

1 ILLINOIS FINANCE AUTHORITY

2 REGULAR MEETING

3 December 14, 2017 at 9:31 a.m.

4
5 REPORT OF PROCEEDINGS had at the Regular

6 Meeting of the Illinois Finance Authority on

7 December 14, 2017, at the hour of 9:30 a.m., pursuant

8 to notice, at 160 North LaSalle Street, Suite S-1000,

9 Chicago, Illinois.

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1 APPEARANCES:

2 MR. ERIC ANDERBERG, Chairman
MR. BRADLEY A. ZELLER
3 MR. ROGER E. POOLE
MR. GEORGE OBERNAGEL
4 MR. LYLE McCOY (via audio conference)
MR. LERRY KNOX
5 MS. ARLENE JURACEK
MR. MICHAEL W. GOETZ
6 MS. BETH SMOOTS
MS. GILA BRONNER (via Audio Conference.)
7 MR. JAMES J. FUENTES
MR. ROBERT HORNE

8 ILLINOIS FINANCE AUTHORITY STAFF MEMBERS

9 MR. RICH FRAMPTON, Vice-President
10 MS. PAMELA LENANE, Vice-President
MS. ELIZABETH WEBER, IFA General Counsel
11 MS. XIMENA GRANDA, Controller
MR. CHRISTOPHER B. MEISTER, Executive Director
12 MR. TERRY FRANZEN, Procurement
MR. RYAN OECHSLER, IFA Intern

13 GUESTS

14 MR. CHARLES F. CLARK III, Chair,
15 The Admiral at the Lake
16 MS. ANDREA O. HASTEN, Chair, The Old Peoples Home
17 MS. NADIA GEIGLER, Executive Director,
The Admiral at the Lake
18 MR. DAN CHURCHILL, CHIEF FINANCIAL OFFICER,
19 The Admiral at the Lake
20 Mr. DAVID LEWIS, ASSISTANT TREASURER,
Ann & Robert H. Lurie Children's Hospital of
21 Chicago
22 MR. THOMAS OTT, VICE PRESIDENT OF TREASURY
SERVICES, OSF HealthCare
23 MS. ANNE DONAHOE, FINANCIAL ADVISOR to
24 OSF HealthCare

1 MR. MICHAEL J. MITCHELL, BOND COUNSEL
Illinois Finance Authority

2 GUESTS CONTINUED:

3 MR. STEVE YENCHEK, CEO, Friendship Village of
Schaumburg

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MR. MICHAEL FLYNN, CFO, Friendship Village of
5 Schaumburg

6 MR. DONALD F. HEMMESCH, JR., Smith Hemmesch Burke
Kaczynski

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1 CHAIRMAN ANDERBERG: I'd like to -- welcome.
2 We have a big audience here today. I'd like to call
3 the meeting to order.

4 Will the Assistant Secretary -- the
5 assistant to the Assistant Secretary please call the
6 roll.

7 OECHSLER: Yes. The time is 9:32 a.m. I will
8 call the roll of Members physically present first.

9 Mr. Fuentes?

10 FUENTES: Here.

11 OECHSLER: Mr. Goetz?

12 GOETZ: Here.

13 OECHSLER: Mr. Horne?

14 HORNE: Here.

15 OECHSLER: Ms. Juracek?

16 JURACEK: Here.

17 OECHSLER: Mr. Knox?

18 KNOX: Here.

19 OECHSLER: Mr. Obernagel?

20 OBERNAGEL: Here.

21 OECHSLER: Mr. Poole?

22 POOLE: Here.

23 OECHSLER: Ms. Smoots?

24 SMOOTS: Here.

1 OECHSLER: Mr. Zeller?

2 ZELLER: Here.

3 OECHSLER: Mr. Chairman?

4 CHAIRMAN ANDERBERG: Here.

5 OECHSLER: Mr. Chairman, a quorum of Members
6 physically present in the room has been constituted.

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

9 BRONNER: Yes, hi. This is Gila Bronner. I'm
10 requesting to attend via audio conference due to
11 employment purposes.

12 CHAIRMAN ANDERBERG: Okay. Is Mr. McCoy there?

13 (No response.)

14 CHAIRMAN ANDERBERG: Okay. Is there a motion
15 to approve these requests pursuant to the bylaws and
16 polices of the Authority?

17 OBERNAGEL: I'll make a motion, Mr. Chairman.

18 CHAIRMAN ANDERBERG: Motion by Mr. Obernagel.

19 A second?

20 FUENTES: Second.

21 CHAIRMAN ANDERBERG: A second by Mr. Fuentes.

22 All those in favor?

23 (Chorus of ayes.)

24 CHAIRMAN ANDERBERG: Opposed?

1 (No response.)

2 CHAIRMAN ANDERBERG: The ayes have it.

3 OECHSLER: Mr. Chairman, Member Bronner has
4 been added to the initial quorum roll call.

5 CHAIRMAN ANDERBERG: Okay. Does anyone wish to
6 make any additions, edits, or corrections to today's
7 agenda?

8 (No response.)

9 CHAIRMAN ANDERBERG: I would like to request a
10 motion to approve the agenda.

11 Is there such a motion?

12 KNOX: So moved.

13 CHAIRMAN ANDERBERG: Motion by Mr. Knox.

14 A second?

15 POOLE: Second.

16 CHAIRMAN ANDERBERG: A second by Mr. Poole.

17 All those in favor?

18 (Chorus of ayes.)

19 CHAIRMAN ANDERBERG: Opposed?

20 (No response.)

21 CHAIRMAN ANDERBERG: The ayes have it.

22 I'll keep my remarks brief, but we can
23 see we have a big agenda today, 21 different projects
24 and resolutions, and that's reflective of what's

1 taking place in Washington, DC, right now.

2 And I'll just make a quick remark that
3 we've been active in talking to some congressmen and
4 congressional staff, and as of this morning we're
5 really still not clear about the status of what it's
6 going to take with PABs. We've heard they're in,
7 they're out, they're going to be modified. So we
8 should know, maybe by end of today or tomorrow, our
9 status, and the Authority will act accordingly, and
10 we will continue to move on.

11 With that, Chris has some more
12 detailed information.

13 MEISTER: Thanks, Chairman Anderberg.

14 Again, I'd like to thank the Board
15 members. This is our third meeting in a month, and
16 we had a very lengthy and detailed meeting of the
17 Conduit Committee reviewing these projects yesterday
18 afternoon. It's a very large agenda. It's a complex
19 agenda. And I wish I could provide more clarity to
20 the Board members and the representatives of the
21 borrowers and their teams of professionals in the
22 room, but the news that I've received as of this
23 morning is unclear.

24 So again, I'll restate what Eric and I

1 discussed back at the regular November meeting, and
2 then, obviously, we had a special meeting on November
3 the 30th. The Authority is prepared to work with its
4 borrowers, its board, its staff to meet the needs of
5 the borrowers and their teams of professional
6 participants. But we did work extraordinarily hard,
7 and I just want to thank the staff and everybody
8 that's in the room today to try and get as much
9 business accomplished today, this morning, as is
10 humanly possible.

11 So with that, thank you.

12 CHAIRMAN ANDERBERG: This is in consideration
13 of the Minutes? Or...

14 MEISTER: Yeah, we're deferring the Minutes.

15 CHAIRMAN ANDERBERG: Presentation of the
16 Financial Reports.

17 GRANDA: Good morning, everyone. I will be
18 presenting the financial statements as of
19 November 30th, 2017. The financial statements along
20 with The Financial Analysis Memo are in your board
21 books under your Financial Statement tab.

22 The Authority General Operating Fund
23 is as follows: Our total annual revenues equals \$1.9
24 million or \$205,000 or 12.3 percent higher than

1 budget. Again, that's due to higher closing and
2 administrative fees.

3 In November, the Authority generated
4 \$376,000 in closing fees, which is \$14,000 higher
5 than the monthly budgeted of \$240,000.

6 Our total annual expenses equals
7 \$1.2 million, and are \$390,000 or 24.2 percent lower
8 than budget, which was mostly driven by a reduction
9 on spending on professional services and
10 employee-related expenses.

11 In November, the Authority recorded
12 operating expenses of \$225,000, which is lower by
13 \$67,000 from our budgeted amount of \$292,000. The
14 variance is due, again, to employee-related expenses
15 and professional services.

16 Our total monthly net income for
17 November is \$236,000, which is a reduction in
18 spending and an increase in closing and
19 administrative fees.

20 Our total annual net income is at
21 630- -- \$658,000, and then the major driver for this
22 annual -- annual positive bottom line continues to be
23 the level of overall spending at 24.2 percent
24 lower-than-budget as well as an increase in closing

1 and administrative fees.

2 Our general fund continues to
3 maintain a strong balance sheet with total net
4 positions of \$57.3 million and unrestricted cash and
5 investments of \$42.5 million.

6 Moving on to the Fire Truck and
7 Ambulance Loan Programs, the Authority has received
8 all of the loan payments that were due on
9 November 1st. Total loan repayments for both
10 programs were \$2.2 million.

11 Moving on to Audit. The Fiscal Year
12 2017 Financial Audit is completed. A draft of the
13 Report was provided in your manila folders. The
14 financial audit will be released in the coming weeks.
15 An audit -- an Audit Plus Committee meeting will be
16 scheduled in the coming weeks to discuss the
17 Financial Audit Report.

18 The two-year compliance examination
19 for fiscal year 2016 and 2017 is ongoing. The field
20 work for that compliance examination is tentative to
21 be finished by tomorrow, December 15th. Currently,
22 we have 11 potential audit findings; we estimate that
23 the number might be 14.

24 Once the potential audit findings are

1 final, a corrective action plan will be presented to
2 the Audit Plus Committee meeting -- the Audit Plus
3 Committee.

4 Moving on to the -- our internal
5 audit. The Internal Audit entrance was held on
6 November 8th. The Authority is working with the
7 Department of Central Management Services, the
8 Division of Internal Audit, and the Audit will keep
9 the Board informed of the progress of the internal
10 audit.

11 Just move- -- looking ahead, in
12 December, the Authority anticipates closing 14
13 projects and 4 host TEFRAS for a total of \$1.7
14 million in closing and administrative fees. This
15 December will be the highest month for fees generated
16 by the Authority since its inception.

17 Is there any questions?

18 MEISTER: Just to add a couple of things,
19 again, the large December volume at this meeting and
20 the anticipated closing fees, in our view, is due
21 almost solely to a compression effect due to the
22 uncertainty in Washington with respect to federal tax
23 legislation.

