

ILLINOIS FINANCE AUTHORITY

REGULAR MEETING OF THE MEMBERS

October 8, 2019, at 9:30 a.m.

REPORT OF PROCEEDINGS had at the Regular

Meeting of the Illinois Finance Authority on

October 8, 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. E. LYLE McCOY

MR. JAMES J. FUENTES

MR. MIKE GOETZ

MR. TERRENCE O'BRIEN

MS. ROXANNE NAVA

MR. WILLIAM HOBERT

MR. RANDAL WEXLER

MR. GEORGE OBERNAGEL

MS. ARLENE JURACEK

1 ILLINOIS FINANCE AUTHORITY STAFF MEMBERS  
2 MR. CHRISTOPHER B. MEISTER, Executive Director  
3 MR. BRAD FLETCHER, Vice President  
4 MR. RICH FRAMPTON, Vice President  
5 MR. RYAN OECHSLER, IFA Deputy General Counsel  
6 MR. CRAIG HOLLOWAY, Procurement  
7 Ms. XIMENA GRANDA, Controller  
8 MS. ELIZABETH WEBER, General Counsel and Legal  
9 Advisor to the Board

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1                   CHAIR ANDERBERG: Okay. Good morning,  
2 everybody. I would like to call the meeting to  
3 order. Will the Assistant Secretary please call the  
4 roll.

5                   FLETCHER: Certainly. The time is  
6 9:31 a.m.

7                   Call the roll of members physically  
8 present.

9                   Mr. Goetz.

10                  GOETZ: Here.

11                  FLETCHER: Mr. Fuentes.

12                  FUENTES: Here.

13                  FLETCHER: Mr. Hobert.

14                  HOBERT: Here.

15                  FLETCHER: Ms. Juracek.

16                  JURACEK: Here.

17                  FLETCHER: Mr. McCoy.

18                  McCOY: Here.

19                  FLETCHER: Ms. Nava.

20                  NAVA: Here.

21                  FLETCHER: Mr. Obernagel.

22                  OBERNAGEL: Here.

23                  FLETCHER: Mr. O'Brien.

24                  O'BRIEN: Here.

1 FLETCHER: Mr. Wexler.

2 WEXLER: Here.

3 FLETCHER: Mr. Chairman.

4 CHAIR ANDERBERG: Here.

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

8 At this time I would like to ask if any  
9 members would like to attend by audio conference.

10 POOLE: Yes. This is Roger Poole. I'm  
11 requesting to attend via audio conference for employment  
12 reasons.

13 CHAIR ANDERBERG: Very good. Is there a  
14 motion to approve this request pursuant to the bylaws and  
15 policies of the Authority?

16 FUENTES: So moved.

17 GOETZ: Second.

18 CHAIR ANDERBERG: We have a motion and a  
19 second. All those in favor?

20 (Chorus of ayes.)

21 CHAIR ANDERBERG: Opposed?

22 (No response.)

23 CHAIR ANDERBERG: The ayes have it.

24 FLETCHER: Mr. Chairman, Member Poole has

1       been added to the initial quorum rollcall.

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

5                       (No response.)

6               Hearing none, I would like to request a  
7 motion to approve the agenda. Is there such a  
8 motion?

9               O'BRIEN: So moved.

10              GOETZ: Second.

11              CHAIR ANDERBERG: We have a motion and a  
12 second. All those in favor?

13                       (Chorus of ayes.)

14              CHAIR ANDERBERG: Opposed?

15                       (No response.)

16              CHAIR ANDERBERG: The ayes have it.

17              Is there any public comment for the members  
18 this morning?

19                       (No response.)

20              CHAIR ANDERBERG: Okay.

21              We have a big book here this morning. I do  
22 have some written remarks.

23              I would like to welcome everyone. We do  
24 have a full agenda and a thick Board book, something

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

2 In particular I want to welcome two  
3 longtime borrowers of the Authority back. Waste  
4 Management was last before the Authority in 2007, and  
5 American Water was last before the Authority in 2010.

6 To both these borrowers and to the other  
7 borrowers on our agenda, Columbia College, Maine  
8 Township High School and the amendments to existing  
9 bond issues, JH Naperville Hotel, Lincoln Park Zoo,  
10 Quad County Urban League and Covenant Retirement  
11 Communities, we deeply appreciate your confidence in  
12 the Authority.

