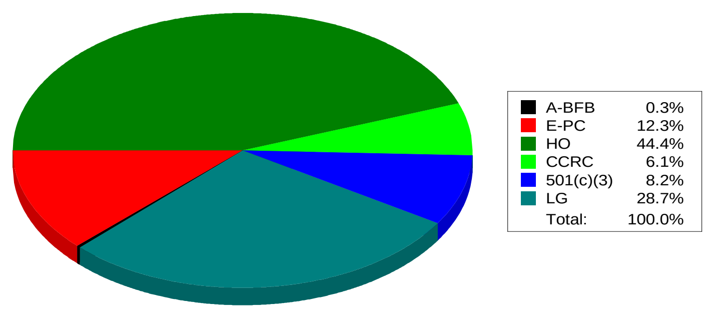
Bonds Issued in Fiscal Year 2020



Fiscal Year 2019

#	Market Sector	Principal Issued
22	Agriculture - Beginner Farmer	5,501,225
10	Education	253,055,000
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	590,960,000
47		$ 2,059,166,319

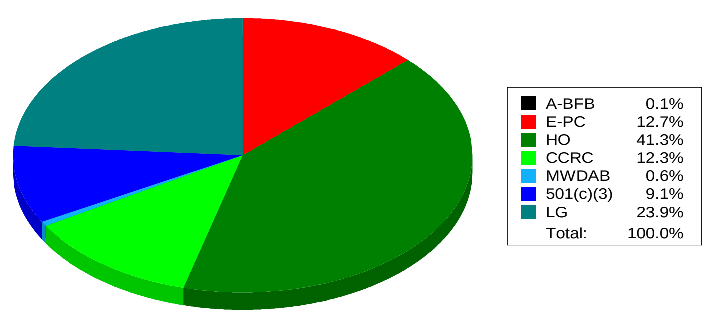
Bonds Issued in Fiscal Year 2019



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
5	Local Government	758,930,000
45		$ 3,171,728,725

Bonds Issued in Fiscal Year 2018



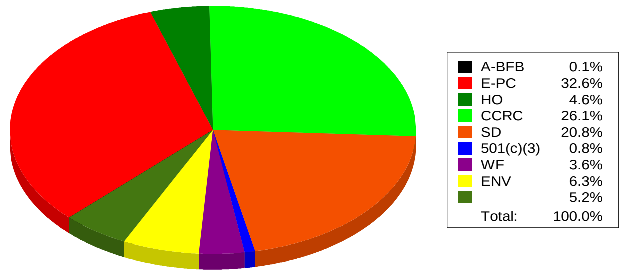
* Powers to issue Bonds under the Illinois Environmental Facilities Financing Act ("IEFFA" 20 ILCS 3515/2 et seq.) and its predecessor authority date to the early 1970s. In 1984, the powers under this Act became part of the Authority's predecessor, Illinois Development Finance Authority, which in turn 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 December 31, 2019

Fiscal Year 2020

#	Market Sector	Principal Issued
2	Agriculture - Beginner Farmer	475,700
3	Education	258,780,000
1	Healthcare - Hospital	36,752,000
4	Healthcare - CCRC	207,087,000
1	501(c)(3) Not-for-Profit	6,595,000
3	Local Gov't-School Districts	165,090,000
1	Water Facilities	28,500,000
1	Environmental issued under 20 ILCS 3515/9	50,000,000
2	Property Assessed Clean Energy	41,240,000
18		$ 794,519,700

Bonds Issued in Fiscal Year 2020



Bonds Issued between July 01, 2019 and December 31, 2019

Bond Issue		Date Issued	Initial Interest Rate	Principal Issued	Bonds Refunded
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
L	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 Villag	10/25/2019	Variable	23,608,000	0
CCRC	Smith Washington and Jane Smith Community d/b/a Smith Villag	10/25/2019	Variable	25,000,000	25,000,000
CCRC	Smith Washington and Jane Smith Community d/b/a Smith Villag	10/25/2019	Variable	5,119,000	5,119,000
ENV	Waste Management Inc.	10/30/2019	Fixed at Schedule	50,000,000	0
PACE	RCP Hotel Owner, LLC	11/08/2019	Fixed at Constant	21,250,000	0
L	Maine Township High School District Number 207	11/13/2019	Fixed at Constant	78,120,000	0
WF	American Water Capital Corp.	11/14/2019	Fixed at Schedule	28,500,000	28,500,000
E-PC	Columbia College Chicago	11/20/2019	Fixed at Schedule	18,035,000	0
L	Township High School District Number 86	12/10/2019	Fixed at Schedule	31,475,000	0
PACE	Hotel Mannheim Chicago, LLC	12/11/2019	Fixed at Constant	19,990,000	0
CCRC	Lutheran Life Ministries	12/12/2019	Fixed at Schedule	153,360,000	111,850,000
501(c)(3)	Notre Dame College Prep	12/19/2019	Fixed at Schedule	6,595,000	6,595,000
E-PC	Illiois Institute of Technology	12/20/2019	Fixed at Schedule	122,915,000	122,915,000
		Total Bonds Issued as of December 31, 2019		$ 794,519,700	$ 417,809,000

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 December 31, 2019

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

ILLINOIS FINANCE AUTHORITY

Schedule of Debt [a]

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

	Principal Outstanding June 30, 2019	Principal Outstanding 12/31/20119	Total Program Limitations	Total Remaining Capacity
Illinois Finance Authority "IFA"				
Agriculture [b]	$ 53,266,941	$ 53,648,211		
Education	4,679,948,609	4,541,701,276		
Healthcare	14,180,988,971	14,214,847,733		
Industrial Development [includes Recovery Zone/Midwestern Disaster]	807,109,575	800,638,980		
Local Government	1,581,555,000	1,850,655,000		
Multifamily/Senior/Not-for Profit Housing	275,223,392	273,002,720		
501(c)(3) Not-for Profits	1,517,487,613	1,494,145,615		
Exempt Facilities Bonds	203,500,000	232,000,000		
Student Housing	260,400,000	257,830,000		
Total IFA Principal Outstanding	**23,559,480,101**	**23,718,469,535**		
Illinois Development Finance Authority "IDFA"				
Education		-		
Healthcare	61,400,000	61,400,000		
Industrial Development	63,514,196	60,218,136		
Local Government	70,385,868	70,385,868		
Multifamily/Senior/Not-for Profit Housing	40,104,538	7,902,545		
501(c)(3) Not-for Profits	343,257,316	335,362,337		
Exempt Facilities Bonds	-	-		
Total IDFA Principal Outstanding	**578,661,918**	**535,268,886**		
Illinois Rural Bond Bank "IRBB"	**-**	**-**		
Illinois Health Facilities Authority "IHFA"	**98,790,000**	**91,210,000**		
Illinois Educational Facilities Authority "IEFA"	**432,507,000**	**405,495,000**		
Illinois Farm Development Authority "IFDA" [b]	**8,168,707**	**8,168,707**		
Total Illinois Finance Authority Bonded Indebtedness [c]	**$ 24,677,607,726**	**$ 24,758,612,128**	**$ 28,150,000,000 [d]**	**$ 3,391,387,872**
State Component Unit Bonds [e]				
IEPA Clean Water Initiative [f]	$ 1,479,430,000	$ 1,445,210,000		
Northern Illinois University Foundation, Series 2013	770,422	770,422		
Total State Component Unit Bonds	**$ 1,480,200,422**	**$ 1,445,980,422**		

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)]:

Section I (a)

	Principal Outstanding June 30, 2019	Principal Outstanding 12/31/20119	Program Limitations	Categorical Remaining Capacity
General Purpose Moral Obligation Bonds				
Total General Moral Obligation Bonds	**$ -**	**$ -**	**$ 150,000,000**	**$ 150,000,000**

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]:

Section I (b)

	Principal Outstanding June 30, 2019	Principal Outstanding 12/31/20119	Program Limitations	Categorical Remaining Capacity
Financially Distressed Cities Moral Obligation Bonds				
Total Financially Distressed Cities Bonds	**$ -**	**$ -**	**$ 50,000,000**	**$ 50,000,000**

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]:

Section I (c)

	Principal Outstanding June 30, 2019	Principal Outstanding 12/31/20119	Program Limitations	Categorical Remaining Capacity	State of Illinois Exposure
Agri-Debt Guarantees [Restructuring Existing Debt]					
Total Agri-Debt Guarantees - Fund # 994 Fund Balance $10,606,243 *	**$ 3,354,831**	**$ 3,289,630**	**$ 160,000,000**	**$ 156,710,370**	**$ 2,796,185**
Agri-Loan Guarantee Program					
Agri Industry Loan Guarantee Program	-	-			-
Farm Purchase Guarantee Program	825,743	825,743			701,882
Specialized Livestock Guarantee Program	1,068,066	1,046,708			889,702
Young Farmer Loan Guarantee Program	195,270	187,399			159,289
Total Agri-Loan Guarantees - Fund # 205 Fund Balance $8,317,423 *	**2,089,079**	**2,059,850**	**225,000,000**	**222,940,150**	**1,750,873**
Total AG State Guarantees	**$ 5,443,910**	**$ 5,349,480**	**$ 385,000,000**	**$ 379,650,520**	**$ 4,547,058**