24 Also, I do want to complement the

1 Auditor General's Office. They worked to get a draft
2 copy of the Financial Audit, which has one finding in
3 it, released to us so that we could share it with the
4 Board before their public release. They understood
5 the importance of getting a document into the hand of
6 Board Members at this meeting. So...

7 CHAIRMAN ANDERBERG: I'd like to request --

8 McCOY: Mr. Chairman, Lyle McCoy joining the
9 call.

10 CHAIRMAN ANDERBERG: Okay. Thank you, Lyle.

11 You can recognize that Lyle's --

12 OECHSLER: The time is 9:41 a.m. Let the
13 record show that Member McCoy has joined the meeting
14 via audio conference.

15 CHAIRMAN ANDERBERG: Thank you.

16 I'd like to request a motion to accept
17 the Financial Reports.

18 Is there such a motion?

19 GOETZ: So moved.

20 CHAIRMAN ANDERBERG: So moved by Mr. Goetz.

21 KNOX: Second.

22 CHAIRMAN ANDERBERG: Second by Mr. Knox.

23 All those in favor?

24 (Chorus of ayes.)

1 CHAIRMAN ANDERBERG: Opposed?

2 (No response.)

3 CHAIRMAN ANDERBERG: The ayes have it.

4 The Executive Committee met earlier

5 this morning and discussed the appointment of the

6 Executive Director, which we'll discuss as Item

7 No. 21 of today's agenda.

8 Mr. Horne?

9 HORNE: So the Tax-Exempt Conduit Transactions
10 Committee met yesterday and unanimously voted to
11 recommend for approval each of the following matters
12 on today agenda, including Lincoln Park Zoo; the
13 University of Chicago; Lurie Children's Hospital;
14 Friendship Village of Schaumburg; OSF Healthcare; The
15 Admiral at the Lake; Ingalls Memorial Hospital,
16 Financial District Properties KP, L.L.C.; Bradley
17 University; Elmhurst College; Elim Christian
18 Services; Carmel Catholic High School; and IEFA
19 Commercial Paper Program; the Loyola University
20 Commercial Paper Program; Mount Carmel High School;
21 Little City Foundation; Rush University Medical
22 Center; a request for Calendar Year 2018 Volume Cap,
23 Edward Elmhurst Memorial; and Omnibus Res- -- and an
24 Omnibus Resolution. That's a mouthful.

1 CHAIRMAN ANDERBERG: Yeah.

2 HORNE: We had a busy meeting yesterday.

3 CHAIRMAN ANDERBERG: Okay. Mr. McCoy?

4 (No response.)

5 CHAIRMAN ANDERBERG: Lyle?

6 McCOY: Yes.

7 CHAIRMAN ANDERBERG: Could I request your
8 reasons for not being able to attend today?

9 McCOY: Yes. I'd like to be excused because of
10 the -- traveling on business purposes.

11 CHAIRMAN ANDERBERG: Okay. Thank you, Lyle.

12 WEBER: And a motion to add him to the --

13 CHAIRMAN ANDERBERG: Can I have a motion to add
14 that --

15 HORNE: So moved.

16 CHAIRMAN ANDERBERG: And a second?

17 GOETZ: Second.

18 CHAIRMAN ANDERBERG: All those in favor?

19 (Chorus of ayes.)

20 CHAIRMAN ANDERBERG: Opposed?

21 (No response.)

22 CHAIRMAN ANDERBERG: The ayes have it. Thank
23 you.

24 JURACEK: Mr. Chairman, point of order. I

1 think we skipped the Procurement Report on the
2 Agenda.

3 CHAIRMAN ANDERBERG: Did we?

4 JURACEK: And I know there there's no vote
5 required, but it is on the Agenda.

6 CHAIRMAN ANDERBERG: I am sorry. I am sorry.

7 Could we have Procurement? I'm sorry
8 about that. Thank you.

9 JURACEK: You're welcome.

10 CHAIRMAN ANDERBERG: You are correct.

11 FRANZEN: Good morning, Mr. Chairman, Members
12 of the Board.

13 From the Procurement Report, you see
14 we've executed three small purchase orders for the
15 Authority. The CDW-G order is for the replacement of
16 the Agency's desktops.

17 The following are addressed in Agenda
18 Item No. 20, Resolution 2017-2014 [sic]. The Ascent
19 Innovations Amendment was executed to increase the
20 contract amount by \$143,416, correcting the 165,000
21 as indicated in the Procurement Report, for software
22 upgrades to the IFA's finance and accounting software
23 and for implementing new payroll and timekeeping
24 modules to perform those services inhouse.

1 The ADP Total Source Agreement is
2 still in progress and is expected to be executed soon
3 for employee benefits and payroll services through
4 May of 2018.

5 And the Catalyst amendment was
6 executed to add \$180,000 in additional funds for
7 voice and data network support.

8 Questions?

9 CHAIRMAN ANDERBERG: Thank you.

10 Okay. Now I'd like to ask for the
11 general consent of the members to consider the
12 project reports and resolutions collectively and have
13 the subsequent recorded vote applied to each
14 respective, individual project and resolution unless
15 there are any specific project reports and
16 resolutions that a member would like to consider
17 separately.

18 Are there any?

19 GOETZ: Yes, Mr. Chairman. I would like to
20 recuse myself from any deliberations and voting with
21 respect to Items No. 3, 5, and 22 of the Project
22 Reports and Resolutions because my son works for the
23 financial advisor in these transactions.

24 CHAIRMAN ANDERBERG: Okay.

1 HORNE: And I, too, would ask to be recused
2 from the deliberations regarding Item No. 3, which is
3 the Ann & Robert H. Lurie Hospital. I'm a member of
4 the -- or senior member of their Foundation Board and
5 member of their Real Estate Committee.

6 CHAIRMAN ANDERBERG: Okay.

7 Okay. Then I'd like to consider Item
8 No. 6, The Admiral at the Lake, first, and we'll take
9 a roll call vote.

10 And then next, we'll consider Items 3,
11 5, and 22 as separate votes due to the abstentions.

12 Then, we'll consider Item No. 21, the
13 Appointment of Executive Director, as a separate
14 vote.

15 And then finally, we'll consider the
16 remaining items under a consent agenda and take the
17 final vote at the end.

18 The Admiral at the Lake, Pam.

19 LENANE: Mr. Chairman, the The Admiral at the
20 Lake is requesting a one-time final bond resolution
21 to approve the issuance of a series of tax-exempt
22 bonds in the amount of approximately \$175 million.
23 These bonds will refund the Borrower's outstanding
24 Series 2010 Bonds to fund approximately \$2.6 million

1 in capital expenditures, and fund the Debt Service
2 Reserve and pay costs of issuance.

3 The Admiral is also requesting a
4 waiver of the policy for non-rated bonds to issue in
5 \$5,000 denominations based upon a financial
6 feasibility study dated December 1, 2017, prepared by
7 Dixon Hughes Goodman, demonstrating the final --
8 financial viability of The Admiral.

9 The Admiral is located on 2.1 acres in
10 Edgewater/Uptown neighborhoods, at Foster and Marine
11 Drive, adjacent to Lake Michigan.

12 The Admiral at the Lake was founded in
13 1858 as The Home for the Aged and Indigent Females to
14 care for Chicago's homeless, elderly women. When it
15 founded, it was the first and only institution in
16 Chicago dedicated to the care of the elderly. In
17 1887, The Admiral revised its charter, changing its
18 name to The Old People's Home of the City of Chicago,
19 and became a non-sectarian institution for both woman
20 and men of all faiths and nationalities.

21 In 2004, the Board developed and
22 approved a Redevelopment Plan which outlined
23 strategies to develop The Admiral into a financially
24 viable community for the next 50 years. The Board

1 selected Greystone -- Greystone Communities as the
2 developer of the new community on current Adm- -- on
3 the current Admiral site.

4 Demolition of the old facility began
5 in August of 2007, and was completed in December
6 2007.

7 The Admiral was completely
8 repositioned and redeveloped beginning in 2010 with
9 the proceeds of the IFA's Series 2010 bonds.

10 The Admiral at the Lake currently
11 consists of 198 one-, two-, and three-bedroom
12 independent living apartments, including 12 garden
13 townhome apartments, 39 assisted living units, 17
14 memory support assisted living units, and 36 nursing
15 beds.

16 The Admiral is governed by a 7-member
17 Board shown on page 4 of the report. Present here
18 today are the Chair of The Admiral Board, Mr. Charley
19 Clark; also, we have the Chairman of the Old Peoples
20 Home, Ms. Andrea Hasten; also, we have the Executive
21 Director of the Admiral at the Lake, Nadia -- Nadia
22 Geigler, if you could raise your hand; and -- do --
23 where is Dan Churchill?

24 MS. ANDREA HASTEN: Right here.

1 LENANE: Oh, okay. Okay. Cool.

2 -- Dan Churchill, who is the Chief
3 Financial Officer of the Admiral at the lake; and Amy
4 Harrison, who comes from the Kendal Corporation,
5 representing the Kendal Corporation.

6 In December 2009, The Admiral entered
7 into a Definitive Agreement with Kendal Corporation,
8 by which The Admiral and Kendal agreed to mutually
9 pursue a continued development marketing and
10 financing and construction in -- of the community.

11 The ongoing relationship with Kendal
12 was memorialized upon substantial completion of the
13 project in 2012 in an affiliation agreement whereby
14 the Admiral became an affiliate of the Kendal System
15 and received certain services in return for a
16 specified system fee.

17 The Admiral at the Lake is currently a
18 non-rated entity by -- the bonds will be offered as
19 fixed rate debt by Zieglers -- by Ziegler Securities
20 at an assumed average interest rate of 5 percent --
21 5 percent.

22 The Admiral Sources and Uses show
23 that -- the Refunding of the Series 2010 Bonds in the
24 amount of \$147,612,000 and -- \$612,110 -- a Debt

1 Service Reserve Fund of approximately \$9 million,
2 capital expenditures in the amount of \$2.6 million,
3 and cost of issuance at \$2.8 million approximately.

4 The unaudited financials for 9 months
5 in 2017 as shown on page 6 show weak debt service
6 coverage of .84 times and very low days cash on hand
7 of 20 days, and approximately \$6.8 million in
8 temporary debt outstanding.

9 The 2017 Bonds, however, when issued,
10 will refinance the approximately \$6.8 million in debt
11 that is due at the end of 2018, and extend out the
12 principal and interest payments on the Series 2010
13 Bonds. Dixon Hughes' Feasibility Study shows that
14 with the refunding The Admiral is forecasted to have
15 1.65 debt service coverage in 2018 and 157 days cash
16 on hand.