13 Without you, we cannot fulfill our  
14 statutory public mission to promote a vigorous  
15 Illinois economy, reduce the cost of debt to  
16 taxpayers and generally improve the quality of life  
17 for the people of our state.

18 Item 15 is a memorandum to the Board. It  
19 merits special attention. With a large agenda, I do  
20 not want it to get lost in the volume of significant  
21 matters this month, but back in late 2017, we were  
22 all shocked and surprised that our primary tool of  
23 federally tax exempt conduit bonds were seriously at  
24 risk with the federal tax legislation.

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

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

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

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

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

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

9           Finally, it's kind of a bittersweet thing  
10 here. Mr. Ryan Oechsler, would you please stand up.

11           Ryan, on behalf of my colleagues on the  
12 Board, the entire organization and myself personally,  
13 I'd like to thank you for all of your work to advance  
14 and improve the Authority in order for us to more  
15 effectively fulfill our statutory public mission.

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

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

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



1 your service.

2 On a final note, Ryan, we understand that  
3 you are a new father, so congratulations to you and  
4 your wife on your son.

5 We understand you will be the joining the  
6 private practice of law with an excellent firm, and  
7 you have a fine mentor in the back of the room.

8 We wish you every success in the world both  
9 professionally and personally. Thank you again,  
10 Ryan. Thank you.

11 (Applause.)

12 OECHSLER: I'll just say this is a  
13 wonderful team, and I'm very grateful to have had a  
14 chance to work with and learn from the people here.  
15 They go great work for the people of Illinois. So  
16 thank you.

17 CHAIR ANDERBERG: Chris.

18 MEISTER: My remarks are in the board book.  
19 I have nothing to add to your remarks, Mr. Chairman.  
20 Thank you.

21 CHAIR ANDERBERG: Thank you. Committee  
22 reports. Member McCoy.

23 McCOY: Thank you, Mr. Chairman. The  
24 Conduit Financing Committee met earlier this morning

1 and voted unanimously to recommend for approval the  
2 following new business items on today's agenda,  
3 No. 1, Waste Management Inc.; No. 2, American Water  
4 Capital Corp; 3, Columbia College, Chicago.

5 We had one beginning farmer bond. We had  
6 the Township High School District 207, Cook County.  
7 We had a resolution for JH Naperville Hotel; a  
8 resolution for the Lincoln Park Zoological Society,  
9 resolution for Quad County Urban League, Inc., and a  
10 resolution for Covenant Living Communities and  
11 Services, formerly known as Covenant Retirement  
12 Community, Inc.

13 CHAIR ANDERBERG: Thank you, Lyle. I'd  
14 like to ask for general consent of the members to  
15 consider new business Items 1, 2, 3, 4, 5, 6, 7, 8, 9  
16 and 10 collectively and have the subsequent recorded  
17 vote applied to each respective individual item  
18 unless there are any new business items that a member  
19 would like to consider separately.

20 Are there any?

21 (No response.)

22 CHAIR ANDERBERG: Thank you.

23 Mr. Myart.

24 MYART: Thank you, Mr. Chairman.

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

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

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

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

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

8           The Authority will use \$50 million of prior  
9 year carryforward bond volume cap set aside for solid  
10 waste disposal revenue bond projects in connection  
11 with the issuance of the Series 2019 bonds. As a  
12 result, issuance of the Waste Management, Inc. Series  
13 2019 bonds will not require any 2019 volume cap.

14           IFA has \$10 million of 2019 bond volume cap  
15 reserved for beginning farmer bonds, and \$110 million  
16 in 2019 volume cap reserve for industrial revenue  
17 bonds.

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

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

1       \$327 million.

2               FRAMPTON: Thank you, Charles.

3               I'm Rich Frampton, and I just want to give  
4 a quick shout out to Waste Management. They're  
5 represented this morning by John Emerson of Bank of  
6 America Securities, as well as Mr. Dale Hoekstra, who  
7 is the area director of disposal operations with  
8 Waste Management.

