

ILLINOIS FINANCE AUTHORITY

February 11, 2020

9:30 a.m.

REGULAR MEETING

Michael A. Bilandic Building

160 North LaSalle Street

Suite S-1000

Chicago, Illinois 60601

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

NEW BUSINESS

CONDUIT FINANCING PROJECTS

Tab	Project Name	Location	Amount	New Jobs	Const. Jobs	Staff
Private Activity Bonds - Revenue Bonds <i>Final (One-Time Consideration)</i>						
1	NorthShore University Health System Obligated Group	Chicago, Evanston, Glenview, and Skokie (Cook County); Highland Park (Lake County)	\$570,000,000	150	90	SP
2	The University of Chicago	Chicago (Cook County)	\$400,000,000	N/A	N/A	RF/BF
3	A) Beginning Farmer - Kyle Phillip Owens	Shaws Point Township (Macoupin County)	\$120,000	-	-	LK
	B) Beginning Farmer - Jason Haas	Clayton Township (Woodford County)	\$377,000	-	-	LK
	C) Beginning Farmer - Christopher and Karen Jones	Clayton Township (Woodford County)	\$377,000	-	-	LK
Local Government Program Bonds - Revenue Bonds <i>Final (One-Time Consideration)</i>						
4	Community Unit School District Number 428, DeKalb County	DeKalb (DeKalb County)	\$47,000,000	N/A	N/A	RF/BF
TOTAL CONDUIT FINANCING PROJECTS			\$1,017,874,000	150	90	
GRAND TOTAL			\$1,017,874,000	150	90	

NEW BUSINESS

RESOLUTIONS

Tab	Action	Staff
Conduit Financings		
5	Resolution Authorizing and Approving Amendments Related to the Illinois Finance Authority Revenue Bonds, Series 2012 (Centegra Health System), Illinois Finance Authority Revenue Bonds, Series 2014A (Centegra Health System), Illinois Finance Authority Variable Rate Revenue Bonds, Series 2014B (Centegra Health System), Illinois Finance Authority Revenue Bonds, Series 2015A (KishHealth System) and the Illinois Finance Authority Revenue Bonds, Series 2015B (KishHealth System); and Approving Related Matters	SP
6	Resolution Authorizing the Amendment of the Bond Purchase and Loan Agreement Relating to the Illinois Finance Authority Revenue Bonds, Series 2013 (The University of Chicago Medical Center); and Approving Related Matters	SP
Direct and Alternative Financings		
7	Resolution Delegating to the Executive Director of the Illinois Finance Authority the Power to Fund and Administer a Loan in an Amount Not-To-Exceed \$7,500,000 to the Firefighters' Pension Investment Fund and Ratifying Certain Matters Related Thereto	WA
8	Resolution Delegating to the Executive Director of the Illinois Finance Authority the Power to Fund and Administer a Loan in an Amount Not-To-Exceed \$7,500,000 to the Police Officers' Pension Investment Fund and Ratifying Certain Matters Related Thereto	WA
9	Resolution Delegating to the Executive Director of the Illinois Finance Authority the Power to Fund and Administer an Appropriation Anticipation Loan in an Amount Not-To-Exceed \$300,000 to the Joliet Arsenal Development Authority (JADA) and Ratifying Certain Matters Related Thereto	CM
Audit, Budget, Finance, Legislation, Investment and Procurement		
10	Resolution to Accept the Fiscal Year 2019 Financial Audit	XG

SUBJECT MATTER-ONLY

Tab	Action	Staff
Direct and Alternative Financings		
11	Transformation Initiative: Sustainable Financing / Addressing Climate Change	JS

Date: February 11, 2020

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

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

From: Christopher B. Meister, Executive Director

Subject: *Message from the Executive Director*

Dear Member of the Authority:

Status and Future of Local Pension Consolidation

On January 29, 2020, Governor Pritzker gave the annual State of the State address and highlighted local pension consolidation:

We've also begun the long work of tackling our pension problems. In addition to expanding our state pension buyout program, in the fall veto session we accomplished something that eluded governors and General Assemblies for almost 75 years by consolidating 650 downstate and suburban first responder pension systems – which will alleviate local property tax burdens and strengthen the funds that offer a decent retirement to our police and firefighter. Maybe more significantly – the bill we passed was supported by both a leading progressive Representative, Will Guzzardi, and an outspoken conservative Senator, Dan McConchie. All I can say is, anything is possible.