17 In the first 9 months of 2017, The
18 Admiral has achieved stable operating performance and
19 continued -- consistent revenue generation. The
20 Admiral posted 96 percent occupancy across all levels
21 of service combined with higher levels of resident
22 turnover, which produced higher net income available
23 for debt service.

24 Thus, an advance refunding at this

1 time will enable The Admiral to significantly improve
2 its financial standing by combining stable operations
3 and sustainable revenues with lower interest rates
4 and revised principal amortization schedule.

5 For example, using the current rates
6 provided by Ziegler, the current plan of finance will
7 produce annual debt service savings in excess of \$1.5
8 million per year, equating to over \$20 million on a
9 net present value basis.

10 In order to strengthen The Admiral's
11 liquidity position, The Admiral Foundation and the
12 Kendal Corporation have agreed to provide liquidity
13 support of \$3.75 million and 70- -- I think it's
14 \$750,000, right? Yeah. 700- -- I -- I have a typo.

15 -- \$750,000, respectively, for a total
16 of \$4.5 million, which will be held in a Liquidity
17 Support Fund by the Master Trustee. The Admiral will
18 be able to draw on these funds for -- pay operating
19 expenses including debt service.

20 I think that's about it. Are there
21 any questions?

22 (No response.)

23 LENANE: Let's see.

24 CHAIRMAN ANDERBERG: Per page 9, this means

1 about a million and a half in savings --

2 LENANE: Yes. Yes.

3 CHAIRMAN ANDERBERG: -- for The Admiral every
4 year?

5 LENANE: Yes. Yes. Yes. Mr. Clark or
6 Ms. Hasten, would you like to say something?

7 MR. CHARLES CLARK: Please.

8 If it pleases the Board, I'd like to
9 say just a couple of words.

10 MEISTER: Oh. Could you come up?

11 MR. CHARLES CLARK: Great. Thank you.

12 Thank you, Pam.

13 LENANE: Sure.

14 MR. CHARLES CLARK: Mr. Chairman, Board
15 Members: The Admiral at the Lake has been serving
16 Chicago's elderly for 160 years, and we have an
17 opportunity here with this advance refunding to take
18 our average long-term interest rate from 8 percent
19 down to 5 percent, and in doing so, ensuring our
20 financial security for at least another 160 years.

21 We have an excellent relationship with
22 Kendal, who we've affiliated with, who bring us a
23 strength and a quality of care that we plan, not only
24 on serving the people that live within our walls, but

1 the financial security obtained by undertaking this
2 advanced refunding also allows us to consider how we
3 may expand our models of care and serve the
4 communities around us in the City of Chicago.

5 We look forward to being able to do
6 that today. We look forward to your positive vote
7 today. And if you have any questions, we would be
8 happy to answer them.

9 (No response.)

10 MR. CHARLES CLARK: Okay. Thank you very much;
11 we appreciate your consideration.

12 MEISTER: And I would just like to make a note.
13 The tool that The Admiral is using, advanced
14 refunding, had been eliminated in both the US Senate
15 and the US House versions of the Tax Legislation, and
16 what we have heard, is likely to be eliminated in the
17 conference -- in the outcome of the Conference
18 Committee.

19 But The Admiral's situation
20 demonstrates very clearly the utility and
21 effectiveness of this tool of advance refunding to
22 save borrowers money so that they can, rather than
23 devoting scarce revenues to interest payment, they
24 can put it back into the operations of their

1 respective nonprofits.

2 MR. CHARLES CLARK: Exactly.

3 When we started, one of the reasons
4 for our 8-percent rate was we were a startup
5 community. We had no operating track record. We
6 still had to completely fill our community. We were
7 able to do that.

8 We were then able to take the next
9 step of improving our margins over time. Even our
10 residents pushed us to be more efficient in how we
11 operated. We were able to achieve that, and now able
12 to qualify for this financing. We think that we will
13 sell very well; provide us with the financial
14 security to take us on indefinitely.

15 LENANE: I think Ms. -- Ms. Hastens [sic] would
16 like to say something.

17 MS. ANDREA HASTEN: Hasten -- it's Andrea
18 Hasten, and I am the Chair of the Old Peoples Home of
19 Chicago Board, and I'd just like to reiterate what
20 Charley had said, but also to mention we're very
21 committed to our fiduciary responsibility as a board.

22 It is a life care, so as we mentioned,
23 people are moving through the different levels of
24 care, from independent to the assisted memory care,

1 skilled nursing. It's really important.

2 And we have, as we've been able to
3 continue over the past years on the Board -- this is
4 a passion of ours -- we've seen different people
5 really move through the level of care. We're also a
6 501(c)(3), and continue, and have in the years,
7 provided for peoples' care as they've gone through
8 the different levels and -- from enjoying life to
9 really making a point to live a very satisfying life.
10 And we welcome anyone to come up to The Admiral at
11 any time and see us.

12 Thank you for your consideration.

13 GOETZ: Mr. Chairman?

14 CHAIRMAN ANDERBERG: Yes.

15 GOETZ: If I may, I'd just like to thank you
16 for the work that you do and that you should be
17 commended, and think it's our honor that we can help
18 you continue your existence.

19 MS. ANDREA HASTEN: Thank you.

20 LENANE: Thank you.

21 CHAIRMAN ANDERBERG: Thank you.

22 MEISTER: And again, just to reiterate what is
23 going on with the Federal Tax Legislation, the House
24 version that was would have eliminated not only the

1 advance refunding, but federal tax exemption for
2 private activity bonds, for nonprofits, for senior
3 care such as The Admiral. And while private activity
4 bonds were retained in the Senate version, again, as
5 I said at the beginning of the meeting, and as Eric
6 and other Board Members have heard from Washington,
7 the future of private activity bond, at this point,
8 and the scope and breadth of them is unclear as we
9 sit here today.

10 CHAIRMAN ANDERBERG: Right.

11 Okay. Thank you so much.

12 HORNE: Thank you.

13 LENANE: Thank you.

14 CHAIRMAN ANDERBERG: All right. I'd like to
15 request a motion to approve project No. 6.

16 Is there a second?

17 GOETZ: So moved.

18 HORNE: Second.

19 CHAIRMAN ANDERBERG: Motion by Mr. Goetz,
20 second by Mr. Horne.

21 Will the Assistant Secretary please
22 call the roll.

23 OECHSLER: Certainly.

24 On the motion and second, I will call

1 the roll.

2 Ms. Bronner via audio conference?

3 BRONNER: Yes.

4 OECHSLER: Mr. Fuentes?

5 FUENTES: Yes.

6 OECHSLER: Mr. Goetz?

7 GOETZ: Yes.

8 OECHSLER: Mr. Horne?

9 HORNE: Yes.

10 OECHSLER: Ms. Juracek?

11 JURACEK: Yes.

12 OECHSLER: Mr. Knox?

13 KNOX: Yes.

14 OECHSLER: Mr. McCoy via audio conference?

15 McCOY: Yes.

16 OECHSLER: Mr. Obernagel?

17 OBERNAGEL: Yes.

18 OECHSLER: Mr. Poole?

19 POOLE: Yes.

20 OECHSLER: Ms. Smoots?

21 SMOOTS: Yes.

22 OECHSLER: Mr. Zeller?

23 ZELLER: Yes.

24 OECHSLER: Mr. Chairman?

1 CHAIRMAN ANDERBERG: Yes.

2 OECHSLER: Mr. Chairman, the motion carries.

3 CHAIRMAN ANDERBERG: Thank you.

4 Okay. Now, I'd like to -- before
5 we do No. 3, the -- Mr. Goetz and Mr. Horne would
6 exit the room.

7 OECHSLER: Let the record reflect that Members
8 Goetz and Horne have recused themselves from
9 deliberations by exiting the room.

10 CHAIRMAN ANDERBERG: Item No. 3.

11 LENANE: Okay. Item No. 3 is the
12 Ann & Robert H. Lurie Children's Hospital of Chicago.

13 Lurie Children's is requesting a
14 one-time final bond resolution to approve the
15 issuance of a series of tax-exempt or taxable bonds
16 in the amount of approximately \$240 million to
17 advance refund all or a portion of the IFA Series
18 2008A bonds and to advance refund all, or a portion
19 of, or none of the IFA Series 2008B bonds, and to pay
20 costs of issuance.

21 Both taxable and tax-exempt issuances
22 are being approved here due to the uncertainty of --
23 regarding tax reform, including the ability to issue
24 advance refundings.

1 The fixed rate bonds will be sold in a
2 public offering by JP Morgan Securities and Goldman
3 Sachs. The bonds will carry ratings. Lurie curn- --
4 Lurie Children's currently has underlying ratings of
5 AA+ and AA- (stable) from S&P and Fitch
6 respectively -- just a minute -- which are to be --
7 which are expected to be affirmed as part of this
8 financing.

9 Lurie Children's is located in Chicago
10 and presently owns and operates the only
11 full-service, independent, freestanding pediatric
12 hospital in Illinois, with 288 licensed beds. Lurie
13 Children's operates more than 50 specialty and
14 primary care outpatient clinics at its main campus in
15 the Streeterville neighborhood and throughout the
16 Chicago area, as well as 2 ambulatory care facilities
17 and 13 outpatient speciality centers in the
18 surrounding metro Chicago areas.

19 Lurie Children's market position is
20 enhanced by its affiliations with Northwestern
21 Memorial Hospital and the Feinberg School of
22 Medicine. These affiliations strengthen Lurie
23 Children's physician recruiting and alignment
24 initiatives. As Feinberg School of Medicine's

1 primary teaching hospital, virtually all of Lurie's
2 hospital-based physicians hold faculty appointments
3 at the medical school. In add- -- I found that
4 interesting.

5 In addition to its affiliation with
6 Northwestern Memorial Hospital, Lurie Children's has
7 extended its geographic reach throughout strategi- --
8 through strategic partnerships, with an additional 14
9 hospitals and Lurie Children's 11 outpatient centers
10 located throughout the Chicago area.

11 If we look at the financials, Lurie's
12 audited financials for 2017 show very strong debt
13 service coverage of 8.3 times and with 474 days cash
14 on hand.

15 The present value savings from this
16 refunding is \$38 million, a lot of money to go to
17 patient care, pediatric patient care.

