

1 ILLINOIS FINANCE AUTHORITY
2 SPECIAL MEETING OF THE
3 EXECUTIVE COMMITTEE MEMBERS
4 May 11th, 2016 at 4:10 p.m.
5
6
7

8 Report of Proceedings had at the Special Meeting of the
9 Executive Committee of the Illinois Finance Authority
10 on May 12th, 2016, at the hour of 4:00 o'clock p.m.,
11 pursuant to notice, at 160 North LaSalle Street, Suite
12 S-1000, Chicago, Illinois.
13
14
15
16
17
18
19
20
21
22
23
24

MARZULLO REPORTING AGENCY (312) 321-9365

♀

1 APPEARANCE:
2 COMMITTEE MEMBERS

3 Open Session 5-11-16 (Version 2).txt
MR. R. ROBERT FUNDERBURG, Chair
4 MS. GILA BRONNER
MR. LERRY KNOX (Via audio conference)
5
6 ILLINOIS FINANCE AUTHORITY STAFF MEMBERS
MR. CHRISTOPHER B. MEISTER, Executive Director
7 MR. MASANARI KATSUMI, Legal extern
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24

MARZULLO REPORTING AGENCY (312) 321-9365

♀

3

1 CHAIRMAN FUNDERBURG: I would like to call to
2 order the Executive Committee of the Illinois
3 Finance Authority.

4 General Counsel Weber, would you please
5 call the roll?

6 WEBER: Certainly. First, I'll call the roll
7 of those in attendance here at our offices.

8 Chairman Rob Funderburg?

9 CHAIRMAN FUNDERBURG: Here.

10 WEBER: Gila Bronner?

11 BRONNER: Here.

12 CHAIRMAN FUNDERBURG: And I'll call those
13 attending by audio conference. Lerry Knox?

14 KNOX: Here.

15 WEBER: Eric Anderberg? Robert Horne? Please
16 note that the last two are absent. On the question
17 of a quorum of those members physically present, and
18 present by audio conference, I declare a quorum has
19 been constituted.

20 CHAIRMAN FUNDERBURG: Okay, thank you. Do any
21 of the Members of the Board wish to direct General
22 Counsel Weber to make any edits of the minutes of
23 the Special Meeting of the Committee held on March
24 10th, 2016?

MARZULLO REPORTING AGENCY (312) 321-9365

♀

4

1 BRONNER: No.

2 CHAIRMAN FUNDERBURG: Lerry?

3 KNOX: No.

4 CHAIRMAN FUNDERBURG: Okay. So is there a
5 motion pending, then, to approve the minutes?

6 BRONNER: So moved.

7 KNOX: Second.

8 CHAIRMAN FUNDERBURG: Both open and closed
9 session. We have a motion. We have a second. All
10 in favor, please say aye.

11 (A chorus of ayes.)

Open Session 5-11-16 (Version 2).txt
12 CHAIRMAN FUNDERBURG: Any opposed?

13 (No response.)

14 CHAIRMAN FUNDERBURG: Okay. Next question. Is
15 there a motion to recommend that all or part of the
16 closed session minutes be open to the public? And I
17 would like to ask General Counsel Weber for some
18 input here.

19 WEBER: Yes. If a need for confidentiality
20 exists as to all or part of the closed session
21 minutes, then those closed session minutes can
22 remain closed until the next periodic review
23 required by the Open Meetings Act, and I have put
24 together a list of portions of the closed session

MARZULLO REPORTING AGENCY (312) 321-9365

♀

5

1 minutes that I am suggesting remain closed.

2 I have given -- I'm sorry, Lerry, I don't
3 have these for you via audio conference, but for
4 those people here, I've highlighted the sections
5 here which if you turn pages, you will see what is
6 in yellow. Chris, do you have one?

7 MEISTER: I'm deferring to you.

8 WEBER: Just for people to follow along. What
9 I am recommending is that all of the closed sessions
10 minutes be open to the public except for page 3
11 lines 23 and 24. Page 4, lines 1 through 5. Page
12 4, line 8 starting with the word "including" through
13 the word "potential" on line 19.

14 Page 6, line 15, starting with the word
15 "and" and continuing through the end of the
16 sentence. And page 9, line 3 through line 20. And
Page 4

17 for clarity, what I just read, those would remain
18 closed.

19 CHAIRMAN FUNDERBURG: Okay. Thank you. Is
20 there such a motion suggested by General Counsel
21 Weber?

22 BRONNER: Yes. So moved.

23 CHAIRMAN FUNDERBURG: Is there a second?

24 KNOX: Second.

MARZULLO REPORTING AGENCY (312) 321-9365

†

6

1 CHAIRMAN FUNDERBURG: All in favor, please say
2 aye.

3 (A chorus of ayes.)

4 CHAIRMAN FUNDERBURG: Any opposed?

5 (No response.)