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

Section II

		Original Amount		Principal Outstanding June 30, 2019		Principal Outstanding 12/31/20119	
Participation Loans							
Business & Industry	$	23,020,158	$	679,501	$	1,039,223	
Agriculture		6,079,859					
Participation Loans Excluding Defaults & Allowances		29,100,017		679,501		1,039,223	
Plus: Legacy IDFA Loans in Default				3,170		3,170	
Less: Allowance for Doubtful Accounts				5,165		19,270	
Total Participation Loans				677,506		1,023,123	
Local Government Direct Loans		1,289,750		1,064,894		930,735	
Rural Bond Bank Local Government Notes Receivable**				8,305,837		8,305,837	*
FmHA Loans		963,250		125,515		117,710	
Deferred Action for Childhood Arrivals (DACA)		2,339,686		2,709,754		2,709,754	
Total Loans Outstanding	$	32,729,453	$	12,883,506	$	13,087,159	

** 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 June 30, 2019		Principal Outstanding 12/31/20119		Cash and Investment Balance	
Fire Truck, Fire Station, and Ambulance Revolving Loans								
Fire Truck Revolving Loan Program**	**Fund # 572**	$	16,189,730	$	19,966,330	$	4,446,631	*
Ambulance Revolving Loan Program**	**Fund # 334**		1,109,320.00		2,882,991		1,480,175	*
Total Revolving Loans		$	17,299,050	$	22,849,321	$	5,926,806	

** 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 June 30, 2019		Principal Outstanding 12/31/20119		Program Limitations		Remaining Capacity
Clean Coal, Coal, Energy Efficiency, PACE, and Renewable Energy Project Financing					$	3,000,000,000	$	3,000,000,000
Property Assessed Clean Energy (PACE) Bonds	$	-	$	41,240,000	$	2,000,000,000 [g]	$	1,958,760,000

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

Section V

		Principal Outstanding June 30, 2019		Principal Outstanding 12/31/20119		Program Limitations		Remaining Capacity
Illinois Power Agency Bonds	$	-	$	-	$	4,000,000,000	$	4,000,000,000

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

Section VI

		Principal Outstanding June 30, 2019		Principal Outstanding 12/31/20119		Program Limitations		Remaining Capacity
Standard Environmental Facilities Bonds								
Issued through IFA	$	54,675,000	$	103,435,000				
Issued through IDFA		47,505,000		30,005,000				
Total Standard Environmental Facilities Bonds		102,180,000.00		133,440,000.00	$	2,425,000,000	$	2,291,560,000
Small Business Environmental Facilities Bonds								
Issued through IFA		-		-				
Total Small Business Environmental Facilities Bonds		-		-		75,000,000		75,000,000
Total Environmental Facilities Bonds	$	102,180,000	$	133,440,000	$	2,500,000,000	$	2,366,560,000

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

Section VI

		Principal Outstanding June 30, 2019		Principal Outstanding 12/31/20119		Program Limitations		Remaining Capacity
Student Loan Program Bonds								
Midwestern University Foundation	$	15,000,000	$	23,545,000				
Total Student Loan Program Bonds	$	15,000,000	$	23,545,000	$	200,000,000	$	176,455,000

* Balances as of 6/30/2019 are estimated and subject to change.
[a] Preliinary, 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 845-5(a).
[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

160 North LaSalle Street
Suite S-1000
Chicago, IL 60601
312-651-1300
312-651-1350 fax
www.il-fa.com

Date: January 14, 2020

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: ***Monthly Summary of Property Assessed Clean Energy Revenue Bond Issuance***

All within the parameters set forth in a PACE Bond Resolution previously adopted by the Illinois Finance Authority (the "**Authority**"), staff has approved certain Property Assessed Clean Energy ("**PACE**") project application(s) as further described on Exhibit A attached hereto and an Authorized Officer has executed and delivered PACE Bond Documents in connection with the issuance of PACE Bonds for the month ended December 31, 2019.

Respectfully submitted,

/s/ Brad R. Fletcher
Vice President

Exhibit A
Project and Financing

Record Owner	Hotel Mannheim Chicago, LLC, an Illinois limited liability company, as a single-purpose entity created for the purpose of developing and owning the Project.		
Project	Rehabilitation of 365,032 square feet or 8.38 acres located at 6810 Mannheim Road, Rosemont, IL (the "**Property**"), including the acquisition and installation of eligible energy efficiency and water use improvements under the PACE Act for the Hyatt Place Chicago/O'Hare Airport (occupying 117,855 square feet), the La Quinta Inn & Suites (occupying 77,058 square feet), the Best Western Premier (occupying 65,967 square feet) and RMD Restaurant (located between the Hyatt Place and the Best Western and occupying 26,160 square feet). The Hyatt Place will occupy the most space (117,855 square feet), followed by the La Quinta Inn and Suites (77,058 square feet), and then the Best Western Premier (65,967 square feet) (collectively, the "**Project**").		
Bonds	Amount:	$19,990,000	
	Source:	Reliance Standard Life Insurance Company ($8 million), Safety National Casualty Corporation ($8 million), and Philadelphia Indemnity Insurance Company ($3.99 million), each as Designated Transferees of SFA Partners, LLC, the Capital Provider	
	Term:	Not to exceed November 1, 2044	
	Interest:	5.80% Fixed	
	Security:	Special Assessment on the Property	
	Use of Proceeds:	Project Costs	$16,610,000
		Capitalized Interest	1,613,526
		Cost of Issuance & Fees	1,766,474
		Total	$19,990,000
Impact*	Energy Savings:	2,681,625 kWh and 40,899 therms	
	Energy Utility Bill Savings:	$268,077	
	Water Savings:	134,167 Gallons	
	Water Bill Savings:	N/A	
Job Data	40 full-time equivalent construction jobs (12 months)		
Districts	U.S. Representative: 5	State Senator: 39	State Representative: 77

** Annual estimates as reported by TruPACE LLC, the Program Administrator for the PACE area.*

ILLINOIS FINANCE AUTHORITY
PROCUREMENT REPORT OF ACTIVITY SINCE PRIOR BOARD REPORT

BOARD MEETING
January 14, 2020

CONTRACTS/AMENDMENTS EXECUTED					
Procurement Type	**Vendor**	**Initial Term**	**Estimated Not to Exceed Value**	**Action/Proposed Method of Procurement**	**Products/Services Provided**
Illinois Procurement Code-Small Purchases	Municipal Market Analytics	12/09/19-12/08/20	$18,100	Executed	Municipal Bond Market Advisor Subscription
	Miller Hall & Triggs, LLC	12/16/19-12/15/20	$20,000	Small Purchase in process	Legal advice related to Ag Guaranty
	East Bank Storage	12/16/19-12/15/20	$12,792	Executed	Documents and Records Storage
	Network Solutions	01-01-20 12/31/20	$119.97	Executed	idfa.com domain
	Veritext, LLC	01/01/20-12/31/20	49,411.65	Executed	Transcription Services for Monthly Board Meetings
	Go Daddy	1/8/20-1/7/21	$383.76	Executed	Firewall License
Illinois Procurement Master Contracts	Midwest Moving & Storage	11//01/19-06/30/20	$1,584	Continue with State Master	Storage
	CDW	11/18/19-11/17/21	$24,439.24	Executed	Microsoft Server Licenses and CALs
	United Parcel Service	12/20/19-6/30/20	$4,000	Continue with State Master	Package Delivery Services
Illinois Procurement Code Renewals	Bloomberg Finance L.P. **AnyWhere** Services	08/01/19-12/31/20	$33,490	Executed	1 Shared License for 1 Users
	Bloomberg Finance L.P. **Terminal** Services	01/02/20-10/08/21	$47,280	Executed	1 Shared License for 6 Users
Illinois Procurement Code Contracts	Acacia Financial Group, Inc.	01/01/20-09/30-20	$132,000	Executed	Financial Advisory Services
	Sycamore Advisors, LLC	01/01/20-09/30/20	$132,000	Executed	Financial Advisory Services
	Catalyst Consulting	04/01/20-03/31/22	$192,000	Executed	IT Consulting Services

ILLINOIS FINANCE AUTHORITY
PROCUREMENT REPORT OF ACTIVITY SINCE PRIOR BOARD REPORT

BOARD MEETING
January 14, 2020

EXPIRING CONTRACTS					
Procurement Type	**Vendor**	**Expiration Date**	**Estimated Not to Exceed Value**	**Action/Proposed Method of Procurement**	**Products/Services Provided**
Illinois Procurement Code Small Purchases	Advanced Digital Media	1/15/20	$1140.00	Processing Renewal	Real –Time streaming of Legislative Developments
	Go Daddy	1/19/20	$551.76	Processing Renewal	Malware