These changes, along with our landmark pension reform that consolidated police and firefighter pensions, can make a serious dent in property taxes.

The Illinois Finance Authority has demonstrated its effectiveness in support of Governor Pritzker's local pension consolidation. Accordingly, we should be prepared to assist in future initiatives, keeping in mind the overall goal to lower property taxes and improve the quality of life of Illinois residents. Members can be proud of the Authority's role in this landmark reform.

Governor's Climate Agenda and Authority Involvement

Governor Pritzker also discussed climate and energy in his State of the State address, highlighting that the spring legislative agenda must also address adopting new clean energy legislation that reduces carbon pollution, promotes renewable energy, and accelerates electrification of the transportation sector.



Governor Pritzker noted that Illinois saw the effects of climate changes last year with a polar vortex, devastating floods, record lake levels, and emergency declarations in more than a third of Illinois' counties."

The Authority is already at the forefront of bringing financial tools that will assist in a significant way in achieving the Governor's climate agenda.

The **PACE** program at the Authority has been warmly received by market participants thus far, and counties and municipalities have been reacting by procuring or appointing program administrators that will work with the Authority to issue PACE bonds. Meanwhile, the Authority's **PACE** program has in place approvals for hundreds of millions of dollars of private capital throughout the state to fund PACE projects which will lower energy consumption, reduce carbon pollution, conserve water, and promote sustainable development.

Evidence of the positive impacts of the PACE program is the PACE project at 208 South LaSalle Street, Chicago, IL to be known as The Reserve Hotel, which is reported to have energy savings of 954,546 kWh and 4,875 therms per annum while also conserving 2,272,700 gallons of water each year. Further proof is the PACE project located at 6810 Mannheim Road, Rosemont, IL for three hotels and one restaurant, which is reported to have energy savings of 2,681,625 kWh and 40,899 therms per annum while also conserving 134,167 gallons of water each year.

The Authority has also successfully priced and closed the State of Illinois' inaugural **Clean Water Initiative Revolving Fund Revenue Bonds, Series 2019 Green Bonds** on behalf of the Illinois Environmental Protection Agency. Designating the \$450 million 2019 SRF Bonds as "Green Bonds" prioritized the Authority's commitment Environment, Social and Governance ("ESG")-related project funding.

The Series 2019 Green Bond proceeds will fund loans to wastewater and drinking water treatment facilities, including providing financing for energy efficiency and renewable energy projects. An example is a drinking water project for the City of Chicago to convert a pumping station from steam to electric power. This change will reduce operating expenses approximately \$4.5 million annually and will reduce the pumping station's carbon footprint by 58%.

In addition to the Governor's State of the State speech, there are two major developments that make this topic particularly relevant to the Authority. First, the McKinsey Global Institute released its report (January 2020) entitled "*Climate risk and response: physical hazards and socioeconomic impacts.*" ("McKinsey Report"). The McKinsey Report specifically highlights the importance of governments to mobilize financing to fund adaptation measures, including public-private partners. The report stresses that financial markets could bring forward risk recognition in affected regions, with consequences for capital allocation and insurance. Greater understanding of climate risk could make long duration borrowing unavailable, impact insurance cost and availability, and reduce values. Second, Larry Fink, Chair and Chief Executive Officer of Blackrock, released a letter (January 2020, "Blackrock Letter") recognizing that "the evidence of climate risk is compelling investors to reassess core assumptions about modern finance" that will lead to "a fundamental reshaping of finance." Both the McKinsey Report and the Blackrock Letter will be discussed in today's meeting.