6 CHAIRMAN FUNDERBURG: Okay. At this point, I
7 would like to turn over the meeting to Executive
8 Director Meister.

9 MEISTER: Thank you, Mr. Chairman. I asked
10 Chairman Funderburg to have this meeting for a
11 couple of reasons. Number one, when the Chairman
12 was first appointed, I think one of the very first
13 things that we discussed was opportunities for
14 growth; and now just over a year later, I think that
15 we do have some opportunities.

16 But in that context, I wanted to revisit
17 with the Executive Session, recognizing that the --
18 or the Executive Committee, recognizing that
19 ultimately hiring, compensation, and other staff
20 performance issues are actually covered by the

Open Session 5-11-16 (Version 2).txt
21 Governance and Personnel meeting; but I did want to
22 revisit this, because I think that we are at a great
23 opportunity.

24 I did want to just remind everybody back
MARZULLO REPORTING AGENCY (312) 321-9365

♀

7

1 in 2011, we did put together a strategic plan,
2 copies of which are available and published on the
3 website for everyone's convenience, but the most
4 important part, and this is both on the agenda and
5 in the folders, are that when we discussed new
6 business lines, new pursuits, new missions, that we
7 have core criteria, which I believe are very
8 valuable, for the Board's consideration, public
9 mission, risk profile, net revenue impact and
10 competitive position, the last being basically as a
11 small public agency.

12 We don't want to get into a position where
13 we are competing with either larger government,
14 nonprofit or for-profit organizations. So in
15 keeping these contexts in mind, one of the things
16 that I have been giving a great deal of thought, and
17 doing some work over the past several months, is I
18 believe that we have two possible future areas of
19 growth, recognizing that our core business is the
20 issuance of federally tax-exempt conduit bonds on
21 behalf of not-for-profits or certain categories of
22 for-profit or individual.

23 And those two categories are local
24 government lending, and what has been broadly

1 defined sometimes as public/private partnership,
2 sometimes as alternative finance and procurement.

3 From time to time, we've discussed other
4 pursuits. I think I would suggest to the Executive
5 Committee that we focus on these two for the
6 present. And as we consider hiring and developing a
7 hiring plan, as well as a longer-term plan for
8 compensation, talent attraction, talent retention,
9 growth and development of the current team and the
10 current staff, that we do have some well-known areas
11 that we've discussed at other meetings - procurement,
12 compliance, accounting, administrative support.

13 But I think that the opportunity is not
14 only that we can remain focused on our core business
15 of conduit, and yet deliberately, considerately,
16 thoughtfully approach these two areas, because I
17 believe that we can hire for these two larger areas,
18 not just for our current needs, but with a view
19 towards growth, and at the same time we will need
20 different types of people for these new endeavors.

21 For example, if we went into local
22 government, direct local government lending in a
23 larger manner than we currently do, currently it's
24 an adjunct to the business and industry group, we're

MARZULLO REPORTING AGENCY (312) 321-9365

1 going to need basically people that originate loans.
2 We're going to need people that manage loans. We're

Open Session 5-11-16 (Version 2).txt
3 going to need more of them. We're going to need
4 possibly additional legal help with standardizing
5 documents.

6 Also, the other option is or the other
7 suggestion is alternative financing, procurement, or
8 public/private partnerships which, in essence, is
9 procurement, plus contract administration, and those
10 are different skills than the current team.

11 And, in addition, those are -- I would not
12 want to distract the current team from their core
13 conduit mission because their core conduit mission
14 currently is our primary mission and is our primary
15 stream of revenue. So that was the broad overview.
16 I'll take any questions.

17 CHAIRMAN FUNDERBURG: Any questions at all?

18 BRONNER: Well, one question would be within
19 the local government lending arena, are you thinking
20 specifically about general versus special purpose
21 governments or a particular stream? So when we look
22 at special districts, you might have Housing
23 Authority, school districts, transit authorities, a
24 whole litany, water and sewer, utilities, that would

MARZULLO REPORTING AGENCY (312) 321-9365

♀

10

1 fall in special district versus general purpose. So
2 it's just a --

3 MEISTER: I would suggest that I think our best
4 approach is the water and sewer space. The
5 predecessor entity, the rural bond bank, while it
6 facilitated to be a large array of local
7 governments, I think the strongest loans within that

8 portfolio are water and sewer.

9 We've also had some experience back in
10 2013 with the State Revolving Fund, and we are also
11 currently, pursuant to statutory mission, giving
12 basically low- or no-interest loans through a State
13 government revenue stream for fire trucks and
14 ambulances, but I would suggest that we focus on
15 sewer and water.

16 BRONNER: Sewer and water, okay.

17 MEISTER: Yes. And that would also lend itself
18 to if we are looking to grow, our challenges can be
19 not reinventing the wheel with every transaction
20 that we would have form documents and form term
21 sheets, form resolutions, form resolutions for the
22 local government, or resolutions or ordinances.
23 That would be my suggested thoughts.