18 CHAIRMAN ANDERBERG: Right.

19 LENANE: And -- oh, and we have with us today
20 David Lewis, who is the assistant treasurer. I think
21 he just wants a shout-out-to, not prepared to
22 speak -- or --

23 MR. DAVID LEWIS: That's okay.

24 LENANE: -- he may speak.

1 MR. DAVID LEWIS: No, thank you.

2 MEISTER: Although, David, the \$38 million in
3 savings is correct.

4 MR. DAVID LEWIS: Yes.

5 MEISTER: Okay.

6 CHAIRMAN ANDERBERG: Thank you. So noted in
7 the record. Okay. Thank you, Pam.

8 I'd like to request a motion to pass
9 and adopt Project No. 3.

10 Is there such a motion?

11 JURACEK: So moved.

12 FUENTES: Second.

13 CHAIRMAN ANDERBERG: Motion by Ms. Juracek,
14 second by Mr. Fuentes.

15 Will the assistant to the Assistant
16 Secretary please call the roll.

17 OECHSLER: Certainly.

18 On the motion and second, I will call
19 the roll.

20 Ms. Bronner via audio conference?

21 BRONNER: Yes.

22 OECHSLER: Mr. Fuentes?

23 FUENTES: Yes.

24 OECHSLER: Ms. Juracek?

1 JURACEK: Yes.

2 OECHSLER: Mr. Knox?

3 KNOX: Yes.

4 OECHSLER: Mr. McCoy via audio conference?

5 McCOY: Yes.

6 OECHSLER: Mr. Obernagel?

7 OBERNAGEL: Yes.

8 OECHSLER: Mr. Poole?

9 POOLE: Yes.

10 OECHSLER: Ms. Smoots?

11 SMOOTS: Yes.

12 OECHSLER: Mr. Zeller?

13 ZELLER: Yes.

14 OECHSLER: Mr. Chairman?

15 CHAIRMAN ANDERBERG: Yes.

16 OECHSLER: Mr. Chairman, the motion carries.

17 CHAIRMAN ANDERBERG: Thank you. Let's get

18 Mr. Horne.

19 LENANE: Thank you.

20 OECHSLER: Let the record reflect that Member

21 Horne has returned to the room.

22 CHAIRMAN ANDERBERG: Nos. 5 and 22.

23 LENANE: Okay.

24 OECHSLER: The time is -- sorry. The time is

1 now 10:03 a.m.

2 LENANE: Okay. No. Fi- -- Tab 5 is OSF

3 Healthcare System.

4 OSF Healthcare System is requesting a
5 one-time final bond resolution to approve the
6 issuance of a series of tax-exempt bonds in the
7 amount of approximately \$235 million to purchase
8 Presence Covenant Medical Center in Urbana and
9 Presence United Samaritans Medical Center in
10 Danville; and to refinance the indebtedness that
11 provided for the construction and equipping of the
12 Mendota Community Hospital doing business as OSF
13 Saint Paul Medical Center; and 3, to refund the
14 Series 2009G bonds.

15 These two -- all of these are being
16 done because of tax reform and being able to issue
17 tax-exempt bonds for the acquisition and the
18 reimbursement as the -- as our Director noted.

19 OSF was incorporated in 1880 as The
20 Sisters of the Third Order of St. Francis. OSF's
21 current name was adopted as part of a corporate
22 restructuring in 1989. The sole corporate member of
23 OSF Health System is the Sisters of Third Order of
24 St. Francis, a religious congregation founded in

1 1877, in Peoria, Illinois. OSF operates health
2 facilities as a single corporation, with each health
3 care facility functioning as an operating division of
4 the OSF Health System.

5 OSF is headquartered in Peoria. Ten
6 of OSF's hospitals are located in Illinois and one
7 hospital's located in Michigan. OSF has
8 approximately 1,500 licensed acute care beds. OSF's
9 largest hospital, St. Francis Medical Center in
10 Peoria, is a 609-licensed-bed, tertiary-care teaching
11 center providing numerous specialty services and
12 extensive residency programs for physicians.

13 The array of health services provided
14 by OSF also includes 44 hospital-based outpatient
15 facilities, approximately 248 physician office
16 facilities of employed physicians, 6 home health
17 agencies, and 5 hospices. Multi-institutional
18 membership status has been conferred on OSF by the
19 Illinois Hospital Association and the American
20 Hospital Association. Similar membership status
21 exists with the Catholic Health Association of the
22 United States and the Illinois Catholic Health
23 Association.

24 OSF will be acquiring Presence

1 Covenant Medical Center in Urbana and Presence United
2 Samaritans Medical Center in Danville. Presence
3 Covenant Medical Center will be named OSF HealthCare
4 Heart of Mary Medical Center. It has 206 beds and
5 more than 700 employees. United Samaritans Medical
6 Center will become OSF HealthCare Sacred Heart
7 Medical Center and has 174 beds, and more than 550
8 employees. Both offer a range -- a full range of
9 inpatient and outpatient medical services.

10 The plan of finance contemplates a
11 bank direct purchase by PNC, the rate on which will
12 be determined at the Closing depending on market
13 conditions.

14 The Sources and Uses show refunding of
15 \$49 million and the acquisition cost, or new money,
16 of \$185 million.

17 OSF currently has facilities in the
18 following locations in Illinois: In Peoria,
19 St. Francis Medical Center; in Rockford, St. Anthony
20 Medical Center; in Alton, Saint
21 Anthony's Health Center; in Bloomington, St. Joseph's
22 Medical Center; in Ottawa, Saint Elizabeth's Medical
23 Center; in Galesburg, St. Mary's Medical Center;
24 Pontiac, St. James Hospital; in Mendota, Saint Paul

1 Medical Center; Kewanee, Saint Luke Medical Center;
2 Monmouth, Holy Family Medical Center. OSF's facility
3 in Michigan, OSF St. Francis Hospital, is located in
4 Escanaba. And now, with the location of Presence
5 Covenant Medical Center and Presence United
6 Samaritans Medical Center, OSF will also have
7 facilities in Urbana and Danville. It's quite a
8 large footprint.

9 OSF's 2017 unaudited financials show a
10 strong debt service coverage of 3.43 with 187 days
11 cash on hand.

12 There is no present value savings on
13 the refundings because the 2009C Bonds -- I meant G.
14 I mean, G, right? G. Sorry.

15 -- 2009G bonds are floating rate. OSF
16 is refunding the 2009G Bonds because of -- the
17 current structure may create a reissuance for tax
18 purposes in the future. OSF does not pay property
19 taxes on its tax-exempt facilities.

20 We have here today Thomas Ott,
21 Vice-President of Treasury Services for OSF
22 Healthcare, and I think he would like to make a few
23 remarks.

24 MR. THOMAS OTT: Good morning, Chairman; good

1 morning, Board Members. Thank you for having us here
2 today.

3 I want to thank the IFA for over the
4 past three weeks. Pam, thanks a lot. Sorry, it's
5 been a fire drill. We didn't think it could come to
6 this, but we really appreciate the assistance and the
7 relationship over the 30 years. OSF has really
8 counted on the IFA, and we thank you for it.

9 We're here today for -- looking for
10 \$235 million in bonds, primarily for the acquisition
11 of the Presence hospitals in Urbana and Danville. We
12 have two other projects: the one in Mendota, it's a
13 HUD loan, we'd like to pay that off, which is
14 taxable. And then we have about \$16.5 million in
15 some bonds with JP Morgan we'd also like to pay off.

16 Appreciate your support. We look
17 forward to working with you in the future.

18 CHAIRMAN ANDERBERG: If I may ask an important
19 question.

20 MR. THOMAS OTT: Yes.

21 CHAIRMAN ANDERBERG: If the loss of the private
22 activity bonds, what would you anticipate the loss of
23 savings if we don't have this?

24 MR. THOMAS OTT: \$1.5 million a year.

1 CHAIRMAN ANDERBERG: 1.5.

2 MR. THOMAS OTT: Yes.

3 CHAIRMAN ANDERBERG: Is that something you can
4 allocate somewhere else within the organization?

5 MR. THOMAS OTT: Absolutely. And you do that,
6 if you do that 30 years, you know, you're in the \$40
7 million range. That's why we're chasing that spread.

8 CHAIRMAN ANDERBERG: Thank you.

9 MR. THOMAS OTT: Thank you.

10 LENANE: Thank you.

11 Also here with us today, who usually
12 comes on behalf of OSF, is Anne Donahoe their
13 financial advisor.

14 Raise your hand.

15 MS. ANNE DONAHOE: Thank you. I've met all of
16 you in the past and appreciate the work that the
17 Authority does, and Pam. And as Tom just indicated,
18 this financing was on -- the plans were to do it in
19 2018, but because of the pending legislation,
20 everything was moved up. We appreciate your help.

21 LENANE: Thank you, Anne.

22 Are there any questions?

23 CHAIRMAN ANDERBERG: 22.

24 LENANE: You got it.

1 No. 22 is an amendment for
2 Edward-Elmhurst -- actually, for the benefit of
3 Elmhurst Memorial Healthcare and Edward-Elmhurst
4 Healthcare to provide additional flexibility and
5 respect -- with respect to interest rate modes.

6 Edward-Elmhurst Healthcare has
7 requested the IFA enter into supplemental amendments
8 to the IFA's 2017B and 2017C bonds issued for the
9 benefit of Edward Elmhurst Healthcare in order to
10 permit a sale of the bonds at premium upon
11 conversion to a fixed rate.

12 The bonds currently are -- require --
13 the bond indentures currently require, if converted
14 to fixed rate rate bonds, it would -- bonds are
15 offered for sale at par -- requires that converted
16 fixed rate bonds be offered for sale at par.

17 Since fixed rate are today often
18 remarketed at a premium, this will allow
19 Edward-Elmhurst more flexibility if Edward-Elmhurst
20 decides to convert to a fixed rate.

21 The amendment is being considered
22 today since a proposed amendment would likely cause
23 this to be a tax reissuance -- a reissuance for tax
24 purposes, which would not be permitted after

1 January 1st if tax-exempt laws -- if the
2 tax-exempt -- if the tax laws are changed.

3 Edward-Elmhurst has also requested
4 that IFA enter into supplemental indentures related
5 to the IFA's 2013C, B, and D bonds issued for the
6 benefit of Elmhurst Hospital, which is now controlled
7 by Edward-Elmhurst Health System, in order to permit
8 a sale of the bonds at premium upon conversion to a
9 fixed rate as describe- -- as described -- already
10 described, and a conversion out of bank hold interest
11 rate mode prior to the end of the period agreed to
12 the with the bank.

13 These both -- this amendment -- these
14 amendments also are being considered today since
15 these amendments could not -- would be -- may not be
16 able to be done next year.