EXPIRING CONTRACTS					
Procurement Type	**Vendor**	**Expiration Date**	**Estimated Not to Exceed Value**	**Action/Proposed Method of Procurement**	**Products/Services Provided**
Illinois Procurement Code Contracts	Baker and Hostetler	1/9/20	$250,000	Let Expire	Anticipation of Cyber Security Litigation
	Amalgamated Bank of Chicago	01/31/20	$120,000	6 month extension in process	Bank Custodian Services

ILLINOIS FINANCE AUTHORITY
PROCUREMENT REPORT OF ACTIVITY SINCE PRIOR BOARD REPORT

BOARD MEETING
January 14, 2020

EXPIRING CONTRACTS-OTHER					
Procurement Type	**Vendor**	**Expiration Date**	**Estimated Not to Exceed Value**	**Action/Proposed Method of Procurement**	**Products/Services Provided**
Credit Card	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
Inter-Governmental Agreements	Illinois Department of Commerce and Economic Opportunity (DCEO)	12/04/19-06/30/21	N/A	IGA-Executed	Springfield Office Space within DCEO
	University of Illinois	12/20/19	$5,000	TBD	Government Research Center

160 North LaSalle Street
Suite S-1000
Chicago, IL 60601
312-651-1300
312-651-1350 fax
www.il-fa.com

Date: January 14, 2020

Subject: ***Minutes of the December 10, 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 December 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
DECEMBER 10, 2019
9:30 AM

AGENDA:

I. Call to Order & Roll Call
(page 3, line 1, through page 5, line 12)

II. Approval of Agenda
(page 5, line 13 through page 6, line 3)

III. Public Comment
(page 6, lines 3 through 7)

IV. Chairman's Remarks
(page 6, lines 7 through 13)

V. Message from the Executive Director
(page 6, line 14 through page 12, line 19)

VI. Committee Reports
(page 12, line 19 through page 13, line 14)

VII. Presentation and Consideration of New Business Items
(page 13, line 15 through page 41, line 23, and page 50, line 11 through page 55, line 10)

VIII. Presentation and Consideration of Financial Reports
(page 41, line 24 through page 45, line 13)

IX. Monthly Procurement Report
(page 45, line 14 through page 46, line 22)

X. Correction and Approval of Minutes
(page 46, line 23 through page 47, line 15)

XI. Consideration and Action Regarding Whether to Open Closed Session Minutes From September 11, 2018, June 11, 2019, and October 8, 2019
(page 47,line 16 through page 50, line 10)

XII. Other Business
(page 55, lines 11 through 14)

XIII. Adjournment
(page 55, line 15 through page 56, line 21)

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/ Michael Moss
Associate General Counsel

Enclosures: 1. Minutes of the December 10, 2019 Regular Meeting
2. Voting Record of the December 10, 2019 Regular Meeting

ILLINOIS FINANCE AUTHORITY

REGULAR MEETING OF THE MEMBERS

December 10, 2019, at 9:30 a.m.

REPORT OF PROCEEDINGS had at the Regular Meeting of the Illinois Finance Authority on December 10, 2019, at the hour of 9:30 a.m. pursuant to notice, at 160 North LaSalle Street, Suite S-1000, Chicago, Illinois.

APPEARANCES:

CHAIRMAN ERIC ANDERBERG
MR. JAMES J. FUENTES
MR. MIKE GOETZ
MR. WILLIAM HOBERT
MS. ARLENE JURACEK
MR. LERRY KNOX
MR. LYLE McCOY, via audio conference
MS. ROXANNE NAVA
MR. GEORGE OBERNAGEL, via audio conference
MR. TERRANCE O'BRIEN
MS. BETH SMOOTS
MR. RANDAL WEXLER, via audio conference
MR. JEFFREY WRIGHT

ILLINOIS FINANCE AUTHORITY STAFF MEMBERS

MR. CHRISTOPHER B. MEISTER, Executive Director
MR. BRAD FLETCHER, Vice President
MR. RICH FRAMPTON, Executive Vice President
MR. CRAIG HOLLOWAY, Procurement
Ms. XIMENA GRANDA, Manager of Finance and Administration
MS. ELIZABETH WEBER, General Counsel and Legal Advisor to the Board.

CHAIR ANDERBERG: Good morning. I'd like to call the meeting to order.

Will the Assistant Secretary please call the roll.

FLETCHER: Certainly. The time is 9:31 a.m. I'll call the roll of members physically present first.

Mr. Fuentes.

FUENTES: Here.

FLETCHER: Mr. Goetz.

GOETZ: Here.

FLETCHER: Mr. Hobert.

HOBERT: Here.

FLETCHER: Ms. Juracek.

JURACEK: Here.

FLETCHER: Mr. Knox.

KNOX: Yes.

FLETCHER: Mr. O'Brien.

O'BRIEN: Here.

FLETCHER: Ms. Smoots.

SMOOTS: Yes.

FLETCHER: Mr. Wright.

WRIGHT: Here.

FLETCHER: Mr. Chairman.

CHAIR ANDERBERG: Here.

FLETCHER: Mr. Chairman, a quorum of members physically present in the room has been constituted.

At this time I'd like to ask if any members would like to attend via audio conference.

McCOY: This is Lyle McCoy. I'm also requesting to attend via audio conference due to a personal medical issue.

OBERNAGEL: Yes. This is George Obernagel. I'm requesting to attend the audio conference due to employment purposes.

WEXLER: This is Randy Wexler. I would like to attend via audio conference due to business matters.

FLETCHER: Just to confirm, Lyle's rationale falls within the personal illness or disability exception.

CHAIR ANDERBERG: Okay. Is there a motion to approve these requests pursuant to the bylaws and policies of the Authority?

KNOX: So moved.

GOETZ: Second.

CHAIR ANDERBERG: We have a motion and second.

All those in favor?

(Chorus of ayes.)

CHAIR ANDERBERG: Opposed?

(No response.)

CHAIR ANDERBERG: Hearing none, the ayes have it.

FLETCHER: Mr. Chairman, Members McCoy, Obernagel and Wexler have been added to the initial quorum rollcall.

CHAIR ANDERBERG: Thank you. Does anyone wish to make any additions, edits or corrections to today's agenda?

(No response.)

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

GOETZ: So moved.

JURACEK: Second.

CHAIR ANDERBERG: Motion and second.

All those in favor?

(Chorus of ayes.)

CHAIR ANDERBERG: Opposed?

(No response.)

CHAIR ANDERBERG: The ayes have it. Is there any public comment for the members this morning?

(No response.)

CHAIR ANDERBERG: None. Chairman remarks, I thank the Authority. I missed last month and things are going great. And I had parental exhaustion this morning, and that's why I was late, with no tie. I didn't bother with that.

Executive Director Meister.

MEISTER: Thank you, Mr. Chairman. Again, I'd like to congratulate Eric on his new arrival last month and thank all the members of the Authority for your service.

First, as set forth in the message from the Executive Director, the Authority has had a remarkable year.

In your clips, we have an article from Monday's Bond Buyer on the first Illinois Property Assessed Clean Energy bond closing that Brad Fletcher of our team led.

This was -- depending on how we're counting, it was either 10 years in the making or three years in the making. And this is the first new product that the Authority has successfully executed upon I think since it was created, consolidation back in '04.

It dramatically expands the number and type of potential borrowers beyond our traditional conduit tax exempt borrowers.

The project location is the top five floors at 208 South LaSalle.

If I could ask everyone to turn to your financial summary statement tab in your Board book, what we have is a very nice one-page summary of the RCP hotel owner LLC project, the amount, just over 21 million, the interest rate, the term, the project, the use of proceeds and I think importantly consistent with some of the inner-agency work that Jacob Stuckey and Brad Fletcher have been participating in the energy savings and water savings in connection with this project.

Again, the beauty of PACE is that it does not require any sort of tax exemption, any sort of public guarantee, any sort of public funds, any sort of public tax credits.

It is simply the way that it has been developed and executed and authorized by the General Assembly and the Governor and by this Board is that we are taking advantage of a well-known security concept, the property tax lien, and basically matching it as the security for a loan.

Brad Fletcher has done a great job, two trips to the General Assembly, and then working tirelessly for the last couple of years on developing standard documents, the aim of which is to narrow and reduce the amount of closing costs and administrative costs so that there will be the maximum amount of benefit available to the borrower, so we're very excited about that.

And then just also, in summary, just mentioning the state's first green bond issue. Earlier in 2019 the Clean Water

Initiative/State Revolving Fund, our colleague, Lisa Bonnet, played a key role in persuading a large Illinois local government to apply for WIFIA, the City of Joliet.

We're going to be meeting today with the City of Chicago. They've also expressed interest.

The beauty of existing State Revolving Fund borrowers taking advantage of the WIFIA program is that it reduces financial pressure on the IEPA's existing State Revolving Fund program.

And, again, I would like to recognize Rich Frampton. He's a nationally-recognized expert on private corporations that issue conduit tax exempt bonds backed by federal volume cap. This is an area that even for conduit tax law is somewhat esoteric, and we're happy to have Rich.

Sadly, given the interest rate environment over the last decade or so, Rich's skills in this unique area have not been in high demand, but we had two very

large, very important borrowers, Waste Management and American Water, come in over the last 45 to 60 days. Those have closed, and that's reflected in Six's financial report.