The Authority has the opportunity to build on our leadership in financing climate change projects by committing additional resources to this topic under the umbrella of the **Transformation Initiative**. In addition to the McKinsey Report and the Blackrock Letter, the UN Sustainability Development Goals



(2015) provide are good starting points for this discussion, as they identify 17 goals, which reflect job creation, elimination of poverty, reduced inequalities, clean energy, clean water, and climate action to mention a few.

USEPA Environmental Finance Advisory Board/Stormwater Funding Task Force

The USEPA Environmental Finance Advisory Board (EFAB) and the Stormwater Funding Task Force will meet on February 11-13, 2020 in Washington D.C. to among other business, consider a report by the EFAB Stormwater Infrastructure Finance Task Force Workgroup

The Stormwater Funding Task Force has issued a draft report in response to the 2018 America's Water Infrastructure Act, which directed EPA to conduct a study on, and develop recommendations to improve the availability of public and private sources of funding for the construction, rehabilitation, and operation and maintenance of stormwater infrastructure. The Task Force report makes recommendations that are practical to implement, actionable at the federal level and understandable to the public. They present suggestions to use existing funding mechanisms, increase accessibility to those funding mechanisms, identify additional funding opportunities, and enhance public education. Since 2016, I have been proud to contribute to the work of EFAB.

Diverse Agenda

We are proud to present for consideration additional bond resolutions for qualified borrowers seeking to benefit from the tax-exempt financing market and the Authority's continual excellent customer service, including ***DeKalb Community Unit School District Number 428 Project***, an important refinancing to reduce the burden of local property taxpayers. Members will also consider projects on behalf of ***Northshore University Health System, The University of Chicago, and Beginning Farmers in Macoupin and Woodford Counties***, for a total of 92.77 acres.

Advanced Refunding with Taxable Debt Trend

After attending *The Bond Buyer's National Outlook 2020*, the Authority left with a few key takeaways. As highlighted in recent meetings, more traditional conduit borrowers are issuing taxable debt due to the possibility of higher savings and reduced compliance costs (*e.g.*, the need to keep track of their assets with a federally tax-exempt conduit bond). In 2020, taxable debt is projected to be 25% of the total predicted municipal debt issuance. Bank of America predicts that as long as rates stay where they are (historically low), the taxable trend is here to stay. It is possible for borrowers to issue taxable bonds through the Authority, and certain financial advisors have found that if the taxable financing is less than \$300 million, there may be a benefit to issuing through the Authority.

Respectfully,

A handwritten signature in black ink, appearing to read 'C. Meister', with a long horizontal line extending to the right.

Christopher B. Meister
Executive Director

Enclosures: 1. Transformation Initiative: Update to Senate Bill 1300

Date: February 11, 2020

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

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

Subject: ***Transformation Initiative: Update to Senate Bill 1300***

Introduction

Since embarking on its Transformation Initiative on February 11, 2018, the Illinois Finance Authority (the “Authority”) has steadily become more involved in seeking solutions to the State’s pension funding issues. In so doing, it has engaged in addressing an existential challenge for our state: how to keep the constitutionally protected promises made to generations of public servants. There are no issues more critical to Illinois’s financial stability and well-being than those related to funding of these obligations, so no higher calling for the Authority.

Discussion

On February 8, 2018, at its regularly scheduled meeting, the Authority discussed consequences of changes to federal tax legislation. Issues were raised regarding various needs of the State of Illinois, including clean water, housing, financing of infrastructure projects, and the looming pension crisis. Out of that meeting came a consensus to move forward, bring to bear the powers of the Authority, and lean in to these problems, none of which being any more daunting than our state’s public pension obligations. Out of this discussion came the Authority’s Transformation Initiative.