17 So, any questions? I have a bond
18 counsel here to answer any technical question.

19 Mike Mitchell has come, right?

20 MR. MICHAEL J. MITCHELL: I'm here.

21 CHAIRMAN ANDERBERG: Any questions?

22 (No response.)

23 CHAIRMAN ANDERBERG: Okay. I'd like to request
24 a motion to pass and adopt Project Reports No. 5 and

1 22.

2 Is there such a motion?

3 OBERNAGEL: I'll make a motion, Mr. Chairman.

4 CHAIRMAN ANDERBERG: Motion by Mr. Obernagel.

5 POOLE: Second.

6 CHAIRMAN ANDERBERG: Second by Mr. Poole.

7 Will the assistant to the Assistant
8 Secretary please call the roll.

9 OECHSLER: Certainly.

10 On the motion and second, I will call
11 the roll.

12 Ms. Bronner via audio conference?

13 (No response.)

14 CHAIRMAN ANDERBERG: Gila, are you there?

15 (No response.)

16 CHAIRMAN ANDERBERG: She's dropped off.

17 OECHSLER: All right.

18 Mr. Fuentes?

19 FUENTES: Yes.

20 OECHSLER: Mr. Horne?

21 HORNE: Yes.

22 OECHSLER: Ms. Juracek?

23 JURACEK: Yes.

24 OECHSLER: Mr. Knox?

1 KNOX: Yes.

2 OECHSLER: Mr. McCoy via audio conference?

3 McCOY: Yes.

4 OECHSLER: Mr. Obernagel?

5 OBERNAGEL: Yes.

6 OECHSLER: Mr. Poole?

7 POOLE: Yes.

8 OECHSLER: Ms. Smoots?

9 SMOOTS: Yes.

10 OECHSLER: Mr. Zeller?

11 ZELLER: Yes.

12 OECHSLER: Mr. Chairman?

13 CHAIRMAN ANDERBERG: Yes.

14 OECHSLER: Mr. Chairman, the motion carries.

15 CHAIRMAN ANDERBERG: Okay. Thank you.

16 OECHSLER: All right. The time is now

17 10:14 a.m. Let the record show that Member Bronner

18 has terminated her participation via audio

19 conference.

20 CHAIRMAN ANDERBERG: And let's get Mr. Goetz

21 back in the room.

22 OECHSLER: And let the record show that Member

23 Goetz has entered the room.

24 CHAIRMAN ANDERBERG: Very good.

1 Before I present Item No. 21, I'd like
2 to ask Executive Director Meister to exit the room as
3 previously discussed.

4 Okay. Per the State Statute, I
5 received two nominations from the Governor, the
6 position of the Authority Executive Director for a
7 one-year term. As you know, by State Statute each
8 year, we have to nominate and elect the Executive
9 Director.

10 This morning -- the Executive
11 Committee met this morning and unanimously
12 recommended Chris Meister for position of Executive
13 Director. It's in the -- if you want to look in
14 the -- at No. 21, it's right there. And all I'd like
15 to do is request a motion nominating Chris Meister as
16 Executive Director.

17 GOETZ: So moved.

18 KNOX: Second.

19 CHAIRMAN ANDERBERG: Motion by Mr. Goetz,
20 second by Mr. Knox.

21 Will the assistant to the Assistant
22 Secretary please call the roll.

23 OECHSLER: Certainly.

24 On the motion and second, I will call

1 the roll.

2 OECHSLER: Mr. Fuentes?

3 FUENTES: Yes.

4 OECHSLER: Mr. Goetz?

5 GOETZ: Yes.

6 OECHSLER: Mr. Horne?

7 HORNE: Yes.

8 OECHSLER: Ms. Juracek?

9 JURACEK: Yes.

10 OECHSLER: Mr. Knox?

11 KNOX: Yes.

12 OECHSLER: Mr. McCoy via audio conference?

13 McCOY: Yes.

14 OECHSLER: Mr. Obernagel?

15 OBERNAGEL: Yes.

16 OECHSLER: Ms. Poole?

17 POOLE: Yes.

18 OECHSLER: Mr. Poole.

19 Ms. Smoots?

20 SMOOTS: Yes.

21 OECHSLER: Mr. Zeller?

22 ZELLER: Yes.

23 OECHSLER: And Mr. Chairman?

24 CHAIRMAN ANDERBERG: Yes.

1 OECHSLER: Mr. Chairman, the motion carries.

2 CHAIRMAN ANDERBERG: Thank you.

3 Let's get Mr. Meister back in.

4 CHAIRMAN ANDERBERG: Congratulations,

5 Mr. Meister.

6 MEISTER: Thank you.

7 HORNE: Never done.

8 CHAIRMAN ANDERBERG: Mr. Frampton?

9 FRAMPTON: Okay. Thank you, Mr. Chairman.

10 Next, we'll move on to Item 1, which a
11 Final Bond Resolution in the amount of \$17,500,000, a
12 one-time consideration for the Lincoln Park
13 Zoological Society.

14 Consistent with today's theme, the
15 Lincoln Park Zoo is seeking to set up a new long-term
16 financing now to minimize the impact of any adverse
17 changes to the Internal Revenue Code. The resolution
18 will enable the zoo to refinance the outstanding
19 balance of their IEFA Commercial Paper Revenue Notes
20 Pooled Financing Series 1995 through a direct
21 purchase structure. That will be undertaken with two
22 banks: The Northern Trust Company and PNC Bank. In
23 addition to removing taxable -- potentially taxable
24 commercial paper rates for the zoo after January 1st,

1 the refinancing will also eliminate letter of credit
2 pricing risk that the Zoological Society will face --
3 would face going forward.

4 The outstanding CP Revenue Notes are
5 secured by a direct pay letter of credit from the
6 Northern Trust Company. The commercial paper bears
7 variable interest rates. They're reset at least
8 once every 270 days. So these are -- these are
9 short-term, tax-exempt rates, so when they re- --
10 refinance to the term structure through Northern
11 Trust and PNC, they will not be attaining cost-based
12 savings due the change in tenor.

13 As far as financials, those are
14 reported on page 7. The 2016 results were really due
15 to a series of one-time aberrations. Results
16 rebounded in 2017. The forecasts indicate strong
17 coverage going forward. I should note that in the
18 forecast we also stressed the payment coverages by
19 assuming principal and interest payments. As a
20 matter of fact, the Society will only be making
21 interest-only payments through 2025.

22 Again, the refunding bonds will be
23 bank purchased. There is -- as a result, there's
24 essentially no risk to the Authority. As issuer, we

1 recommend approval.

2 Do you have any comments or questions?

3 (No response.)

4 FRAMPTON: Next, move on to Tab 2, which is a
5 final bond resolution for the University of Chicago.
6 I want to clarify the not-to-exceed amount in the
7 agenda. The amount reported under Tab 2, \$275
8 million is, in fact, the final not-to-exceed amount
9 that is included in your resolution packet.

10 This transaction is being accelerated
11 as a result of the tax reform proposals. To provide
12 the University with maximum flexibility to reset
13 interest rates, the bond resolution and documents
14 contemplate the issuance up to \$275 million of
15 multi-modal adjustable rates bonds that would enable
16 all or a portion of the bonds to be sold in one of
17 three modes: initially, on a private placement basis
18 to Barclays Capital, Inc., and/or any such other
19 financial institutions selected by the University;
20 secondly, that could be sold to the public markets
21 through a traditional public offering; or thirdly,
22 potentially, the bonds may initially be sold on a
23 private placement basis and then subsequently
24 converted to a new interest rate mode, or modes, or

1 adjustable period and remarketing, and then
2 remarketed to the public markets.

3 At the bottom of page 1, if you look
4 at Sources and Uses, the allocation of bond proceeds
5 between new money and refunding is a matter that the
6 University and their financial advisor are continuing
7 to evaluate. They are -- they are still in the
8 process of determining that, so as a result,
9 respectively, all the bonds can be new money or
10 refunding, or there could be a mix.

11 The University's long-term ratings are
12 Aa2 from Moody's, AA- S&P, AA+ from Fitch. The
13 University also has short-term investment grade debt
14 ratings of EMIG -- VMIG 1 from Moody's, A1+ from S&P,
15 and F1+ from Fitch.

16 Financials are at page 10. They are
17 as strong as one would expect for a AA-rated
18 institution.

19 Just looking at the Prospective
20 Financing Team if the -- in any event there is a
21 public offering of the bonds, the lineup of co-senior
22 managers are identified on page 8 of the report. Six
23 co-managers have been identified by the University,
24 including Loop, PNC, RBC Capital Markets, Wells

1 Fargo, Bank of America Merrill Lynch, and Siebert
2 Cisneros Shank.

3 And just to put everything into
4 perspective, the University has been the Authority's
5 number one borrower in the Higher Ed. Sector, both in
6 terms of number of transactions and dollar volume.
7 And after the transaction closes, we'll be updating
8 the jobs information.

9 With that, I'll conclude my remarks.

10 Do you have any comments or questions?

11 CHAIRMAN ANDERBERG: Rich, can you estimate for
12 Lincoln Park and University of Chicago, without the
13 tax, what the impact is going to be?

14 FRAMPTON: Well, in the -- in the case of --
15 of -- of Lincoln Park, since that's going to be a
16 bank purchase deal -- let me just look at what I
17 brought -- I think it would be reasonable to ballpark
18 the savings in a range of -- in the range of 70 to
19 100,000 a year.

20 And for the University of Chicago, the
21 spreads for them are going to be less due to their --
22 due to their credit -- due to their credit ratings.
23 Additionally, the University of Chicago also issues
24 taxable debt into the market, and the benefit for

1 them, although not as great on a basis point basis,
2 is -- ends up being material due to the amount
3 borrowed. So for University of Chicago, since we
4 don't know the -- the -- the breakdown between serial
5 and term bonds, we really can't estimate the savings.

6 CHAIRMAN ANDERBERG: Thank you.

7 FRAMPTON: Any other questions or comments?

8 (No response.)

9 FRAMPTON: Okay. Thank you.

10 LENANE: Do you want to do that now?

11 MEISTER: We're going to wait till the end on
12 this list, and then we'll address it.

13 LENANE: Okay. Okay. We'll address it at the
14 end of this list. Okay.

15 No. 4 in your folder is a final
16 one-time final resolution for Friendship Village of
17 Schaumburg. Their exact title is the Evangelical
18 Retirement Homes of Greater Chicago, and they're
19 doing business as Friendship Village of Schaumburg.