And with respect to financials, I know that we have said it before, but we're in the last leg of the auditor general's financial audit.

We've received draft financials. Probably within the next couple of weeks we will receive -- or the final financial audit will be released by the auditor general's office.

The big take away, it looks like at this point -- and, again, until it's published and posted, I'm reluctant to predict -- but we will finish fiscal year 2018 in the black, and at this point things could change between now and printing, but we do not have any government accounting standard findings in the financial audit.

Then moving forward, one of the major things that we've concentrated on over the last 12 months is in a tight employment market making sure that we have an appropriate employee/employer value proposition.

We have added eight new employees over the last 12 months, including Sara Perugini, who has picked up the mantle of healthcare financing for Pamela Lenane. Also Charles Myart, Jacob Stuckey, Craig Holloway, and then the cohort of four, Crishon Sabrina, Logan and Malcolm that began at the beginning of November.

And, again, we have done this consistent with the Rutan/Shakman principals. We've done it according to a plan to ensure redundancy in skill, establish career paths, new skills and expertise in the Authority and an established succession framework.

We have done that all in a fair and objective manner that reflects the diversity of our state, so one of the tools that we've used that is under state law is The Personal Services Contract.

Bill Atwood, who has got a very

positive report later today, Lisa Bonnet, soon Pamela Lenane, Sarah Mankowski and Stan Luboff, but Deputy Executive Director Jacob Stuckey will be providing a status on where we're moving on this.

And, again, it's been a very successful 12 months, and I'm grateful to all the members of the Authority. You give up your time, and under the ethics laws you also give up some economic opportunities.

Again, I'm grateful for the staff team. This could not be accomplished without all of them.

CHAIR ANDERBERG: Thank you, Chris.

FLETCHER: Please let the record reflect Member Nava has been added to the quorum and has arrived at 9:34 a.m.

Thank you.

CHAIR ANDERBERG: Thank you. Now we turn to committee reports. Mr. Fuentes.

FUENTES: The Conduit Finance Committee met earlier this morning and voted unanimously to recommend for approval the following new business items on today's agenda: Roosevelt University, The University of Chicago Medical Center, Notre Dame College Prep, beginning farmer Joshua Nicholas Elsberry, Community High School District Number 99, DuPage County, Resolution for Elmhurst College, resolution for Advocate Health Care Network, resolution for Rosecrance, Inc., and a volume cap resolution of intent.

CHAIR ANDERBERG: Thank you. The Executive Committee also met earlier this morning and discussed appointment of the Executive Director, which will be discussed, new business Item 11 on today's agenda.

I would like to ask for general consent of the members to consider the new business items collectively, except for Item 11, and to have the subsequent recorded vote applied to each respective individual item unless there are any specific new business items that a member would like to consider separately.

GOETZ: Chairman, I would like to recuse myself from deliberations and voting

with respect to Item No. 7, Advocate Health Care, on the new business items because I have a family member who works for the financial advisor in this transaction.

CHAIR ANDERBERG: Okay. Thank you, Mike.

We'll consider No. 7 and 11 separately. First we will consider Items 1 through 6 and Items 8, 9, 10, under a consent agenda.

FRAMPTON: Thank you, Mr. Chairman. At this time I would like to note that for each conduit new business item presented on today's agenda, including Items 1, 2, 3, 4, 5, the members are considering approval only of the resolution in the not-to-exceed amount contained therein.

Item 1, Roosevelt University. Item 1 is a 501(c~~)(~~) (3) revenue bond request. Staff requests approval of a preliminary bond resolution for Roosevelt University in an amount not-to-exceed $15 million. The bonds may be issued in one or more series on either a tax exempt or taxable basis or both.

The purpose of this preliminary bond resolution is to establish reimbursement eligibility for this financing to enable Roosevelt to refinance project-related expenditures going back up to 60 days from today's date. That would be Friday, October the 11th, as authorized by the Internal Revenue Code.

Accordingly all project-related expenditures defined in the scope of the accompanying IFA preliminary bond resolution incurred beginning October 11th, 2019, along with certain others will be eligible to be refinanced with proceeds of the IFA bonds.

Roosevelt expects to return to the IFA Board after engaging an underwriter and determining the final structure of the financing which is expected in February 2020 or thereafter.

At present the bonds are expected to be underwritten and privately placed and sold in minimum denominations of $100,000 to accredited investors or qualified institutional buyers. Each is defined under

the Securities Act of 1933.

This method of sale would satisfy all IFA bond handbook requirements regarding the sale of nonrated bonds, thus no policy exceptions will be necessary.

The initial purchaser has been identified as Preston Hollow Capital, LLC, of Dallas, Texas, which is the bond owner representative on Roosevelt's outstanding IFA Series 2018A, 2018B and 2019A bonds that are secured by mortgages on Roosevelt's real estate holdings.

As the bond owner representative, Preston Hollow has the ability to consent to additional bonded indebtedness to be incurred by Roosevelt.

After Roosevelt selects an underwriter, counsel and transaction participants will initiate and complete drafting of all underwriting and placement documents, as well as bond documents which will include the IFA final bond resolution. IFA staff will present an updated report for your consideration at such time.

Bond proceeds will be used to, one, pay or reimburse the University for payment of the cost of acquiring certain assets of Robert Morris University Illinois; two, pay or reimburse the University for payment of the costs of acquiring fixtures, furniture and equipment, making improvements to Roosevelt's and Robert Morris' leased and/or owned facilities, and relocating staff and programs; and, three, potentially paying bond issuance costs.

The educational facilities to be refinanced and financed are located at the University's downtown Chicago campus and its Schaumburg campus, the locations of which are noted in the map on Page 11 of this report. Initially Robert Morris has six locations. Project expenditures may be used at those as well.

The proposed Roosevelt/Robert Morris merger was publically announced on October 2, 2019. An application has been submitted to the Higher Learning Commission for its consideration of the merger which

will also require approval from the Illinois Board of Higher Education and respective governing boards of each university.

We have Mr. Andrew Harris, the chief financial officer of Roosevelt University here, as well as Jeff White, who is financial advisor to the University. He's with Columbia Capital Management. They will offer comments later, but first, does any member have any questions or comments?

(No response.)

FRAMPTON: Moving on: Next, Item 2, The University of Chicago Medical Center.

Item 2 is a 501(c~~)(~~) (3) revenue bond request. Staff requests approval of a one-time final bond resolution for the University of Chicago Medical Center in an amount not-to-exceed $50 million.

Bond proceeds will be used to refund all or a portion of the outstanding Series 2009B bonds previously issued by the University on behalf of the borrower and to pay costs of issuance. The Series 2020 bonds will be nonrated and will be sold in accordance with existing IFA bond handbook requirements.

Does any member have any questions or comments?

(No response.)

FRAMPTON: Item 3, Notre Dame College Prep. Item 3 is a 501(c)(3) revenue bond request. Staff requests approval of a one-time final bond resolution for Notre Dame College Prep in an amount not-to-exceed $7 million.

Bond proceeds will be used to refund all of the outstanding Series 2009 bonds previously issued by the Authority on behalf of the borrower and to pay costs of issuance.

Wintrust Bank is the purchasing bank for this conduit transaction.

Does any member have any questions or comments?

(No response.)

FRAMPTON: Item 4, beginning farmer bond, Joshua Nicholas Elsberry. Item 4 is a one-time final bond resolution requesting

approval for a beginning farmer bond for Joshua Nicholas Elsberry who is purchasing 27 acres of farmland located in Edgar County in the not-to-exceed amount of $97,250.

First Neighbor Bank, NA is the purchasing bank for this conduit transaction.

Does any member have any questions or comments?

(No response.)

FRAMPTON: Item 5, Community High School District No. 99, DuPage County, Illinois. Item 5 is a local government revenue bond request. Staff requests approval of a one-time final bond resolution for Community High School District No. 99, DuPage County, in an amount not to exceed $75,950,000.

As presently contemplated, the bonds will be issued in two series. Series 2020A bond proceeds will be used to purchase general obligation school bonds issued by the district in order to pay certain costs of altering, repairing and equipping existing buildings and constructing and equipping outdoor facilities and enclosed structures including by constructing security improvements, increasing accessibility under the Americans with Disabilities Act, renovating classrooms and labs, installing air conditioning in all classrooms, and enclosing all or a part of the outdoor courtyards to increase indoor learning spaces.

Series 2020B bonds will be issued as limited tax bonds in the approximate amount of $385,000 pursuant to the Illinois Property Tax Extension Limitation Law and the Illinois Debt Reform Act.

Series 2020B bond proceeds will be used to alter and reconstruct school buildings and permanent and fixed equipment and to purchase and install equipment therein for fire prevention and safety, energy conservation and school security purposes.

Collectively this transaction will finance the final portion of the District's $136.6 million master facility plan for Downers Grove North High School and Downers

Grove South High School.

The Authority previously issued 51.9 million of bonds in June of 2019 to fund a portion of the master facility plan.