Approximately one year later, on February 11, 2019, Governor Pritzker created the Pension Consolidation Feasibility Task Force (the “Task Force”). Its first mission was to identify improvements to Illinois’ system of downstate and suburban police and fire pension funds. There are 640 such funds that provide retirement security for public safety professionals and first responders in the communities outside of Chicago. Those funds have combined assets of \$14.2 billion but the average value of each pension fund portfolio is just \$22 million. As a result, these plans earn below market returns and are burdened by above market costs.

The Governor’s task force sought to remedy these problems.

The Task Force was comprised of representatives of police officers and firefighters unions; the Illinois Municipal League; the financial services industry; the Governor’s Office; and public investment professionals. The Task Force met regularly through the Spring and Summer of 2019 and the Authority was invited to participate in those meetings.

The Task Force issued its report on October 10, 2019, in which the Task Force advocated for the formation of two new investment boards, one for downstate police and another for downstate fire, with pension investment assets to be consolidated into those two new funds.



SB1300 was introduced and passed during the Veto Session, and on December 19, 2019, signed into law by the Governor (PA 101-610). SB1300 creates two new pension funds, the Firefighters' Pension Investment Fund and the Police Pension Investment Fund. The effective date of the legislation was January 1, 2020, and the Governor was required to appoint interim Board members to the two funds by January 31, 2020. A permanent board is to be elected by December 31, 2020, and all affected assets should be transferred into the new funds by June 30, 2022.

Conventionally, pension funds such as the two newly created funds are funded out of the assets in the related pension portfolios. The two new funds will hold no assets until such assets are transferred in through the transition period ending June 30, 2022. In order for the consolidated police and fire funds to operate in advance of receiving those assets, SB1300 authorizes the Authority to lend each fund up to \$7.5 million in operating capital, to be repaid after transference of the pension assets. Assets lent by the Authority are secured by statute, and, under that statute may only be used "To provide funds for payment of the ordinary and regular costs associated with the implementation of this transition process...."

Going Forward

Implementation of SB1300 is underway at the Authority, and the Governor has appointed the interim boards of the newly consolidated investment funds. The Firefighters' Pension Investment Fund had its initial meeting on January 31, 2020.

However, consolidation of downstate and suburban police and fire investment portfolios was only the first step recommended by the Pension Consolidation Feasibility Task Force. The second recommendation was to "Review consolidation of suburban/downstate police & fire pension plan benefit administration; review of other state and local plans to determine advantages of consolidation."

The work to seek cost savings for public retirement plans will continue, will be daunting, and will be led by the Task Force. Consistent with its statutory mandate and its work with the downstate and suburban retirement funds, the Authority will be prepared to assist in this continuing effort.

Conclusion

Passage and implementation of SB1300 were and are important steps towards Illinois managing its pension challenges. The Authority is able to play a pivotal and critical role in the legislation's success.

However, the Pension Consolidation Feasibility Task Force is still in place, and still has work to do. It will now consider issues related to consolidation of state funds; consolidation of pension funds within the City of Chicago; and cost-savings to be achieved through improved benefits administration. The Illinois Finance Authority has shown itself to be a willing and able partner in these efforts, so, should be prepared to assist in future initiatives.

February 11, 2020

\$570,000,000 (not-to-exceed amount)
NorthShore University HealthSystem Obligated Group