20 They're requesting a one-time final
21 bond resolution to approve the issuance of a series
22 of tax-exempt bonds in the amount of approximately
23 \$150 million to finance, refinance, or reimburse for
24 capital expenditures in the amount of \$13,750,000 to

1 refund all or a portion of the IFA Series 2005A
2 Bonds, the Series 2005B Bonds, and the Series 2010
3 Bonds, to fund a debt service reserve for the benefit
4 of the 2017 Bonds to pay -- and to pay certain
5 expenses incurred with the issuance of the 2017
6 Bonds.

7 Friendship Village is requesting two
8 waivers. Their first waiver would be from the Board
9 policy to sell in \$100,000 denominations to the
10 public, not to accredited investors or qualified
11 institutional buyers.

12 Now, at or before pricing, Friendship
13 Village may determine that the bond market -- that
14 they cannot price in the bond market efficiently in
15 \$100,000 dominations, then Friendship Village has
16 requested a waiver in this resolution to refund only
17 the 2005A and B Bonds and the 2010 Bonds, eliminating
18 the new money Project Fund, and issue the bonds in
19 \$5,000 dominations because they are refunding for
20 existing bonds for savings in compliance with the IFA
21 policy.

22 Friendship Village operates a
23 continuing care retirement community consisting of
24 approximately 28 independent living garden homes, 574

1 independent living apartments, 87 assisted living
2 units, 25 memory support assisted living units, and a
3 248-bed skilled nursing facility located on a 68 --
4 60-acre campus in suburban Schaumburg.

5 Friendship Village has grown over the
6 years since 1977 to become the largest single-site
7 continuing care retirement community in the Chicago
8 area and the 17th largest in the nation.

9 Friendship Village is issuing
10 tax-exempt fixed rate bonds in a public underwriting
11 by -- with BB&T Capital Markets.

12 The Sources and Uses indicate a total
13 Refunding of 108 -- approximately \$108 million, a
14 Project Fund of approxim- -- almost \$14 million, and
15 a Debt Service Reserve Fund of almost \$2 million.

16 The Series 2017 Bonds will be rated.
17 Friendship Village received a BB- rating affirmation
18 from Fitch in May and expect the same rating for the
19 2017 Bonds.

20 I could tell you all about Bridgegate,
21 but we're running a little short.

22 MR. MICHAEL J. MITCHELL: There's no rating.

23 LENANE: There's no rating? Oh, I'm sorry. I
24 apologize. It's in the book that way. Okay. All

1 right. There is no rating.

2 You're not re -- you're not affirming
3 the rating? Okay.

4 MR. MICHAEL J. MITCHELL: But the double BB-
5 rating, that's correct. We're --

6 LENANE: You're not reaffirming it; you're
7 dropping it.

8 MR. MICHAEL J. MITCHELL: Yeah.

9 LENANE: Okay. Pardon me. Thank you.

10 MR. MICHAEL J. MITCHELL: Sure.

11 LENANE: Friendship Village Fiscal 2017 Audited
12 Financials show debt service coverage of 1.65 times
13 and 203 days cash on hand, which is in line with most
14 continuing care retirement communities.

15 The estimated present value savings
16 from this refunding is \$6,200,943. Friendship
17 Village does not pay real estate taxes.

18 Today, we have here with us Steve
19 Yenchek, the CEO and President of Friendship Village
20 of Schaumburg, and Michael Flynn, the CFO of
21 Friendship Village of Schaumburg, and Don Hemmesch,
22 their attorney.

23 Would you like to say anything.

24 MR. MICHAEL FLYNN: I'll --

1 LENANE: Oh, you will? Please.

2 MR. MICHAEL FLYNN: Thank you, Mr. Chairman and
3 Board.

4 It's -- again, it's a pleasure to be
5 here today and we appreciate. And very similar to
6 others, you know, we've kind of accelerated our
7 financing because of the tax implications. About a
8 third of our debt would need to be advance refunded,
9 and as Pam had indicated, we've got some flexibility
10 in how we would issue the debt if the market doesn't
11 cooperate.

12 So the number one issue that we want
13 is to get the advance refunding piece accomplished
14 this year, and then if market isn't favorable, then
15 we would do the remainder next year. But again, if
16 everything works according to plan, we'd like to
17 refund all of our debt this year because, like I
18 said, there's about \$105 million or so in total with
19 the advance refunding piece.

20 So again, we appreciate, again,
21 everybody working very hard to get this done in a
22 very short period of time, and again, like other
23 CCRCs, we've been around for over 40 years, and, you
24 know, this will help us to have a better financial

1 position, with, you know, improved financial ratios
2 going forward with a lower interest rate, and it will
3 certainly benefit our residents.

4 CHAIRMAN ANDERBERG: Okay. And to cite open on
5 the record what, do you estimate the savings for
6 this?

7 MR. MICHAEL FLYNN: Roughly around \$6 million.
8 It really is going to depend on where the underlying
9 interest rate is, but in that range.

10 CHAIRMAN ANDERBERG: Thank you.

11 LENANE: Oh. They do pay real estate taxes.
12 Sorry. That's not what it says in the report -- in
13 the application.

14 I'd like to make a correction. They
15 do pay real estate taxes, and so we'd like to correct
16 that. They do pay real estate taxes.

17 Okay. Any other questions?

18 (No response.)

19 LENANE: No?

20 Okay. No. 7 is a -- is oh. I'd like
21 to call your attention to -- in the -- in the book,
22 we refer to UCM Community & Health Division, Inc.
23 That is not going to be the borrower. The borrower
24 has changed. It is going to be Ingalls Memorial

1 Hospital, which is UCM Community Health & Division,
2 Inc., [sic] -- is the parent to Ingalls Memorial
3 Hospital, but the CFO of U of C Medicine called and
4 asked if we could switch it to Ingalls Memorial
5 Hospital, and I said of course we can, even though
6 it's -- anyway.

7 Ingalls Memorial Hospital is
8 requesting a one-time final bond resolution to
9 approve the issuance of a series of tax-exempt bonds
10 in the amount of approximately \$45 million to refund
11 all of the Ingalls Health System IFA Series 2004
12 Bonds and pay certain expenses.

13 Ingalls Memorial Hospital operates a
14 544-bed license -- licensed-bed acute care facility,
15 of which 374 beds are currently staffed. Ingalls
16 provides secondary and certain tertiary services, and
17 is located on 22 acres of land in Harvey, Illinois.
18 Ingalls operates a substantial ambulatory care
19 network, the cornerstones of which are the ambulatory
20 care centers located in Tinley Park, Matteson, and
21 Calumet City, and Flossmoor, and the newest facility
22 opened in 2013 in Crestwood.

23 Other ambulatory footprints include
24 the Ingalls Center for Outpatient Rehab in Calumet

1 City; Ingalls Wellness Center in Flossmoor; and the
2 Cancer Support Center in Mokena.

3 Ingalls Memorial Hospital employs
4 approximately 2,500 employees, equating to
5 approximately 1,700 full-time equivalent employees.

6 Ingalls Memorial Hospital's parent,
7 UCM Community & Health Division, Inc., merged with
8 the University of Chicago Medical Center under a
9 member substitution agreement as of September 30,
10 2016.

11 Now, I'd like to point out that while
12 they have merged with the University of Chicago
13 Medical Center, the financials that we put forth here
14 are of the UC- -- of Ingall- -- of the UCM Community
15 Health -- Community & Health Division. The
16 University of Chicago Medical Center has no financial
17 liability for these bonds.

18 The Ingalls Series 2013 Bonds are
19 rated Baa1 by Moody's. The bonds will be purchased
20 by JP Morgan Chase. The interest rate will be
21 determined on the day of pricing depending on market
22 conditions.

23 Ingalls serves a broad geographic
24 market, attracting patients from the South and

1 Southwestern Chicago suburbs. There's a map on page
2 5 of the report, a nice colored map. It shows
3 primary and secondary service areas in Illinois, and
4 they're really fairly large.

5 The audited financial statements for
6 UCM Community Health & Hospital Division, the parent
7 of Ingalls Memorial Hospital, for the 9-month period
8 ended June 30, 2017, shows good debt service coverage
9 of 2.6 and strong days cash on hand of 446 days.

10 The UCM Community Health & Hospital
11 Division is the parent of Ingalls, the Ingalls
12 Foundation, and the -- one other thing.

13 MR. MICHAEL J. MITCHELL: Healthcare.

14 LENANE: Huh?

15 MR. MICHAEL J. MITCHELL: Healthcare.

16 LENANE: Ingalls Healthcare, yeah.

17 The estimated present value of this
18 refunding is approximately \$3,500,000. Ingalls does
19 not pay real estate taxes -- is what they told me. I
20 don't know. I don't go check the records, you know.

21 CHAIRMAN ANDERBERG: Okay.

22 LENANE: Any questions?

23 (No response.)

24 CHAIRMAN ANDERBERG: All right. Thank you,

1 Pam.

2 Rich, you may want a bottle of water
3 before this.

4 FRAMPTON: I think so. It's all the more
5 reason to be fast, right? What do they say about the
6 three Bs of public speaking? Be informative; be
7 brief; and be seated, right? I'm on the clock.

8 Okay. Next, we'll go to Item 8, which
9 is a resolution for a -- Financial District
10 Properties. This transaction will refinance
11 \$20,200,000 of Midwestern Disaster Area Bonds, which
12 was -- which was a special program under the Internal
13 Revenue Code from 2008 through 2012. This project
14 financed the construction of an 8-story, 150 --
15 115,000-square-foot office building located in
16 downtown Moline. The anchor tenant of the project is
17 KONE Corporation -- or KONE, Inc., which is the
18 US operating subsidiary of Finland-based KONE Oyj,
19 which is a publically traded company on the Helsinki
20 Stock Exchange.

21 The original \$20,200,000 of bond
22 proceeds were part of a New Markets Tax Credit
23 structure that generated an additional \$6.6 million
24 of subordinate debt. The bonds were issued in

1 December of 2010. The 7-year New Markets Tax Credit
2 compliance period will come to an end at this
3 month -- towards the end of this month. And
4 concurrent with that, the 2010 Bonds will be
5 refinanced as a result of this resolution. Great --
6 Great Western Bank of Bettendorf, Iowa, will be the
7 purchaser.

8 Consistent with the New Market
9 structure, there's been no amortization of the IFA
10 Bonds, but keep in mind the \$6.6 million of
11 subordinate debt created through the New Markets Tax
12 Credit structure will be -- will be going away.

13 The original purchaser was U.S. Bank.
14 They also originated the second mortgage loan
15 associated with the new market's subordinate debt.