9               Just wanted to say good morning and welcome  
10 them back to the Authority.

11              EMERSON: Thank you.

12              HOEKSTRA: Thank you.

13              CHAIR ANDERBERG: Okay.

14              MEISTER: Rich, do we have bond counsel  
15 too?

16              FRAMPTON: Additionally, Jennifer Mendonça,  
17 who is bond counsel with Locke Lord, is also here  
18 today.

19              So we appreciate the Waste Management team  
20 returning and look forward to working with them on an  
21 ongoing basis again in the future.

22              MYART: Does any member have any questions  
23 or comments? None heard.

24              Item 2, American Water Capital Corp.

1 Item 2 is a conduit water facilities revenue  
2 refunding bond request. Staff requests approval of a  
3 one-time final bond resolution for American Water  
4 Capital Corp in an amount not-to-exceed \$28,500,000.

5 Bond proceeds will be used to refund all of  
6 the outstanding Series 2009 bonds previously issued  
7 by the Authority on behalf of the borrower for the  
8 ultimate benefit of the borrower's Illinois operating  
9 company, Illinois American Water Company, Inc.

10 The general sites and locations that  
11 benefitted from the 2009 financing are presented on  
12 Pages 9 and 10 of the report in tab 2 of the Board  
13 book.

14 The borrower will apply for ratings from  
15 Moody's and S&P on Series 2019 refunding bonds. The  
16 borrower is currently assigned long-term ratings of  
17 'Baal' and A from Moody's and S&P respectively and a  
18 short-term rating of A-1 from S&P.

19 No volume cap is required for the issuance  
20 of refunding bonds. Hence, no current year volume  
21 cap or carryforward volume cap would be required in  
22 connection with the issuance of the Series 2019  
23 refunding bonds.

24 FRAMPTON: Thanks, Charles.

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

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

10              Thank you.

11              MYART: Does any member have any questions  
12 or comments?

13                               (No response.)

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

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

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

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

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

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

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

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

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



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

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

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

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

19                           (No response.)

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

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

1 really appreciate them trusting in the Authority.

2 MYART: Thank you.

3 Item 4, Dane J. and Jennifer L.

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

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

11 Does any member have any questions or  
12 comments?

13 (No response.)

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

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

1 security improvements, increasing accessibility to  
2 comply with the Americans with Disabilities Act,  
3 replacing electrical, plumbing and mechanical systems,  
4 renovating classrooms and labs, improving the  
5 library media center, renovating special education  
6 spaces and pay costs of issuance of the Series 2019  
7 bonds and the general obligation school bonds.

8 Issuance of the Series 2019 bonds will  
9 constitute the second bond issue in a series of  
10 financings contemplated in connection with the  
11 district's \$240.7 million facility improvement  
12 project.

13 The Series 2019 bonds will be competitively  
14 bid by the district's financial advisor, PMA  
15 Securities, LLC, and sold on the district's current  
16 long-term debt rating of Aa1 from Moody's.

17 Does any member have any questions or  
18 comments?

19 (No response.)

20 MYART: Item No. 6, resolution for the JH  
21 Naperville Hotel project.

22 Item 6 is a resolution relating to Series  
23 2010 bonds previously issued by the Authority on  
24 behalf of JH Naperville Hotel, LLC. This resolution

1 authorizes the execution and delivery of an amended  
2 and restated bond trust indenture, an amended and  
3 restated loan agreement and related documents to  
4 effectuate the purchase of the Series 2010 bonds.

5           The Series 2010 bonds were originally  
6 privately placed with 191 II Naperville Hotel Bond,  
7 LLC. These amendments will enable the bonds to be  
8 purchased by Bell Bank, First National Bank of  
9 Hutchison and Sunflower Public Finance, LLC, a wholly  
10 owned subsidiary of Sunflower Bank, National  
11 Association, and will enable the borrower to reset  
12 the interest rate and modify the amortization  
13 schedule.

14           Bond counsel has determined that a new  
15 TEFRA hearing is not required.

16           Does any member have any questions?

17           O'BRIEN: I have a question. Why don't  
18 they include the financial operating statements for  
19 this project?