REQUEST

Purpose: NorthShore University HealthSystem (the “*Borrower*”), an Illinois not for profit corporation, has requested that the Illinois Finance Authority (the “*Authority*”) issue its Revenue Bonds, Series 2020 (NorthShore University Health System), in one or more fixed rate and/or variable rate, tax-exempt series, in an aggregate principal amount not to exceed \$570,000,000 (the “*Bonds*”), to be used, together with certain other moneys, for the purpose of (i) financing, refinancing or reimbursing all or a portion of the costs of acquiring, constructing, renovating, remodeling, expanding, rehabilitating and equipping certain health facilities owned by the Borrower and Swedish Covenant Health (the “*User*” or “*Swedish*”), an Illinois not for profit corporation and an affiliate of the Borrower, and all necessary, attendant or related facilities, equipment, site work and utilities thereto, (collectively, the “*Project*”); (ii) refunding all or a portion of the outstanding \$50,000,000 original principal amount Illinois Health Facilities Authority Variable Rate Adjustable Demand Revenue Bonds, Series 1995 (Evanston Hospital Corporation) (the “*Series 1995 Bonds*”), outstanding in an approximate principal amount of \$37,030,000; (iii) refunding all or a portion of the outstanding \$50,000,000 original principal amount Illinois Health Facilities Authority Variable Rate Adjustable Demand Revenue Bonds, Series 1996 (Evanston Hospital Corporation) (the “*Series 1996 Bonds*”), outstanding in an approximate principal amount of \$37,100,000; (iv) refunding all or a portion of the outstanding \$50,000,000 original principal amount Illinois Development Finance Authority Variable Rate Demand Revenue Bonds, Series 2001B (Evanston Northwestern Healthcare Corporation) (the “*Series 2001B Bonds*”), outstanding in an approximate principal amount of \$30,700,000; (v) refunding all or a portion of the outstanding \$50,000,000 original principal amount Illinois Development Finance Authority Variable Rate Demand Revenue Bonds, Series 2001C (Evanston Northwestern Healthcare Corporation) (the “*Series 2001C Bonds*”), outstanding in an approximate principal amount of \$30,700,000; (vi) refunding all or a portion of the outstanding original principal amount \$75,000,000 Illinois Educational Facilities Authority Commercial Paper Revenue Notes (Pooled Financing Program) (the “*Commercial Paper*”), outstanding in an approximate principal amount of \$75,000,000; (vii) refunding all or a portion of the outstanding \$136,425,000 original principal amount Illinois Finance Authority Revenue Refunding Bonds, Series 2010 (NorthShore University HealthSystem) (the “*Series 2010 Bonds*” and together with the Series 1995 Bonds, the Series 1996 Bonds, Series 2001B Bonds, the Series 2001C Bonds and the Commercial Paper, the “*Prior NorthShore Bonds*”), outstanding in an approximate principal amount of \$103,115,000; (viii) financing the cost to acquire the membership interest of Swedish for an acquisition price in an amount necessary to redeem or defease (a) the outstanding \$107,725,000 original principal amount Illinois Finance Authority Revenue Bonds, Series 2016A (Swedish Covenant Hospital) (the “*Series 2016A Bonds*”), outstanding in an approximate principal amount of \$98,615,000; (b) the outstanding \$27,800,000 original principal amount Illinois Finance Authority Revenue Refunding Bonds, Series 2016B (Swedish Covenant Hospital) (the “*Series 2016B Bonds*”), outstanding in an approximate principal amount of \$24,230,000; and (c) the outstanding \$21,400,000 original principal amount Illinois Finance Authority Revenue Refunding Bonds, Series 2016C (Swedish Covenant Hospital) (the “*Series 2016C Bonds*” and together with the Series 2016A Bonds and Series 2016B Bonds, the “*Prior Swedish Bonds*” and, together with the Prior NorthShore Bonds, the “*Prior Bonds*”), outstanding in an approximate principal amount of \$18,650,000; (ix) funding a debt service reserve fund for the benefit of the Bonds, if deemed necessary or desirable by the Authority and the Borrower; (x) funding working capital for the Borrower and the User, if deemed necessary or desirable by the Borrower; (xi) funding interest accruing on the Bonds, if deemed necessary or desirable by the Borrower; and (xii) paying certain expenses incurred in connection with the issuance of the Bonds, the refunding of the Prior NorthShore Bonds and the redemption or defeasance of the Prior Swedish Bonds, including the cost of any credit or liquidity enhancement, all as permitted by the Illinois Finance Authority Act (the “*Act*”).