16 And with that, we recommend approval.

17 Do you have any questions?

18 (No response.)

19 FRAMPTON: Okay. Next, we will move on to Item
20 No. 9, which is a resolution for Bradley University.
21 The Board approved and we closed \$50 million of bonds
22 for Bradley University in September. Those were
23 issued as drawdown bonds. Given the tax reform
24 proposals, Bradley would not be able to draw down the

1 remaining \$30 million of bond proceeds in 2018 and
2 2019 as they proposed. So this resolution would --
3 would enable them to accelerate the schedule of
4 advances to make sure that those happen this month,
5 prior to any tax reform. Bond Counsel's still
6 evaluating this for tax purposes. It may end up
7 being a reissuance -- considered a reissuance for tax
8 purposes.

9 And given the proposed changes and the
10 underlying circumstances, we recommend approval.

11 Do you have any questions?

12 (No response.)

13 FRAMPTON: Okay. Next, on to Item 10. We have
14 a resolution for Elmhurst College. What Elmhurst
15 College is looking to do is replace their existing
16 letter of credit structure with a bank direct
17 purchase structure. Their existing letter of credit
18 bank is BMO Harris. The purchaser of the Refunding
19 Bonds will be PNC Bank. 100 percent of the
20 outstanding balance of the College's 2003 and 2007
21 Bonds will be refunded. The anticipated issuance
22 amount is not to exceed \$37,250,000. The initial
23 term of both of -- of the bank purchase is for 7
24 years. The resolution, however, provides for a final

1 maturity date up to 40 years out.

2 Do you have any questions or comments?

3 (No response.)

4 FRAMPTON: Okay. Moving on to Item 11. We
5 have a resolution for Elim Christian Services, which
6 would authorize execution and delivery of a First
7 Amendment to the Bond and Loan agreement. It would
8 also approve related documents to effectuate an
9 interest rate reset with a new bank, Providence Bank,
10 which would be the successor to Fifth Third. The
11 other -- the other result of the Resolution is it
12 would provide for an extension of the term interest
13 rate for 7 years from -- for approximately 7 years
14 from the date of closing.

15 This transaction is also being
16 accelerated as a result of tax reform. The original
17 bank term was due to be -- was due to be renewed next
18 September.

19 So with that, I'll concludes my
20 remarks. Any requests or comments?

21 (No response.)

22 FRAMPTON: Okay. Moving on next to Item 12,
23 Carmel Catholic High School. This is a resolution
24 approving the execution of -- and delivery of a

1 First Supplemental Bond Trust Indenture between the
2 Authority and U.S. Bank N.A., as the bond trustee.

3 The Resolution would effectuate the
4 extension of the Initial Index Put Rate period by
5 five years on these variable rate bonds. Second, it
6 would make certain modifications to the provisions
7 relating to the engagement of a rate calculation
8 agent in connection with the Authority's Variable
9 Rate Revenue Bonds Series 2012. It would also enable
10 Lake Forest Bank & Trust to undertake the function of
11 rate calculation agent. And again, the need for a
12 rate calculation agent is driven by the variable rate
13 structure of -- of these bonds. And approval of the
14 Resolution will also extend the remarketing period by
15 five years, from 2022 to 2027.

16 And with that, I'll conclude my
17 remarks.

18 Do you have any questions or comments?

19 (No response.)

20 FRAMPTON: Moving on next to Item 13. We have
21 a resolution relating to the IEFA Series 1995
22 Commercial Paper Revenue Notes. The -- as we
23 discussed earlier, Lincoln Park -- the Lincoln Park
24 Zoological Society is refinancing out of this

1 program. As a result, there would be two remaining
2 borrowers. They're identified on page 2, and would
3 include the University of Chicago Medical Center and
4 North Shore University Health System.

5 Approving this Resolution will enable
6 the Commercial Paper Revenue Notes to continue in the
7 future in a taxable mode and would eliminate various
8 opinions and reporting requirements that have to be
9 delivered at any time the notes bear interest in a
10 tax-exempt mode. So this would allow the program to
11 go forward. All the borrowers under these Commercial
12 Paper Revenue Notes programs are evaluating the CP
13 option versus other options that they may have.

14 Do you have any questions or comments?

15 (No response.)

16 FRAMPTON: Okay. Next, Item 14 is a similar
17 resolution relating to Loyola University of Chicago's
18 Commercial Paper Financing Program. Loyola
19 established their program, which is a stand-alone
20 program, in 2008. The requested change would attain
21 the same objective that we just discussed in Item 13:
22 provide flexibility for the Notes to bear interest in
23 a taxable mode going forward in the event of tax
24 reform.

1 Any questions or comments?

2 (No response.)

3 FRAMPTON: Okay. Next, Item 15, Mount Carmel
4 High School. They are requesting approval of a
5 Resolution to authorize execution and delivery of a
6 Second Omnibus Resolution to the Bond and Loan
7 Agreement, and two, to approve related documents to
8 effectuate an extension of their initial interest
9 rate term by six years, and to change the interest
10 rate formula on their existing bonds in the event
11 that pending federal tax reform legislation alter --
12 alters the federal corporate taxation rate.

13 Any questions?

14 (No response.)

15 FRAMPTON: Okay. Next, Item 16, Little City
16 Foundation. This is also Wintrust -- another
17 Wintrust financing, similar to the last deal.

18 Little City is requesting the
19 execution and delivery of amendments to the documents
20 to effectuate an extension of the initial term, and
21 the provision of an interest rate formula that's
22 consistent with what may lie ahead in the event that
23 there is federal tax reform.

24 Additionally, this would provide that

1 the -- that the initial interest rate term would be
2 extended by approximately two years and nine months
3 to December of 2027, so they'd be extending out their
4 initial term for 10 years.

5 Any questions or comments?

6 (No response.)

7 POOLE: Is there anything left?

8 FRAMPTON: That's it for me. I was just
9 checking my time.

10 CHAIRMAN ANDERBERG: Without a drink of water.
11 Excellent job.

12 FRAMPTON: Okay. Great. Thank you. Now I can
13 be seated.

14 POOLE: Okay.

15 CHAIRMAN ANDERBERG: Pam?

16 LENANE: Yep. I mean, yes, sir. Thank you.

17 Okay. No. 17 is an amendment for Rush
18 University Medical Center. I have a memo. When the
19 book went out, the memo -- we didn't have the exact
20 specifics on the -- what they were trying to do. So
21 if you go to your book, it's under -- in the
22 additional information in your folder, it's --

23 WEBER: Information folder.

24 LENANE: Huh? It says, Amendment for Elmhurst

1 Memorial Healthcare and Edward-Elmhurst --
2 Edward-Elmhurst Healthcare, but anyway, the
3 Resolution's also in the book with the memos in your
4 folder.

5 Rush issued -- Series 2011 Bonds were
6 issued in December of 2011 in the original amount of
7 \$56,000,000. JP Morgan Securities is the owner of
8 the Bonds. The Bonds are LIBOR based and are in a
9 current bank interest period -- period that runs to
10 November 30, 2021.

11 Rush would like to convert the Series
12 2011 Bonds from their current bank interest period to
13 a new bank interest period that runs through
14 October 31, 2024. This conversion is permitted by
15 the Bond Indenture. JP Morgan has the ability to
16 continue to hold the Series 2011 Bonds through the
17 conversion, and they have indicated that they are
18 willing to do so. In connection with the conversion,
19 JP Morgan will reset the applicable spread based on
20 current market conditions.

21 The definition of the LIBOR index will
22 also be revised in the Bond Indenture to provide
23 additional flexibility and possible reissuance
24 protection in the event LIBOR is no longer being used

1 in 2021. The supplemental Bond Indenture will also
2 confirm -- confirm the details of this conversion.

3 The transaction is not presently
4 expected to cause a reissuance for tax purposes.

5 Chapman will give a "no adverse
6 effect" tax opinion with respect to the transaction.

7 Any questions?

8 (No response.)

9 CHAIRMAN ANDERBERG: Okay.

10 MEISTER: I will cover Items 18, 19, and 20.

11 And Item 18 has been withdrawn at the request of the
12 borrower.

13 Item 19 is the Authority's request to
14 the Governor's Office of Management and budget for
15 Volume Cap. Volume Cap is -- is a necessary grant of
16 authority and documentation from the U.S. Treasury to
17 the State Office of Management and Budget and then
18 allocated to us. We are asking the Board to request
19 \$120 million worth of Volume Cap in the event that
20 private activity bonds go through affec- -- or are
21 eliminated as of January 1st, this will be moot, but
22 we are making a request.

23 Does anybody have any questions? This
24 is primarily for Industrial Revenue Bonds; Solid

1 Waste; occasionally, Housing; and Beginning Farmer
2 Bonds.

3 KNOX: Are the projects identified or is this
4 just a Volume Cap?

5 MEISTER: We have some projects broadly, but
6 obviously with the uncertainty, I would characterize
7 this more as a placeholder.

8 KNOX: Okay.

9 MEISTER: Incidentally, one of the discussions
10 in Washington, Volume Cap is allowed to be held over
11 for up to three years in various buckets: Solid
12 Waste, other buckets. One of the current discussions
13 is an entire elimination of Volume Cap, or the
14 ability to carry forward.

15 On Item 20, I'm going to ask Ryan
16 Oechsler, who's been working with Elizabeth and I, to
17 make the presentation. And then Item 23, the Omnibus
18 Resolution, I'm going to ask General Counsel Weber to
19 present.

20 OECHSLER: Thank you.

21 So Item 20 in your book is a
22 resolution concerning Procurement. This resolution
23 does several things: First, it authorizes a 5-month
24 contract with a vendor of employee benefits and

1 payroll services, ADP TotalSource, after the
2 expiration of which the Authority will transition
3 employee benefits to another vendor pursuant to a
4 state master contract and transition payroll services
5 inhouse.

6 It also confirms a contract amendment,
7 approved by State Procurement Regulators, with a
8 vendor of technical support for payroll and
9 timekeeping services, Ascent Innovations. It
10 confirms a contract and an amendment, approved by
11 State Procurement Regulators, with a vendor of IT
12 Network Consulting Services, Catalyst Consulting
13 Group.

14 And finally, it authorizes the
15 Executive Director and the Authority staff to take
16 steps to create a pool of financial advisors who can
17 undertake assignments as needed including with
18 respect to the State Revolving Fund.

19 Are there any questions?

20 (No response.)