20           FLETCHER: We treated this as an amendment,  
21 a re-issuance, simply because it's not a new project.

22           Simply the initial term expired with the  
23 initial investor, and now there's a new purchaser for  
24 a new initial term, so we are just treating this as

1 an amendment.

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

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

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

24 So because this is actually a re-issuance

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

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

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

12 O'BRIEN: Thank you.

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

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

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

24 Approval of this resolution will provide

1 consent to changes agreed to by the borrower,  
2 Northern Trust Company, purchaser of the Series 2017A  
3 bond, and PNC Bank, NA, purchaser of the Series 2017  
4 bond.

5 The borrower and each bank desire to  
6 decrease the effective interest rate borne on the  
7 bonds by approximately 60 basis points and to extend  
8 the initial term approximately 22 months to  
9 November 1, 2024.

10 The bond counsel has determined that a new  
11 TEFRA hearing is not required.

12 Does any member have any questions or  
13 comments?

14 O'BRIEN: I make the same observation as I  
15 did on the previous one.

16 MEISTER: Thank you. We will work to do so  
17 in the future.

18 O'BRIEN: Thank you.

19 MYART: Item 8, resolution for Quad County  
20 Urban League, Inc.

21 Item 8 is a resolution relating to the  
22 Series 2007 bond previously issued by the Authority  
23 on behalf of Quad County Urban League, Inc. This  
24 resolution authorizes the execution and delivery of

1 an amended and restated indenture of trust and related  
2 documents to effectuate the reduction of principal  
3 outstanding on the Series 2007 bonds and reset the  
4 interest rate.

5 Adoption of this resolution will enable the  
6 borrower to reduce its outstanding indebtedness while  
7 resetting the interest rate and amending the  
8 amortization schedule to ensure adequate debt service  
9 coverage for the remaining life of the bond.

10 Bond counsel has determined that a new  
11 TEFRA hearing is not required.

12 Does any member have any questions or  
13 comments?

14 O'BRIEN: Same observation.

15 MEISTER: And we will again work to do so  
16 in the future.

17 Rich, do you have -- I know that this was a  
18 particularly complex amendment. Do you have  
19 additional background that might be appropriate to  
20 share with the Board?

21 FRAMPTON: They have been an SEC reporting  
22 entity, and there are statements and 990s that are  
23 available.

24 O'BRIEN: So you can get the 990?



1 FRAMPTON: We can share that, Mr. O'Brien.

2 GOETZ: Terry, that would probably give you  
3 what you need is the 990.

4 O'BRIEN: Thank you.

5 MEISTER: Rich, just for the stakeholders  
6 and the record, describe the 990 and who produces it.

7 FRAMPTON: The Form 990 has been a required  
8 document that 501(c)(3) organizations are required to  
9 file with the Internal Revenue Service.

10 Among other things, it reports their income  
11 statement, as well as compensation to key officers  
12 and any financial arrangements that they may have  
13 separately with Board members, so it's a  
14 comprehensive tax filing with the IRS, and to a large  
15 extent it is not an audit, but it is a filed  
16 statement required by law.

17 MEISTER: Is there any lag time on these  
18 statements?

19 FRAMPTON: There most certainly is. Many  
20 non-profits do not file depending on their status for  
21 at least 180 days after their fiscal year end. For  
22 some it takes longer, but generally for those who are  
23 an SEC reporting entity, 180 days is generally the  
24 lag period.

1           MYART: Item 9, resolution for Covenant  
2 Living Communities and Services, formerly known as  
3 Covenant Retirement Communities, Inc.

4           Item 9 is a resolution relating to the  
5 Series 2017 bonds previously issued by the Authority  
6 on behalf of Covenant Living Communities and  
7 Services, formerly known as Covenant Retirement  
8 Communities, Inc.

9           This resolution authorizes the execution  
10 and delivery of a supplement to the bond indenture  
11 and related documents in order to accomplish certain  
12 amendments.

13           Adoption of this resolution will enable the  
14 borrower and Bank of America Public Capital Corp, the  
15 purchaser of the bonds, to lower the interest rate on  
16 the bonds by amending the formula for determining the  
17 LIBOR index rate and to extend the mandatory tender date  
18 to the maturity date of the bonds on December 1,  
19 2029, and will enable amendment to the definition of  
20 LIBOR to permit the use of an alternative market  
21 index in advance of the anticipated discontinuation  
22 of the use of LIBOR.