The Series 2020 bonds are expected to bear a fixed interest rate and will be publically offered by Raymond James & Associates based on the District's long-term debt rating of AA from S&P.

The District expects that the S&P will affirm its AA rating and assign the same rating to the Series 2020 bonds.

Does any member have any questions or comments?

NAVA: I have a quick question. I notice there's 320 construction jobs. Are those union jobs?

FLETCHER: It will be my expectation that those are prevailing wage.

GOETZ: They have to pay prevailing wage. That doesn't guarantee that they will be, but --

NAVA: At least prevailing.

GOETZ: That's right.

FRAMPTON: Moving on next to resolutions. Item 6 is a resolution authorizing amendment to bond and loan agreement for Elmhurst College.

Item 6 is a resolution authorizing execution and delivery of a first amendment to bond and loan agreement and related documents to effectuate a change in the interest rate formula borne on the Series 2016 bonds previously issued by the Authority on behalf of Elmhurst College.

The Series 2016 bond is currently held by BBVA Mortgage Corporation. Adoption of this resolution will enable the borrower to decrease the effective interest rate borne on the Series 2016 bond and extend the initial term with BBVA Mortgage Corporation approximately six years to the final maturity date.

As proposed, bond counsel has determined that a new TEFRA hearing will not be necessary.

Does any member have any questions or comments?

O'BRIEN: My question is no financial statements again. I have requested these in the past. I don't understand why.

FLETCHER: Duly noted. Thank you.

O'BRIEN: You were going to try to work to get that last time, Mr. Fletcher.

FLETCHER: That's correct.

FRAMPTON: Item 8, resolution relating to Rosecrance, Inc., Series 2012A and Series 2012B bonds. Item 8 is a resolution relating to the Series 2012A and Series 2012B bonds previously issued by the Authority for the benefit of Rosecrance, Inc.

The Series 2012 bonds are in an index rate period where the index rate is based on the London Interbank Offered Rate, otherwise known as LIBOR.

Borrower and the banks currently holding the Series 2012 bonds have agreed to extend the index rate period to the maturity of the bonds with the banks continuing to hold the bonds.

As a condition to the banks retaining the bonds, it has been requested that the definition of LIBOR be amended due to the fact that LIBOR is expected to be phased out by the end of 2021.

This resolution authorizes the execution and delivery of supplements to the existing bond indentures to effect the foregoing.

Does any member have any questions or comments?

(No response.)

FRAMPTON: Item 9, resolution of intent requesting an initial allocation of calendar year 2020 private activity bond volume cap in the amount of $120 million.

Item 9 is a resolution of intent concerning private activity bond volume cap which is required for private activity bonds issued to benefit privately owned companies with projects eligible for tax exempt bond financing.

The Authority submits a request annually to the Governor's office of management and budget for private activity volume cap in order to fund beginning farmer

bond and industrial revenue bond projects each December in advance of the upcoming calendar year.

The Authority's initial volume cap allocation request amount pursuant to the accompanying resolution is $120 million for calendar year 2020.

Does any member have any questions or comments?

(No response.)

MEISTER: Agenda Item 10 is the resolution authorizing negotiations and discussions with the Department of Commerce and Economic Opportunity, also known as DCEO.

DCEO has reached out to us for help with their participation loan program which originated in some stimulus era U.S. treasury funds to the tune of about $60 to $80 million.

Our colleague, Stan Luboff, who is under a personal services contract, was the one who applied for this federal money and is currently under a personal services contract, so they have asked for help. We want to work out with them the parameters of that help.

Also, historically for a number of years we have had an inter-governmental agreement with DCEO for some space that we use in Springfield, so that's what the resolution does.

I'll take any questions.

CHAIR ANDERBERG: Thank you, Chris. Thank you, Rich.

I would like to request a motion to pass and adopt the following new business items: Items 1, 2, 3, 4, 5, 6, 8, 9, 10.

Is there such a motion?

FUENTES: So moved.

GOETZ: Second.

CHAIR ANDERBERG: Motion and a second.

Will the Assistant Secretary please call the roll.

FLETCHER: Mr. Fuentes.

FUENTES: Yes.

FLETCHER: Mr. Goetz.

GOETZ: Yes.

FLETCHER: Mr. Hobert.

HOBERT: Yes.

FLETCHER: Ms. Juracek.

JURACEK: Yes.

FLETCHER: Mr. Knox.

KNOX: Yes.

FLETCHER: Mr. McCoy via audio conference

McCOY: Yes.

FLETCHER: Ms. Nava.

NAVA: Yes.

FLETCHER: Mr. O'Brien.

O'BRIEN: Yes.

FLETCHER: Mr. Obernagel via audio conference

OBERNAGEL: Yes.

FLETCHER: Ms. Smoots.

SMOOTS: Yes.

FLETCHER: Mr. Wexler via audio conference

WEXLER: Yes.

FLETCHER: Mr. Wright.

WRIGHT: Yes.

FLETCHER: Mr. Chairman.

CHAIR ANDERBERG: Yes.

FLETCHER: Motion carries.

CHAIR ANDERBERG: Thank you.

Before consideration of Item No. 7, I would like to ask Mr. Goetz to exit the room.

FLETCHER: Please let the record reflect that Member Goetz has exited the room.

FRAMPTON: Next we'll move on to Item 7, resolution relating to Advocate Health Care Network, Series 2008A-1 and Series 2008A-2 bonds.

Item 7 is a resolution relating to the Series 2008A-1 and Series 2008A-2 bonds previously issued by the Authority for the benefit of Advocate Health and Hospitals Corporation and Advocate Health Care Network.

The Series 2008A-1 and Series 2008A-2 bonds currently operate in long-term interest rate periods that end on January 14, 2020, and February 12, 2020 respectively.

When each series of bonds is subject to mandatory tender, the borrower expects to cause the remarketing and

conversion of such bonds to a new long-term interest rate period.

Additionally, the borrower may decide to waive its right to call the bonds for optional redemption prior to maturity and/or remarket the bonds at a premium or discount.

The borrower has informed the Authority based on advice from bond counsel that depending on the facts at the time of remarketing, one or more of these options may cause one or both series of bonds to be treated as reissued for tax purposes.

This resolution authorizes the execution and delivery of documents necessary to effect the foregoing.

Does any member have any questions or comments?

(No response.)

FRAMPTON: Okay. Thank you.

CHAIR ANDERBERG: Thank you Rich. I would like to request a motion to pass and adopt the following new business item, Item 7. Is there such a motion?

FUENTES: So moved.

HOBERT: Second.

CHAIR ANDERBERG: We have a motion and a second.

Will the Assistant Secretary please call the roll.

FLETCHER: Motion by Mr. Fuentes, second by Mr. Hobert.

I'll call the roll.

Mr. Fuentes.

FUENTES: Yes.

FLETCHER: Mr. Hobert.

HOBERT: Yes.

FLETCHER: Ms. Juracek.

JURACEK: Yes.

FLETCHER: Mr. Knox.

KNOX: Yes.

FLETCHER: Mr. McCoy.

McCOY: Yes.

FLETCHER: Ms. Nava.

NAVA: Yes.

FLETCHER: Mr. O'Brien.

O'BRIEN: Yes.

FLETCHER: Mr. Obernagel.

OBERNAGEL: Yes.

FLETCHER: Ms. Smoots.

SMOOTS: Yes.

FLETCHER: Mr. Wexler.

WEXLER: Yes.

FLETCHER: Mr. Wright.

WRIGHT: Yes.

FLETCHER: Mr. Chairman.

CHAIR ANDERBERG: Yes.

FLETCHER: Motion carries.

CHAIR ANDERBERG: Thank you. Mr. Goetz back in.

FLETCHER: Let the record reflect that Member Goetz has returned to the room.

CHAIR ANDERBERG: Thank you. I would like to ask the Board -- in our script we are going to skip ahead, and we are going to move ahead to Items 12, 13, 14.

MEISTER: Mr. Chairman, Members of the Board, I will take over the status report for Mr. Stuckey on Item 12, advance refunding with taxable debt. Please turn to tab 12 in your Board book.

This was a document that was prepared by our vice president of health care and senior living, Sara Perugini, along with deputy executive director, Jacob Stuckey.

In your media clips there is a Bond Buyer article entitled Taxable Boom May Undermine the Case for Muni Tax Exemption by Kyle Glazier, and it was published on December 2, 2019.

So this is a trend where our traditional borrowers, nonprofit tax exempt conduit borrowers, have been paying off conduit debt issued by the Authority with taxable debt.

This is a direct result of two things: Number one, continuing historically low interest rate environment and the 2017 federal tax legislation that eliminated the tax exempt refinancing mechanism known as advance refunding.

So we have seen a number of our anchor borrowers defease or pay off their bonds and then proceed to the taxable markets

for interest rate savings.

This makes economic sense for our borrowers, but it nonetheless does pose an economic threat to the borrowers of the Authority, because if advance refunding continued to exist today under federal law, these would be borrowers that would be issuing through the Authority.

That is volume that no longer appears under our name, and it is revenue that no longer ends up in the funds of the Authority.