21 CHAIRMAN ANDERBERG: Thank you.

22 Next?

23 WEBER: Mr. Chairman and Members, I am
24 presenting Item 23. This was a late addition to the

1 agenda, so it does not appear in the Board Book, but
2 instead should be the last item in your Resolution
3 folder.

4 The title is Resolution Concerning the
5 Amendment of Documents For Debt Issues of the
6 Illinois Finance Authority and Its Predecessor
7 Authorities Relating to Draw-down Bonds, Benchmarks,
8 and Mechanics for Interest Rate Determinations and
9 Conversions and Other Matters.

10 This Resolution delegates to the
11 Executive Director and other authorized officers the
12 authority to approve various amendments to bond
13 documents that have arisen in connection with the
14 proposed tax legislation being considered by
15 Congress.

16 As you've heard today, various
17 borrowers have asked for our authorization to approve
18 amendments in advance of the effected date of this
19 legislation, which is January 1, 2018. We suspect
20 that we may be approached by other borrowers for
21 similar amendments before year end. To the extent
22 that this resolution covers the type of amendments
23 that they are seeking, we will not need to ask you to
24 attend another special meeting to consider these

1 amendments.

2 The amendments contemplated by the
3 Resolution cover three basic types of situations:
4 The first is what is referred to as Draw-down Bonds.
5 These are bonds that are incrementally issued, or
6 drawn down, as needed to fund construction. Under
7 the Tax Code, each subsequent draw is treated as a
8 new bond with its own issue date because under IRS
9 guidance, a bond is issued only when money is
10 actually paid for the bond. As a result, any draws
11 after the effective date of the new legislation would
12 be treated as taxable.

13 I call your attention to a Bond Buyer
14 article that appeared yesterday, and I believe is in
15 your folders, titled "House Tax Bill Wreaking Havoc
16 with Tax-Exempt Private Activity Draw-down Bonds."
17 This resolution will permit amendments to allow the
18 draw down or advance of all proceeds by the end of
19 the year.

20 Second, many borrowers have what are
21 called multimodal documents, which permit different
22 types of interest rate modes. Certain benchmarks
23 under these documents may be changing, or in the case
24 of LIBOR, going away. In addition, changes in the

1 documents related to modes or mechanics for
2 conversion or other provisions may be desirable in
3 light of the proposed legislation.

4 Changes in these provisions after the
5 effective date of the legislation may result in these
6 bonds considered to be reissued at a time when they
7 can no longer be qualified as tax-exempt. And as a
8 result, borrowers are making changes now to avoid
9 that situation.

10 Third, some borrowers have bonds that
11 are directly purchased and held by banks or other
12 financial institutions and the indentures may not
13 permit modifications of the then-existing interest
14 rate periods. Again, to avoid a situation where the
15 bond might be considered to be reissued, the
16 Resolution permits amendments.

17 The resolution does not permit changes
18 which are outside the parameters set forth in the
19 original resolution approving the Bond issue such as
20 principal amount or final maturity date, and requires
21 an opinion of bond counsel to the effect that the
22 changes will not adversely affect tax exemption.

23 Are there any questions?

24 (No response.)

1 POOLE: Sounds good.

2 CHAIRMAN ANDERBERG: Okay. I would like to
3 request a motion to pass and adopt the following
4 Project Reports and Resolutions: Items 1, 2, 4, 7,
5 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 19, 20, and 23.

6 Is there such a motion?

7 GOETZ: So moved.

8 KNOX: Second.

9 CHAIRMAN ANDERBERG: Motion by Mr. Goetz,
10 second by Mr. Knox.

11 Will the assistant to the Assistant
12 Secretary please call the roll.

13 OECHSLER: Certainly.

14 On the motion and second, I will call
15 the roll.

16 Mr. Fuentes?

17 FUENTES: Yes.

18 OECHSLER: Mr. Goetz?

19 GOETZ: Yes.

20 OECHSLER: Mr. Horne?

21 HORNE: Yes.

22 OECHSLER: Ms. Juracek?

23 JURACEK: Yes.

24 OECHSLER: Mr. Knox?

1 KNOX: Yes.

2 OECHSLER: Mr. McCoy via audio conference?

3 McCOY: Yes.

4 OECHSLER: Mr. Obernagel?

5 OBERNAGEL: Yes.

6 OECHSLER: Mr. Poole?

7 POOLE: Yes.

8 OECHSLER: Ms. Smoots?

9 SMOOTS: Yes.

10 OECHSLER: Mr. Zeller?

11 ZELLER: Yes.

12 OECHSLER: And Mr. Chairman?

13 CHAIRMAN ANDERBERG: Yes.

14 OECHSLER: Mr. Chairman, the motion carries.

15 CHAIRMAN ANDERBERG: Thank you.

16 Quickly, I've been advised by Counsel

17 that I must have made a mistake on votes -- on voting

18 on No. 5. I did not clearly state No. 5. So...

19 GOETZ: I need to step out of the room.

20 CHAIRMAN ANDERBERG: So I'll have to have

21 Mr. Goetz step out. I apologize.

22 OECHSLER: The time is now 11:00 o'clock.

23 CHAIRMAN ANDERBERG: I always take my counsel's

24 word for it. So...

1 OECHSLER: The time is now 11:00 o'clock; let
2 the record reflect that Member Goetz has exited the
3 room.

4 CHAIRMAN ANDERBERG: So I'd like to request a
5 motion to pass and adopt Project Report No. 5 for
6 OSF.

7 Is there such a motion?

8 FUENTES: So moved.

9 OBERNAGEL: Second.

10 CHAIRMAN ANDERBERG: Motion by Mr. Goetz,
11 second by Mr. Obernagel.

12 WEBER: It's a motion by Mr. Fuentes.

13 CHAIRMAN ANDERBERG: I'm sorry. Mr. Fuentes.
14 It can't be Mr. Goetz.

15 (Laughter.)

16 CHAIRMAN ANDERBERG: It was my birthday
17 yesterday, so I'm a year older.

18 (Laughter.)

19 CHAIRMAN ANDERBERG: That's my excuse.

20 Okay. So we have a motion by
21 Mr. Fuentes, a second by Mr. Obernagel.

22 Will the assistant to the Assistant
23 Secretary please call the roll.

24 OECHSLER: Certainly.

1 On the motion and second, I will call
2 the roll.

3 OECHSLER: Mr. Fuentes?

4 FUENTES: Yes.

5 OECHSLER: Mr. Horne?

6 HORNE: Yes.

7 OECHSLER: Ms. Juracek?

8 JURACEK: Yes.

9 OECHSLER: Mr. Knox?

10 KNOX: Yes.

11 OECHSLER: Mr. McCoy via audio conference?

12 McCOY: Yes.

13 OECHSLER: Mr. Obernagel?

14 OBERNAGEL: Yes.

15 OECHSLER: Mr. Poole?

16 POOLE: Yes.

17 OECHSLER: Ms. Smoots?

18 SMOOTS: Yes.

19 OECHSLER: Mr. Zeller?

20 ZELLER: Yes.

21 OECHSLER: And Mr. Chairman?

22 CHAIRMAN ANDERBERG: Yes.

23 OECHSLER: Mr. Chairman, the motion carries.

24 CHAIRMAN ANDERBERG: Thank you. Sorry about

1 that, everybody.

2 Is there any other business to come
3 before the Members?

4 MEISTER: One very quick matter. For some of
5 the longer serving members of the Board, a former
6 colleague of ours, Norm Gold, we are circulating a
7 get well card for him. His daughters told me that he
8 enjoyed his time on the Board, working with the Board
9 members and the staff. And so current and former --
10 current board members, even if you did not serve with
11 Mr. Gold, we'd appreciate it if you sign the get well
12 card and Staff does as well. I know he would
13 appreciate it.

14 CHAIRMAN ANDERBERG: You have that here in the
15 room with us?

16 MEISTER: Yeah. Mari has it. It's going
17 around.

18 OECHSLER: Let the record show that Member
19 Goetz has returned to the room at 11:01 a.m.

20 CHAIRMAN ANDERBERG: Okay. I'd like to request
21 a motion to excuse the absences of members
22 unavailable to participate today.

23 Is there such a motion?

24 GOETZ: So moved.

1 CHAIRMAN ANDERBERG: So moved by Mr. Goetz.

2 A second?

3 HORNE: Second.

4 CHAIRMAN ANDERBERG: A second by Mr. Horne.

5 All those in favor?

6 (Chorus of ayes.)

7 CHAIRMAN ANDERBERG: Opposed?

8 McCOY: Aye.

9 CHAIRMAN ANDERBERG: The ayes have it.

10 Public Comment: Any public comment for
11 the Members?

12 POOLE: Mr. Chairman, I think a due thank-you
13 to the Executive Director and the staff for putting
14 this whole deal together today. It didn't happen
15 today, but here at this meeting today, because there
16 was obviously a lot of hard work and long hours went
17 into putting this together. It was no easy task to
18 deliver this today. So I think we owe them a vote of
19 confidence and a very strong thank you.

20 CHAIRMAN ANDERBERG: I'd like to second that,
21 and I wanted to say the same. I'd like to thank the
22 clients --

23 POOLE: I didn't mean to jump you.

24 CHAIRMAN ANDERBERG: -- of the IFA for

1 utilizing and participating, and for the Staff for
2 what they did here today, and also for the Members
3 for coming last month, and I will request that we may
4 need some of your availability and flexibility in the
5 next two weeks as there are some other issues that
6 may be coming up.

7 So with that, the next Regular
8 Scheduled meeting will be January 11th. And I'd like
9 to request a Motion to Adjourn.

10 Is there such a motion?

11 ZELLER: So moved.

12 POOLE: Second.

13 CHAIRMAN ANDERBERG: A motion by Mr. Zeller, a
14 second by Mr. Poole.

15 All those in favor?

16 (Chorus of ayes.)

17 CHAIRMAN ANDERBERG: Opposed?

18 McCOY: Aye.

19 CHAIRMAN ANDERBERG: The ayes have it.

20 Thank you.

21 OECHSLER: The time is 11:03 a.m.

22 (Which were all the
23 proceedings had.)

24

1 STATE OF ILLINOIS)

) SS:

2 COUNTY OF COOK)

3 Brad Benjamin, being first duly sworn on oath,
 4 says that he is a Certified Shorthand Reporter, that
 5 he reported in shorthand the proceedings given at the
 6 taking of said hearing, and that the foregoing is a
 7 true and correct transcript of his shorthand notes so
 8 taken as aforesaid and contains all the proceedings
 9 given at said Illinois Finance Authority Meeting.

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Certified Shorthand Reporter

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No. 084-004805

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