23           Does any member have any questions or  
24 comments?

1 O'BRIEN: Be the same observation.

2 MEISTER: Again, we will work to do so in  
3 the future.

4 O'BRIEN: Thank you.

5 MYART: Item 10, resolution in support of  
6 the Department of Agriculture.

7 Item 10 is a resolution declaring support  
8 for the Illinois Department of Agriculture in meeting  
9 the goals of the Farmer Equity Act and declaring the  
10 Authority's desire to support agricultural  
11 operations, including those pursued by socially  
12 disadvantaged farmers in urban and rural communities  
13 by partnering with the Department of Agriculture and  
14 other organizations.

15 Does any member have any questions or  
16 comments?

17 MEISTER: Just a couple of additions. We  
18 received a request, a written request from John  
19 Sullivan, former state senator from western Illinois,  
20 who is now the director of the Department of  
21 Agriculture.

22 Couple years ago this act had been passed  
23 by the general assembly. It took effect in August of  
24 2018.

1           Given the Authority's mission and programs  
2     in agriculture, agricultural guarantees, which, of  
3     course, are taxpayer guarantees, the beginning farmer  
4     bonds, which, of course, are tax exempt conduit bonds  
5     in the hundreds of thousands of dollars rather than  
6     in the millions of dollars, as is typical for us, the  
7     fact that the Authority serves as an ex-officio  
8     member of the Illinois Forestry Council, when we  
9     received this request, we were also in conversations  
10    with the new leadership at the forestry council,  
11    along with we had had some conversations with the  
12    Chicago Botanic Garden that operates a garden in  
13    northern Cook County under a lease with Cook County,  
14    and they have been pursuing some urban farm programs  
15    successfully within the City of Chicago.

16           So when we received this request, even  
17    though we were not mentioned by name in this  
18    legislation, we had an internal discussion, and we  
19    wanted to bring it to the Board and obtain your  
20    approval and inform you of the direction.

21           Charles and Lorrie Karcher, who is based  
22    out of our Mount Vernon office, are charged with the  
23    responsibility of the ag programs and products.

24           Any questions?

1 (No response.)

2 CHAIR ANDERBERG: Thank you. I would like  
3 to request a motion to pass and adopt the following  
4 new business items: Items 1, 2, 3, 4, 5, 6, 7, 8, 9  
5 and 10.

6 Is there such a motion?

7 McCoy: So moved.

8 HOBERT: Second.

9 CHAIR ANDERBERG: We have a motion and a  
10 second.

11 Will the Assistant Secretary please call  
12 the roll.

13 FLETCHER: Motion and second.

14 I'll call the roll.

15 Mr. Goetz.

16 GOETZ: Yes.

17 FLETCHER: Mr. Fuentes.

18 FUENTES: Yes.

19 FLETCHER: Mr. Hobert.

20 HOBERT: Yes.

21 FLETCHER: Ms. Juracek.

22 JURACEK: Yes.

23 FLETCHER: Mr. McCoy.

24 MCCOY: Yes.

1 FLETCHER: Ms. Nava.

2 NAVA: Yes.

3 FLETCHER: Mr. Obernagel.

4 OBERNAGEL: Yes.

5 FLETCHER: Mr. O'Brien.

6 O'BRIEN: Yes.

7 FLETCHER: Mr. Poole via audio conference.

8 POOLE: Yes.

9 FLETCHER: Mr. Wexler.

10 WEXLER: Yes.

11 FLETCHER: Mr. Chairman.

12 CHAIR ANDERBERG: Yes.

13 FLETCHER: Mr. Chairman, the motion

14 carries.

15 CHAIR ANDERBERG: Thank you. Before we

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

17 borrowers or their counsel that are present today

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

19 the time if you would like to.

20 Go ahead.

21 MR. EMERSON: John Emerson from Bank of

22 America working with Waste Management. Just like to

23 thank the Board for their consideration. Also would

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

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

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

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

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

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

19 CHAIR ANDERBERG: Thank you.

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

24 The best part of this story in my view is

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

6 CHAIR ANDERBERG: Thank you. Okay.

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 jurisdiction, and it appears to be basically staffed  
2 largely by for-profit companies from the State of  
3 California even though it is chartered in effect by  
4 Wisconsin law.