24 BRONNER: And so it would be principally for
MARZULLO REPORTING AGENCY (312) 321-9365

♀

11

1 local government lending where they aren't issuing
2 their own debt, and they're not -- are we looking at
3 -- I'm trying to understand sort of the size entity
4 and the type of entity, and are we limiting it to
5 Illinois, or are we thinking more broadly?

6 MEISTER: I believe that we are limiting it to
7 Illinois. Initially, what I would hope to do is
8 think about using some of our balance sheet.

9 In the event that there might be
10 ultimately an end to the budget discussions,
11 possibly since we're already thinking in this

Open Session 5-11-16 (Version 2).txt
12 direction, we could say the Board Leadership has
13 already thought about this, if there is an
14 opportunity for an appropriation or for programs
15 that may exist elsewhere in State Government, but I
16 think that is --

17 BRONNER: There's market opportunity.

18 WEBER: Yes.

19 BRONNER: Okay.

20 WEBER: Yes.

21 CHAIRMAN FUNDERBURG: Okay. Thank you. Any
22 other questions at all? Okay. If not, then I would
23 like to suggest that we consider going to closed
24 session. Ms. Weber?

MARZULLO REPORTING AGENCY (312) 321-9365

♀

12

1 WEBER: Yes. We are entitled to go into closed
2 session to discuss appointment, employment,
3 compensation, and performance of specific employees
4 of the Authority.

5 CHAIRMAN FUNDERBURG: Okay. Is there a motion
6 to enter into closed session?

7 BRONNER: So moved.

8 KNOX: So moved. Second it.

9 CHAIRMAN FUNDERBURG: We have a motion and
10 second. All in favor, please say aye.

11 WEBER: We need a roll call vote.

12 CHAIRMAN FUNDERBURG: Roll call vote?

13 WEBER: Thank you. Chairman Funderburg?

14 CHAIRMAN FUNDERBURG: Yes.

15 WEBER: Gila Bronner?

16 BRONNER: Yes.

17 WEBER: Lerry Knox?

18 KNOX: Yes.

19 WEBER: Please note that we are entering into
20 closed session at 4:27. Is that right?

21 MEISTER: Yes.

22 WEBER: To discuss the appointment, employment,
23 compensation, and performance of specific employees
24 of the Authority.

MARZULLO REPORTING AGENCY (312) 321-9365

†

13

1 MEISTER: And, Lerry, did you receive the
2 second call-in number?

3 KNOX: I did. I'll hang up and dial in when
4 you're ready.

5 MEISTER: Thank you. At 4:27 we will move into
6 closed session. Mas, if you could excuse us.

7 BRONNER: Who is this?

8 MEISTER: All right. Thanks, Lerry.

9 KNOX: All right, thank you.

10 (WHEREUPON, certain proceedings
11 were had in closed session and
12 not included in this
13 transcript.)

14 WEBER: Please let the record note it's 5:26.
15 We're returning to open session. The nature of the
16 business conducted in closed session was a
17 discussion of the appointment, employment
18 compensation, and performance of specific employees
19 of the Authority. That was a closed session
20 pursuant to 5 ILCS 120/2E.

21

MEISTER: 2C.

22

WEBER: C, I'm sorry. C.

23

CHAIRMAN FUNDERBURG: Okay. Thank you.

24

WEBER: C1.

MARZULLO REPORTING AGENCY (312) 321-9365

♀

14

1

CHAIRMAN FUNDERBURG: I would like to ask is

2

there any other business to come before the

3

Executive Committee? If not, then, I would like to

4

ask for public comment. Any public comment?

5

Anybody on the phone, public comment? Okay.

6

If not, then I would like to ask for a

7

motion to adjourn. Is there a motion?

8

BRONNER: So moved.

9

KNOX: Second.

10

CHAIRMAN FUNDERBURG: Mr. Knox second.

11

KNOX: Yes, second.

12

CHAIRMAN FUNDERBURG: Okay. All in favor,

13

please say aye.

14

(A chorus of ayes.)

15

CHAIRMAN FUNDERBURG: Any opposed?

16

(No response.)

17

CHAIRMAN FUNDERBURG: Thank you all very much

18

for your time. The meeting is over.

19

(WHICH WERE ALL THE PROCEEDINGS HAD.)

20

21

22

23

24

MARZULLO REPORTING AGENCY (312) 321-9365

♀

1 STATE OF ILLINOIS)
2 COUNTY OF COOK) SS:

3

4 PAMELA A. MARZULLO, C.S.R., being first duly sworn,
5 says that she is a court reporter doing business in the city
6 of Chicago; that she reported in shorthand the proceedings
7 had at the Proceedings of said cause; that the foregoing is
8 a true and correct transcript of her shorthand notes, so
9 taken as aforesaid, and contains all the proceedings of said
10 meeting.

11

PAMELA A. MARZULLO
License No. 084-001624

12

13

14

15

16

17

18

19

20

21

22

23

24

MARZULLO REPORTING AGENCY (312) 321-9365

♀