The Bond Buyer article from December 2nd gives a very succinct summary of these trends, as does the Perugini and Stuckey memo.

I'll take any questions.

(No response.)

MEISTER: Great. I think we should proceed to Mr. Atwood.

ATWOOD: Good morning. You have in your possession a memo from the Executive Director and myself dated December 10. The memo follows up on the presentation we gave last month regarding Senate Bill 13, which was the legislation before the General Assembly to consolidate the investment functionality of downstate and suburban police and fire funds.

I'm very pleased to report to you today that that legislation passed both the houses of the General Assembly by sizeable margins. In the House it was 96 to 14. In the Senate it was 42 to 12, and Senate Bill 13 now awaits the Governor's signature, which is highly likely.

Now that the legislation has passed, the work begins. The Executive Director and I and the Deputy Executive Director have begun planning through what the next steps are.

You might recall that an important part of the legislation and a critical role played by the Authority is to provide working capital at the front end of the setting up of these two pension systems. Public retirement systems are self-funded through the assets under their management.

When these entities are created, they'll have no assets. It's anticipated it will take 30 months to transfer the assets in, so the role that the Finance Authority will pay will be to lend -- or we have authorization to lend up to $7 1/2 million to each of the two new retirement systems.

We have begun work with outside counsel to prepare the inter-governmental agreement between the Finance Authority and the two new entities to facilitate that loan. Of course, there's no counterparty at this point.

The new entities haven't been created, but we're anticipating them being created, and we would expect to enter into those agreements sometime in January, which is when the boards will be initially formed.

Once the loans are made and the financing is provided by the Finance Authority, being a prudent and responsible lender, the Finance Authority will then need to work closely with the borrower to make sure that everything is going according to plan and at the back end, that both parties will be satisfied with the repayment agreement, so that's where the process stands now.

This has been a great project to work on. The Finance Authority has played a really pivotal role in this. I believe we've earned the appreciation of the Governor and the various stakeholders involved, so with that, be glad to answer any questions.

JURACEK: Just an observation, as Mayor of Mount Prospect, Illinois and past president of the Northwest Municipal Conference, I can tell you this is a culmination of an effort that's been more than ten years in the making, and by consolidating these funds, we are able to aggregate a mass sufficient to get improved returns on the marketplace for our pension funds, and we think that today before consolidation, we are leaving a million dollars a day on the table, if you compare the earnings of our 650 funds versus the Illinois Municipal Retirement Fund, which is

a consolidated municipally funded fund, so this is a very good thing. And I'm glad that I was able to pay a pivotal role in making this happen as mayor.

That being said, to the extent the Board will need to vote on any transactions, I will be recusing myself just because my municipality will be one of the consolidated funds, and the buck stops with me. So...

ATWOOD: And to the mayor's point, the leadership of the municipal officials and the municipal league, this is clearly a very high priority that they had.

JURACEK: Absolutely.

ATWOOD: And they really were -- all parties I think worked, operated in good faith to skin a very difficult cat, and they have been trying to skin this cat for a long, long time, so, like I said, it's been -- real proud to be part of this.

CHAIR ANDERBERG: Even though you will be recused, on behalf of the Authority, thank you for your effort and support in this.

JURACEK: You're welcome. I appreciate the fact that the Authority can provide that interim working capital because otherwise there isn't any, so appreciate that.

CHAIR ANDERBERG: Okay.

ATWOOD: Any other questions?

(No response.)

MEISTER: I'll also be taking Item No. 14. This was prepared by Jacob Stuckey in conjunction with Sarah Mankowski.

STUCKEY: Good morning. As part of the transformation initiative, the Authority requires specialized talent and experience for finite periods of time.

The personal service contract or the PSC gives the Authority that ability to bring on people for finite and very narrow terms.

If it wasn't for the personal service contract, we wouldn't have the flexibility to bring on some of the experts that we have been able to bring on.

The Authority has had a lot of success using personal services contracts.

We also routinely review the personal service contracts, and on the last sentence, you can see that we've ended several PSCs that we've used since the transformation initiative began.

Consistent with Section 3 of the budget resolution for the current fiscal year, the Authority will be extending the following PSCs, for Bill Atwood, Lisa Bonnet, Stan Luboff, Sarah Mankowski, and Pamela Lenane will not be an extension. That will be a new PSC.

She'll be going from a part-time employee to going on a personal services contract.

Does anybody have any questions?

O'BRIEN: What about compensation? Is it the same as it existed under the existing contracts or what's the story?

STUCKEY: At this time, yes.

O'BRIEN: Yes, what?

STUCKEY: The new extensions have not been executed yet, but at this time the Authority is planning on having the same compensation for each one of the personal services contract.

O'BRIEN: When they're extended?

STUCKEY: Yes.

O'BRIEN: Thank you.

MEISTER: Just to underscore the importance of this tool, the manner by which we were able to bring on Mr. Atwood to work for the Authority was by way of a personal services contract.

I think given the circumstances, it would have been very challenging to do that in any other way, and I think that the success of Bill's efforts, you've just heard.

Lisa Bonnet also we brought in under a personal services contract, and she led the spring state revolving fund green bonds very successfully, so it's an important tool for us, and, again, in January we'll be -- we will have a report back to the Board as to amounts and any other changes that may have occurred.

CHAIR ANDERBERG: Thank you.

Let's move on to the financial

reports. Six.

GRANDA: Good morning, everyone. The financial statements and the treasury reports can be found in your blue folders.

The financials for November 30, 2019 is as follows: Our total annual operating revenues are at $1.5 million and are $111,000 below budget.

Our total annual non-operating revenues are at $415,000 and are $2,000 higher than budget. This brings our total annual revenue to 1.9 million and is $109,000 below budget. This is primarily due to lower than expected administrative service fees and interest on income on loans.

In November the Authority reported closing fees of $438,000, which was higher than the monthly budgeted amount of $218,000.

Our total annual expenses of $1.7 million were $344,000 or 17.2 percent lower than budget, which was mostly driven by below budget spending on employee-related expenses due to the vacancies and to professional services.

In November the Authority recorded operating expenses of $424,000, which was higher than the monthly budgeted amount of $400,000. This was mostly attributable to accumulated invoices paid during the month of November for legal services rendered during prior months in connection with the ongoing litigation, continued development of the Authority's property assessed clean energy business line and the drafting of the Illinois police and fire pension consolidation legislation.

Our total monthly net income of $96,000 was driven by higher closing fees. Our total annual net income is at $235,000, and the major driver of the annual positive bottom line is the level of overall spending at 17.2 percent below budget.

Our general fund continues to maintain a strong balance sheet with a total net position of $59.9 million and total assets of $60.3 million.

In your blue folders you will find the treasury report which includes our fiscal

year comparison of bonds issued, a detail of the bonds issued in the current fiscal year and our schedule of debt.

Our schedule of debt currently is -- our current debt is outstanding of about $24.5 billion.

As a reminder, the PACE treasury report for the first transaction is also included in your Board books as it was previously mentioned by Director Meister.

Moving on to audit, the fiscal year 2019 financial audit and the two-year compliance examination remain on track. For the first time the Authority will be including a transmittal letter with the fiscal year 2019 audited financial report in order to complement the management discussion and analysis letter. The first draft of the transmittal letter has been provided to the external auditors for their review.

The internal audit for the fiscal year 2020 is on track and at this time there's nothing to report.

Are there any questions?

(No response.)

CHAIR ANDERBERG: Thank you, Six.

I'd like to request a motion to accept the financial reports. Is there such a motion?

GOETZ: So moved.

FUENTES: Second.

CHAIR ANDERBERG: Motion and second. All those in favor?

(A chorus of ayes.)

CHAIR ANDERBERG: Opposed?

(No response.)

CHAIR ANDERBERG: The ayes have it. Mr. Holloway.

MR. HOLLOWAY: Good morning, Board members. I would like to provide an update on the November procurement report item I did last month.

I mentioned that the Authority's partial exemption sunset on January 1, 2019, which now requires the Authority procurements to be approved by third-party regulators, which are the chief procurement office, management and budget and the B.E.P.. program.

In particular, the B.E.P. program has an aspirational goal of not less than 20 percent of the total dollar amount of state contracts be awarded to business owned by minorities and women-owned businesses.

We researched our historical spend with minority and women-owned firms from FY '17 through FY '19, and the numbers look good.

In FY '17 we spent 28 percent with minority and women-owned firms. In FY '18 we spent 21 percent, and 19 percent in FY '19.

We shared our historical monthly and women-owned spend with B.E.P., and we'll meet with them to assure we continue to aspire to meet the 20 percent goal.

I also mentioned last month that our financial advisor contract expires on December 31st. We have been granted preliminary approval by the chief procurement office to extend the contracts through September 2020. Thank you.

CHAIR ANDERBERG: Does anyone wish to make any additions, edits or corrections to minutes from November 12, 2019?

(No response.)

CHAIR ANDERBERG: Hearing none, I would like to request a motion to approve those minutes. Is there such a motion?

JURACEK: So moved.

FUENTES: Second.

CHAIR ANDERBERG: Motion and second. All those in favor?

(A chorus of ayes.)