5 We spend a lot of time here at the  
6 Authority discussing state interests and preparing to  
7 address state interests by state decision makers,  
8 whether they're Board members who are Senate  
9 confirmed and appointed by the governor, whether it  
10 is our responsiveness and the resources that we  
11 devote to the state constitutional officer, the auditor  
12 general, whether it is our responsiveness to ethics,  
13 in compliance with ethics rules, state open meetings,  
14 state Freedom of Information Act and state priorities  
15 from the state government, the governor and the state  
16 legislature.

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

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

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

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

14 Any questions?

15 (No response.)

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

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

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

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

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

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

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

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

9 Lisa.

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

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

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



1 the City of Chicago, as well as the executive  
2 director from MWRD, and they are going to talk very  
3 specifically about the challenges that their water  
4 infrastructure facilities are experiencing and  
5 reporting on what's working and what's not working.

6 At lunch we'll hear from the S&P Global  
7 Services about the water economics and the municipal  
8 market, and then in the afternoon, we are going to go  
9 into and we're going to hear from utilities that have  
10 met some of the current challenges that we are facing  
11 today.

12 We are going to hear from Mayor Demuzio  
13 with regard to establishing a regional water utility  
14 for seven small communities down in central Illinois.

15 We are going to hear from the Downers Grove  
16 Waste Water Treatment facility who has gone to net  
17 zero energy usage, which, as you know and we talked  
18 about, energy is like 40 percent of a treatment  
19 facility's budget, and then we're going to hear from  
20 MWRD with regard to green infrastructure.

21 We'll close the day by bringing in  
22 financial experts that will talk about how we can  
23 finance some of these challenges and meet some of  
24 these needs.

1           We will hear from the WIFIA department out  
2 of the U.S. EPA which I talked to you about  
3 Illinois's WIFIA application in the City of Joliet,  
4 and we are going to hear from USDA as to the farm  
5 bill had a tremendous amount of funding for water  
6 utilities, and then we're going to also highlight SRF  
7 and our work through with the IEPA on that.

8           So we are very excited. We have really  
9 been able to garner people from U.S. EPA and national  
10 leaders, and we are very excited for what the day can  
11 bring, and really just the role that IFA as we  
12 continue to show our leadership in financing on  
13 Illinois' water infrastructure.

14           So any questions?

15           GOETZ: I see you have Director Meister as  
16 the closing speaker.

17           MEISTER: Yes.

18           BONNETT: Most importantly.

19           One other thing, Chris, would you like me  
20 to move to the --

21           MEISTER: Yes, please.

22           BONNETT: One other thing to report very  
23 quickly is that the SRF Series 2019 green bonds are  
24 going to be nominated for the Bond Buyers Deal of the

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

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

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

13 And then with regard to -- so we  
14 highlighted those programs, those projects, but then  
15 also our key here is our reporting, our annual  
16 reporting.

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

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

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

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

7 NAVA: Will this be the first time?

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

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

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

1 also having some challenges with their Board in  
2 getting the green light to move forward, because  
3 before -- generally before a matter hits the IFA  
4 agenda, the board of the borrower has acted in some  
5 capacity, passed a resolution authorizing the  
6 direction.

7 As a result, towards the end of May 2015,  
8 they came back a couple of days after our May meeting  
9 and said, we would like a special meeting before the  
10 end of May. We have our audited financials due, and  
11 so very quickly this Board came together.

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

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

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

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

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

14           So did I summarize that correctly?

15           NAVA: Thank you.

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

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

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

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

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

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

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

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

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

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

7 Any questions?

8 (No Response.)

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

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

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



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

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

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

22 I'll take any questions.

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

1 Finance reports, Six.

2 GRANDA: Good morning, everyone.

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

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

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

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

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

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

24 Our total monthly net loss for September is

1     \$173,000, which was due to lower-than-expected closing  
2     fees. Our total annual net loss of \$191,000 was  
3     driven by lower-than-expected closing fees, but was  
4     offset by higher than expected net investment income.