Program: Conduit 501(c)(3) Revenue Bonds

REQUEST (CONT'D.)	Extraordinary Conditions: None.																				
BOARD ACTIONS	Final Bond Resolution (<i>one-time consideration</i>)																				
MATERIAL CHANGES	None. This is the first time this project is being presented to the Board.																				
JOB DATA	<table border="0"> <tr> <td>8,319</td> <td>FTEs (as of</td> <td>150-250</td> <td>New jobs created by this project</td> </tr> <tr> <td></td> <td>9/30/2019)</td> <td></td> <td></td> </tr> <tr> <td>N/A</td> <td>Retained jobs</td> <td>90-115</td> <td>Construction jobs created by this project</td> </tr> </table>	8,319	FTEs (as of	150-250	New jobs created by this project		9/30/2019)			N/A	Retained jobs	90-115	Construction jobs created by this project								
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N/A	Retained jobs	90-115	Construction jobs created by this project																		
BORROWER DESCRIPTION	<ul style="list-style-type: none"> • <u>The Borrower owns four hospitals.</u> Evanston Hospital occupies approximately 15 acres in Evanston on which facilities house 354 licensed acute-care beds, ancillary and support services and a medical office building. Glenbrook Hospital occupies approximately 55 acres on which facilities house 173 licensed acute-care beds, all ancillary and support services and two medical office buildings. Highland Park Hospital occupies approximately 25 acres in Highland Park on which facilities house 139 licensed acute-care beds, ancillary and support facilities and a medical office building. Skokie Hospital occupies approximately 28 acres in Skokie on which facilities house 111 licensed medical surgical beds, and 12 licensed ICU beds due to a recent conversion to an Orthopaedic & Spine Institute specialty hospital, and is a Level II Trauma Center. As of January 1, 2020, the combined licensed acute-care beds for the four hospitals was 789. The Borrower also owns and/or operates 17 Immediate Care Centers (i.e., primary care same-day access, immediate care sites, orthopaedic immediate care sites and emergency rooms) and owns 18 stand-alone facilities and leases 57 other facilities containing physician offices and support services. The Borrower's corporate offices are located approximately 0.2 miles from Evanston Hospital. • <u>Effective January 1, 2020, the Borrower acquired Swedish.</u> Swedish operates an acute care, community and teaching hospital on the Northwest Side of Chicago. Swedish occupies an approximately 14-acre campus and includes the main building which houses Radiology, Intensive Care, post-partum Obstetrics Care, 97 patient rooms and various administrative offices; the east wing, which is devoted to acute care with 67 medical surgical beds; and the Galter LifeCenter, which houses the hospital's outpatient and diagnostic services and is Chicago's only certified medical fitness center. • <u>In connection with this transaction it is anticipated that a new master trust indenture will be put in place with the Borrower as the sole obligated group member, and Swedish and NorthShore Faculty Practice Associates as restricted affiliates.</u> The current master trust indentures relating to the Borrower and Swedish will be terminated and any obligations thereunder securing outstanding bonds or interest rate swap agreements will be cancelled and exchanged for obligations issued pursuant to the Borrower's new master trust indenture. 																				
CREDIT INDICATORS	Current long-term underlying credit ratings for the Borrower are "Aa2"/"AA-" by Moody's/S&P, respectively. The Series 2020 Bonds are expected to also be rated by Moody's and S&P.																				
SECURITY	Payments under the loan agreement(s) will be secured by obligations issued pursuant to the Borrower's new master trust indenture. It is anticipated that there will be no gross revenues pledge.																				
MATURITY	Bonds will mature no later than 40 years from the date of issuance.																				
STRUCTURE	The plan of finance contemplates the issuance of Bonds in one or more fixed rate and/or variable rate tax-exempt series that will be sold in a public offering underwritten by Goldman Sachs and J.P. Morgan Securities, LLC, and used to finance new projects and refund all or a portion of the Prior Bonds.																				
ESTIMATED SOURCES AND USES	<table border="0"> <tr> <td>Sources:</td> <td></td> <td>Uses:</td> <td></td> </tr> <tr> <td>IFA Bonds</td> <td><u>\$570,000,000</u></td> <td>New Money</td> <td>\$90,000,000</td> </tr> <tr> <td></td> <td></td> <td>Refunding</td> <td>475,918,079</td> </tr> <tr> <td></td> <td></td> <td>Cost of Issuance</td> <td><u>4,081,921</u></td> </tr> <tr> <td>Total</td> <td><u>\$570,000,000</u></td> <td>Total</td> <td><u>\$570,000,000</u></td> </tr> </table>	Sources:		Uses:		IFA Bonds	<u>\$570,000,000</u>	New Money	\$90,000,000			Refunding	475,918,079			Cost of Issuance	<u>4,081,921</u>	Total	<u>\$570,000,000</u>	Total	<u>\$570,000,000</u>
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Total	<u>\$570,000,000</u>	Total	<u>\$570,000,000</u>																		
RECOMMENDATION	Project Review Committee recommends approval.																				