CHAIR ANDERBERG: Opposed?

(No response.)

CHAIR ANDERBERG: The ayes have it.

NAVA: I abstained. I wasn't here.

GOETZ: I was not here.

CHAIR ANDERBERG: All right. I don't believe we have anything for closed session today.

WEBER: There's still the consideration of the closed session minutes, which is done in open session. Would you like me to proceed with that?

CHAIR ANDERBERG: You proceed with Item 11.

WEBER: Mr. Chairman and Members, I'm here to introduce agenda Item 11, consideration and action regarding whether to open closed session minutes from September 11, 2018, June 11, 2019, and October 8, 2019.

There are two matters for consideration. First is the approval of the closed session minutes from October 8, 2019. Second is whether to open the closed session minutes from these three dates: September 11, 2018, June 11, 2019, and October 8, 2019.

The Open Meetings Act requires a periodic review of closed session minutes to determine whether to open these minutes or keep them closed until the next periodic review.

Copies of the minutes, which are confidential, can be found in your red folders that were passed out previously and the minutes were also emailed to you yesterday.

Each of these closed sessions

involved discussion of litigation involving the Authority. That litigation remains ongoing.

Accordingly, if no member wishes to discuss the minutes, I recommend voting now to keep the minutes closed until the next periodic review without discussing in closed session.

However, if there's a desire for discussion, I recommend deferring that to agenda Item 13, which is entitled closed session, and taking a vote on the minutes afterwards.

Mr. Chairman.

CHAIR ANDERBERG: Thank you, Elizabeth. Does any member desire to go into closed session to discuss the closed session minutes described by General Counsel Weber?

(No response.)

CHAIR ANDERBERG: Hearing none, I would like to request a motion to approve the closed session minutes from October 8, 2019, and to keep those minutes together with the closed session minutes from September 11,

2018 and June 11, 2019, closed until the next periodic review required by the Open Meetings Act.

JURACEK: So moved.

FUENTES: Second.

CHAIR ANDERBERG: All those in favor?

(A chorus of ayes.)

CHAIR ANDERBERG: Opposed?

(No response.)

CHAIR ANDERBERG: The ayes have it.

MS. WEBER: Would you like to return to Item 11 now?

CHAIR ANDERBERG: Yes.

WEBER: I would like to introduce Rich Tomei, who is our outside legal counsel on governance matters, and is with a -- a partner with the law firm of Chapman & Cutler to just give a brief background on the nomination process and to answer any questions you may have.

I believe at this point that Mr. Meister will be exiting the room.

Rich.

FLETCHER: This is Item 11 of the new

business items and Executive Director Meister, please let the record reflect that he has exited the room.

TOMEI: Thank you, Elizabeth. Good morning, Members.

As Elizabeth said, I'm Rich Tomei, a partner with Chapman & Cutler, who has worked with the Authority as bond counsel and special counsel on transactions and other special items from time to time.

I believe the agenda item that is being addressed right now are nominations received from the Governor pursuant to the Authority's act for appointment of the Executive Director.

And in normal course there would be letters that have been received by email usually from the Governor's office with those -- confirming those nominations.

At this point those letters are still in process, but Deputy Executive Director Stuckey has received email notification from the Governor's office that those nominations were received and have been

approved and confirmed by the Governor and that the Authority should proceed with the process pending or in lieu of receiving those letters, which will be coming later today.

In our opinion under the language of the Act, that email is sufficient to proceed on those nominations since they have been approved by the Governor's office, and with that I'll just open it up for any questions that any of the members may have on the process and what's being done this morning.

WEBER: If you could just state who the names are.

TOMEI: The two names of the nominations are Christopher Meister and Elizabeth Weber.

CHAIR ANDERBERG: Okay.

TOMEI: Which is the reason that I'm presenting this and not Elizabeth.

WEBER: And Chairman, if you want to discuss the executive committee session earlier and any recommendations from that.

CHAIR ANDERBERG: We did have a

recommendation to go forward with -- to recommend the nomination of Chris Meister. Sorry, Elizabeth.

WEBER: That's okay.

I support that.

GOETZ: I'll make that motion.

CHAIR ANDERBERG: Want me to read the language?

WEBER: Yes.

CHAIR ANDERBERG: Pursuant to Illinois Finance Authority, I have received two nominations from the Governor for the position of Executive Director of the Authority for a one-year term.

The Executive Committee met earlier this morning and unanimously recommended Chris Meister for the position of Executive Director.

I'd like to request a motion to nominate Chris Meister as Executive Director. Is there such a motion?

GOETZ: So moved.

JURACEK: Second.

CHAIR ANDERBERG: We have a motion and

second.

Will the Assistant Secretary please call the roll.

FLETCHER: On the motion to appoint Chris Meister as Executive Director, I'll call the roll. Mr. Fuentes.

FUENTES: Yes.

FLETCHER: Mr. Goetz.

GOETZ: Yes.

FLETCHER: Mr. Hobert.

HOBERT: Yes.

FLETCHER: Ms. Juracek.

JURACEK: Yes.

FLETCHER: Mr. Knox.

KNOX: Yes.

FLETCHER: Mr. McCoy.

McCOY: Yes.

FLETCHER: Ms. Nava.

NAVA: Yes.

FLETCHER: Mr. O'Brien.

O'BRIEN: Yes.

FLETCHER: Mr. Obernagel.

OBERNAGEL: Yes.

FLETCHER: Ms. Smoots.

SMOOTS: Yes.

FLETCHER: Mr. Wexler.

WEXLER: Yes.

FLETCHER: Mr. Wright.

WRIGHT: Yes.

FLETCHER: Mr. Chairman.

CHAIR ANDERBERG: Yes.

FLETCHER: Mr. Chairman, the nomination motion carries.

CHAIR ANDERBERG: Thank you. Let’s get Chris back in here. Is there any other business to come before the members this morning?

(No response.)

CHAIR ANDERBERG: Hearing none, I'd like to request a motion to excuse the absences of members unable to participate today. Is there such a motion?

GOETZ: So moved.

FUENTES: Second.

CHAIR ANDERBERG: All those in favor?

(A chorus of ayes.)

CHAIR ANDERBERG: Opposed?

(No response.)

CHAIR ANDERBERG: The ayes have it.

Congratulations, Chris.

MEISTER: Thank you very much.

CHAIR ANDERBERG: Is there any matter for discussion in closed session?

(No response.)

CHAIR ANDERBERG: No. Hearing none, the next regularly scheduled meeting will be January 14, 2020. I'd like to request a motion to adjourn. Is there such a motion?

GOETZ: So moved.

HOBERT: So moved.

CHAIR ANDERBERG: Motion and second. All those in favor?

(A chorus of ayes.)

CHAIR ANDERBERG: Opposed?

(No response.)

CHAIR ANDERBERG: The ayes have it. Happy holidays, everyone.

FLETCHER: The time is 10:25 a.m.

(Whereupon the above matter was adjourned.)

ILLINOIS FINANCE AUTHORITY
VOICE VOTE
REQUEST TO ATTEND VIA AUDIO CONFERENCE
APPROVED

December 10, 2019

9 YEAS		0 NAYS		0 PRESENT	
Y	Fuentes	NV	McCoy (via audio conference)	Y	Smoots
Y	Goetz	NV	Nava	NV	Wexler (via audio conference)
Y	Hobert	NV	Obernagel (via audio conference)	Y	Wright
Y	Juracek	Y	O'Brien	E	Zeller
Y	Knox	E	Poole	Y	Mr. Chairman

E – Denotes Excused Absence

ILLINOIS FINANCE AUTHORITY
VOICE VOTE
DECEMBER 10, 2019 AGENDA OF THE REGULAR MEETING OF THE MEMBERS
APPROVED

December 10, 2019

	12 YEAS		0 NAYS		0 PRESENT
Y	Fuentes	Y	McCoy (via audio conference)	Y	Smoots
Y	Goetz	NV	Nava	Y	Wexler (via audio conference)
Y	Hobert	Y	Obernagel (via audio conference)	Y	Wright
Y	Juracek	Y	O'Brien	E	Zeller
Y	Knox	E	Poole	Y	Mr. Chairman

E – Denotes Excused Absence

ILLINOIS FINANCE AUTHORITY
ROLL CALL
RESOLUTION NO. 2019-1210-CF01
501(c)(3) REVENUE BOND - ROOSEVELT UNIVERSITY
PRELIMINARY
PASSED*

December 10, 2019

13 YEAS 0 NAYS 0 PRESENT

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

E – Denotes Excused Absence
* Consent Agenda

NO. 02

ILLINOIS FINANCE AUTHORITY
ROLL CALL
RESOLUTION NO. 2019-1210-CF02
501(c)(3) REVENUE BOND – THE UNIVERSITY OF CHICAGO MEDICAL CENTER
FINAL (ONE-TIME CONSIDERATION)
PASSED*