5             Also, in your blue folders you will find  
6     the treasury report which includes fiscal year  
7     comparison of bonds issued and a detail of bonds  
8     issued in the current fiscal year.

9             Due to the departure of team members and  
10    that we are nearing the end of our audit process,  
11    which is always resource intensive, we are still  
12    reconciling the schedule from August and September  
13    for accuracy.

14            The Authority has executed the routine  
15    check selection process effectively and timely. The  
16    Authority is planning on hiring an accountant,  
17    payroll and HR administrator and an accountant  
18    compliance staff member within the next few weeks.

19            Any questions?

20            MEISTER: And two business analysts.

21            GRANDA: Two business analysts.

22            Any questions on the financials?

23                    (No response.)

24            GRANDA: Moving on to audit, the fiscal

1 year 2019 financial audit and the two-year compliance  
2 examination is on track. At this time there's  
3 nothing to report. The same with the two internal  
4 audits.

5 They are internal audits. They are ongoing  
6 as both of these audit process as -- excuse me -- and  
7 as both audit progresses, updates will be provided to  
8 the Board.

9 Moving forward, or looking forward, the  
10 first quarter in fiscal year 2020 was rough.  
11 However, as you heard earlier today, we have a strong  
12 and diverse agenda.

13 Waste Management, Inc. and American Water  
14 Capital Corporation have not come to the Authority  
15 since 2007 and 2010 respectively as it was mentioned  
16 earlier.

17 All corporate for-profit projects have a  
18 different fee structure from the nonprofits which  
19 generally it generates higher fees based on the  
20 dollar issued.

21 The Authority is estimating generating  
22 roughly about \$500,000 in closing fees within the  
23 next 30, 45 or 60 days.

24 If all the agenda items close in October,

1 there will be a swing of a loss to a gain of  
2 approximately \$80,000 through the end of October.

3 Are there any questions?

4 (No response.)

5 GRANDA: Thank you.

6 CHAIR ANDERBERG: Okay. Procurement.

7 I would like to request a motion to accept  
8 the financial reports. Is there such a motion?

9 GOETZ: So moved.

10 FUENTES: Second.

11 CHAIR ANDERBERG: The motion is seconded.

12 All those in favor.

13 (Chorus of ayes.)

14 CHAIR ANDERBERG: Opposed?

15 (No response.)

16 CHAIR ANDERBERG: The ayes have it.

17 Okay. Procurement.

18 HOLLOWAY: Contracts listed on Page 1 of  
19 the current report are to support the Authority  
20 operations. Pages 2 and 3 are the expiring contracts  
21 through 2019.

22 Any questions?

23 (No response.)

24 HOLLOWAY: Thank you.

1           CHAIR ANDERBERG: Does anyone wish to make  
2 any additions, edits or corrections to the minutes  
3 from September 10?

4                   (No response.)

5           CHAIR ANDERBERG: Hearing none, I would  
6 like to request a motion to approve the minutes. Is  
7 there such a motion?

8           GOETZ: So moved.

9           JURACEK: Second.

10          CHAIR ANDERBERG: We have a motion and a  
11 second.

12          All those in favor?

13                   (Chorus of ayes.)

14          CHAIR ANDERBERG: Opposed?

15                   (No response.)

16          CHAIR ANDERBERG: The ayes have it.

17          Is there any other business to come before  
18 the members today? Hearing none, I'd like to request  
19 a motion to excuse the absences of members unable to  
20 participate today. Is there such a motion?

21          FUENTES: So moved.

22          McCOY: Second.

23          CHAIR ANDERBERG: Motion and a second. All  
24 those in favor.

1 (Chorus of ayes.)

2 CHAIR ANDERBERG: Opposed?

3 (No response.)

4 CHAIR ANDERBERG: The ayes have it.

5 Is there any matter for discussion in  
6 closed session?

7 WEBER: Yes. We now have the opportunity  
8 to enter into closed session pursuant to Section  
9 2(c)(11) of the Illinois Open Meetings Act, that's  
10 5 ILCS 120/2(c)(11) to discuss litigation naming the  
11 Authority which has been filed and is currently  
12 pending in Illinois state court.

13 Upon a vote by the members of the Authority  
14 to enter into closed session, I would like to ask  
15 that everyone in attendance please exit the room  
16 except for those individuals who have previously been  
17 asked to stay.

18 I'll also note for those in attendance via  
19 the audio conference line that the line will be  
20 terminated during the closed session.

21 After your connection is terminated, you  
22 may call back in and wait for the line to be reopened  
23 when we reenter the open session. For those members  
24 attending this meeting via audio conference, please

1 call in after the vote to enter into closed session  
2 is taken using the closed session call-in number  
3 previously provided.

4 CHAIR ANDERBERG: Thank you. Is there a  
5 motion to enter into closed session pursuant to  
6 Section 2(c)(11) of the Illinois Open Meetings Act to  
7 discuss items described items by --

8 MEISTER: By General Counsel Weber.

9 GOETZ: So moved.

10 JURACEK: Second.

11 CHAIR ANDERBERG: We have a motion and a  
12 second.

13 Assistant Secretary, please call the roll.

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

16 FLETCHER: Mr. Goetz

17 GOETZ: Yes.

18 FLETCHER: Mr. Fuentes.

19 FUENTES: Yes.

20 FLETCHER: Mr. Hobert.

21 HOBERT: Yes.

22 FLETCHER: Ms. Juracek.

23 JURACEK: Yes.

24 FLETCHER: Mr. McCoy.

25 McCOY: Yes.



1 FLETCHER: Ms. Nava.

2 NAVA: Yes.

3 FLETCHER: Mr. Obernagel.

4 OBERNAGEL: Yes.

5 FLETCHER: Mr. O'Brien.

6 O'BRIEN: Yes.

7 FLETCHER: Mr. Poole, on the line.

8 POOLE: Yes.

9 FLETCHER: Mr. Wexler.

10 WEXLER: Yes.

11 FLETCHER: Mr. Chairman.

12 CHAIR ANDERBERG: Yes.

13 FLETCHER: The Authority may now enter into  
14 closed session. Thank you.

15 (Closed session had.)

16 CHAIR ANDERBERG: Will the Assistant  
17 Secretary please call the roll to confirm the return  
18 to open session.

19 FLETCHER: Certainly. The time is 11:28.  
20 Mr. Goetz.

21 GOETZ: Yes.

22 FLETCHER: Mr. Fuentes.

23 FUENTES: Yes.

24 FLETCHER: Mr. Hobert.

1           HOBERT:  Yes.

2           FLETCHER:  Ms. Juracek.

3           JURACEK:  Yes.

4           FLETCHER:  Mr. McCoy.

5           McCOY:  Yes.

6           FLETCHER:  Ms. Nava.

7           NAVA:  Yes.

8           FLETCHER:  We lost Mr. Obernagel.

9           Mr. O'Brien.

10          O'BRIEN:  Yes.

11          FLETCHER:  We lost Mr. Poole.

12          Mr. Wexler.

13          WEXLER:  Yes.

14          FLETCHER:  Mr. Chairman.

15          CHAIR ANDERBERG:  Yes.

16          FLETCHER:  Mr. Chairman, we retain a

17          quorum.

18          CHAIR ANDERBERG:  Very good.

19          MEISTER:  Pursuant to 5 ILCS 120/2

20          paragraph E, I will now give a public recital of the

21          matters discussed in the closed session.

22                 The discussion concerned certain litigation

23          naming the Authority which has been filed and is

24          currently pending in Illinois state court.

1 CHAIR ANDERBERG: Thank you.

2 Adjournment. The next regularly scheduled  
3 meeting will be November 12.

4 I would like to request a motion to  
5 adjourn.

6 Is there such a motion?

7 FUENTES: So moved.

8 O'BRIEN: Second.

9 CHAIR ANDERBERG: We have a motion and  
10 second. All those in favor?

11 (Chorus of ayes.)

12 CHAIR ANDERBERG: Opposed?

13 (No response.)

14 CHAIR ANDERBERG: The ayes have it.

15 Thank you, everybody.

16 FLETCHER: The time is 11:29 a.m.

17 (Whereupon the above  
18 matter was adjourned.)

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