December 10, 2019

13 YEAS | 0 NAYS | 0 PRESENT

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

E – Denotes Excused Absence
* Consent Agenda

NO. 03

ILLINOIS FINANCE AUTHORITY
ROLL CALL
RESOLUTION NO. 2019-1210-CF03
501(c)(3) REVENUE BOND - NOTRE DAME COLLEGE PREP
FINAL (ONE-TIME CONSIDERATION)
PASSED*

December 10, 2019

13 YEAS 0 NAYS 0 PRESENT

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

E – Denotes Excused Absence
* Consent Agenda

NO. 04

ILLINOIS FINANCE AUTHORITY
ROLL CALL
RESOLUTION NO. 2019-1210-CF04
BEGINNING FARMER REVENUE BOND - JOSHUA NICHOLAS ELSBERRY
FINAL (ONE-TIME CONSIDERATION)
PASSED*

December 10, 2019

13 YEAS | 0 NAYS | 0 PRESENT

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

E – Denotes Excused Absence
* Consent Agenda

ILLINOIS FINANCE AUTHORITY
ROLL CALL
RESOLUTION NO. 2019-1210-CF05
LOCAL GOVERNMENT REVENUE BOND - COMMUNITY HIGH SCHOOL DISTRICT NUMBER 99, DUPAGE COUNTY
FINAL (ONE-TIME CONSIDERATION)
PASSED*

December 10, 2019

13 YEAS 0 NAYS 0 PRESENT

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

E – Denotes Excused Absence
* Consent Agenda

NO. 06

ILLINOIS FINANCE AUTHORITY
ROLL CALL
RESOLUTION NO. 2019-1210-CF06
RESOLUTION AUTHORIZING THE EXECUTION AND DELIVERY OF A FIRST AMENDMENT TO BOND AND LOAN AGREEMENT RELATING TO THE ILLINOIS FINANCE AUTHORITY REVENUE REFUNDING BOND, SERIES 2016 (ELMHURST COLLEGE) 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 AMENDMENT; AND AUTHORIZING AND APPROVING RELATED MATTERS
ADOPTED*

December 10, 2019

13 YEAS		0 NAYS		0 PRESENT	
Y	Fuentes	Y	McCoy (via audio conference)	Y	Smoots
Y	Goetz	Y	Nava (added)	Y	Wexler (via audio conference)
Y	Hobert	Y	Obernagel (via audio conference)	Y	Wright
Y	Juracek	Y	O’Brien	E	Zeller
Y	Knox	E	Poole	Y	Mr. Chairman

E – Denotes Excused Absence
* Consent Agenda

NO. 07

ILLINOIS FINANCE AUTHORITY
ROLL CALL
RESOLUTION NO. 2019-1210-CF07
RESOLUTION AUTHORIZING AND APPROVING CERTAIN DOCUMENTS RELATING TO THE REMARKETING AND CONVERSION OF TWO SUBSERIES OF THE ILLINOIS FINANCE AUTHORITY REVENUE BONDS, SERIES 2008A (ADVOCATE HEALTH CARE NETWORK), INCLUDING THE EXECUTION AND DELIVERY OF ONE OR MORE SUPPLEMENTAL TRUST INDENTURES, ONE OR MORE NEW BONDS, ONE OR MORE TAX EXEMPTION CERTIFICATES AND AGREEMENTS AND ANY OTHER NECESSARY DOCUMENTS; AND AUTHORIZING AND APPROVING RELATED MATTERS
ADOPTED

December 10, 2019

12 YEAS		0 NAYS		0 PRESENT	
Y	Fuentes	Y	McCoy (via audio conference)	Y	Smoots
NV	Goetz	Y	Nava (added)	Y	Wexler (via audio conference)
Y	Hobert	Y	Obernagel (via audio conference)	Y	Wright
Y	Juracek	Y	O'Brien	E	Zeller
Y	Knox	E	Poole	Y	Mr. Chairman

E – Denotes Excused Absence

NO. 08

ILLINOIS FINANCE AUTHORITY
ROLL CALL
RESOLUTION NO. 2019-1210-CF08
RESOLUTION AUTHORIZING AMENDMENTS TO THE BOND TRUST INDENTURES RELATING TO THE ILLINOIS FINANCE AUTHORITY VARIABLE RATE REVENUE BONDS, SERIES 2012A AND SERIES 2012B (ROSECRANCE, INC.), THE PROCEEDS OF WHICH WERE LOANED TO ROSECRANCE, INC.
ADOPTED*

December 10, 2019

13 YEAS		0 NAYS		0 PRESENT	
Y	Fuentes	Y	McCoy (via audio conference)	Y	Smoots
Y	Goetz	Y	Nava (added)	Y	Wexler (via audio conference)
Y	Hobert	Y	Obernagel (via audio conference)	Y	Wright
Y	Juracek	Y	O'Brien	E	Zeller
Y	Knox	E	Poole	Y	Mr. Chairman

E – Denotes Excused Absence
* Consent Agenda

ILLINOIS FINANCE AUTHORITY
ROLL CALL
RESOLUTION NO. 2019-1210-CF09
RESOLUTION OF INTENT REQUESTING AN INITIAL ALLOCATION OF PRIVATE ACTIVITY VOLUME CAP IN THE AMOUNT OF $120,000,000
ADOPTED*

December 10, 2019

13 YEAS		0 NAYS		0 PRESENT	
Y	Fuentes	Y	McCoy (via audio conference)	Y	Smoots
Y	Goetz	Y	Nava	Y	Wexler (via audio conference)
Y	Hobert	Y	Obernagel (via audio conference)	Y	Wright
Y	Juracek	Y	O'Brien	E	Zeller
Y	Knox	E	Poole	Y	Mr. Chairman

E – Denotes Excused Absence
* Consent Agenda

ILLINOIS FINANCE AUTHORITY
ROLL CALL
RESOLUTION NO. 2019-1210-DA10
RESOLUTION AUTHORIZING THE ILLINOIS FINANCE AUTHORITY TO ASSIST THE ILLINOIS DEPARTMENT OF COMMERCE AND ECONOMIC OPPORTUNITY IN CONNECTION WITH THE ADVANTAGE ILLINOIS PROGRAM
ADOPTED*

December 10, 2019

13 YEAS		0 NAYS		0 PRESENT	
Y	Fuentes	Y	McCoy (via audio conference)	Y	Smoots
Y	Goetz	Y	Nava (added)	Y	Wexler (via audio conference)
Y	Hobert	Y	Obernagel (via audio conference)	Y	Wright
Y	Juracek	Y	O'Brien	E	Zeller
Y	Knox	E	Poole	Y	Mr. Chairman

E – Denotes Excused Absence
* Consent Agenda

ILLINOIS FINANCE AUTHORITY
ROLL CALL
RESOLUTION NO. 2019-1210-EX11
RESOLUTION APPOINTING THE EXECUTIVE
DIRECTOR OF THE ILLINOIS FINANCE AUTHORITY
ADOPTED

December 10, 2019

13 YEAS		0 NAYS		0 PRESENT	
Y	Fuentes	Y	McCoy (via audio conference)	Y	Smoots
Y	Goetz	Y	Nava (added)	Y	Wexler (via audio conference)
Y	Hobert	Y	Obernagel (via audio conference)	Y	Wright
Y	Juracek	Y	O'Brien	E	Zeller
Y	Knox	E	Poole	Y	Mr. Chairman

E – Denotes Excused Absence

ILLINOIS FINANCE AUTHORITY
VOICE VOTE
FINANCIAL REPORTS
ACCEPTED

December 10, 2019

13 YEAS		0 NAYS		0 PRESENT	
Y	Fuentes	Y	McCoy (via audio conference	Y	Smoots
Y	Goetz	Y	Nava (added)	Y	Wexler (via audio conference)
Y	Hobert	Y	Obernagel (via audio conference)	Y	Wright
Y	Juracek	Y	O’Brien	E	Zeller
Y	Knox	E	Poole	Y	Mr. Chairman

E – Denotes Excused Absence

ILLINOIS FINANCE AUTHORITY
VOICE VOTE
NOVEMBER 12, 2019 MINUTES OF THE REGULAR MEETING OF THE MEMBERS
APPROVED

December 10, 2019

12 YEAS		0 NAYS		0 PRESENT	
Y	Fuentes	Y	McCoy (via audio conference	Y	Smoots
Y	Goetz	A	Nava (added)	Y	Wexler (via audio conference)
Y	Hobert	Y	Obernagel (via audio conference)	Y	Wright
Y	Juracek	Y	O'Brien	E	Zeller
Y	Knox	E	Poole	Y	Mr. Chairman

E – Denotes Excused Absence

ILLINOIS FINANCE AUTHORITY
VOICE VOTE
APPROVAL OF THE CLOSED SESSION MINUTES OF THE MEETING OF THE BOARD FROM OCTOBER 8, 2019, AND FOR THE CLOSED MINUTES FROM OCTOBER 8, 2019, SEPTEMBER 11, 2018, AND JUNE 11, 2019 TO REMAIN CLOSED UNTIL THE NEXT PERIODIC REVIEW REQUIRED BY THE OPEN MEETINGS ACT
APPROVED

December 10, 2019

13 YEAS 0 NAYS 0 PRESENT

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

E – Denotes Excused Absence