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
February 11, 2020**

Project: NorthShore University HealthSystem Credit Group

STATISTICS

Project Number:	12474	Amount:	\$570,000,000 (not-to-exceed)
Type:	Revenue Bonds	IFA Staff:	Sara Perugini
Location/s:	Evanston, Glenview, Highland Park, Skokie and Chicago	Counties:	Cook/Lake
		Region:	Northeast

BOARD ACTION

Final Bond Resolution	
Conduit 501(c)(3) Revenue Bonds	No IFA funds at risk
Project Review Committee recommends approval	No extraordinary conditions

PURPOSE

NorthShore University HealthSystem (the "**Borrower**"), an Illinois not for profit corporation, has requested that the **Illinois Finance Authority** (the "**Authority**") issue its Revenue Bonds, Series 2020 (NorthShore University Health System), in one or more fixed rate and/or variable rate tax-exempt series, in an aggregate principal amount not to exceed \$570,000,000 (the "**Bonds**"), to be used, together with certain other moneys, for the purpose of (i) financing, refinancing or reimbursing all or a portion of the costs of acquiring, constructing, renovating, remodeling, expanding, rehabilitating and equipping certain health facilities owned by the Borrower and **Swedish Covenant Health** (the "**User**" or "**Swedish**"), an Illinois not for profit corporation and an affiliate of the Borrower, and all necessary, attendant or related facilities, equipment, site work and utilities thereto, (collectively, the "**Project**"); (ii) refunding all or a portion of the outstanding \$50,000,000 original principal amount Illinois Health Facilities Authority Variable Rate Adjustable Demand Revenue Bonds, Series 1995 (Evanston Hospital Corporation) (the "**Series 1995 Bonds**"), outstanding in an approximate principal amount of \$37,030,000; (iii) refunding all or a portion of the outstanding \$50,000,000 original principal amount Illinois Health Facilities Authority Variable Rate Adjustable Demand Revenue Bonds, Series 1996 (Evanston Hospital Corporation) (the "**Series 1996 Bonds**"), outstanding in an approximate principal amount of \$37,100,000; (iv) refunding all or a portion of the outstanding \$50,000,000 original principal amount Illinois Development Finance Authority Variable Rate Demand Revenue Bonds, Series 2001B (Evanston Northwestern Healthcare Corporation) (the "**Series 2001B Bonds**"), outstanding in an approximate principal amount of \$30,700,000; (v) refunding all or a portion of the outstanding \$50,000,000 original principal amount Illinois Development Finance Authority Variable Rate Demand Revenue Bonds, Series 2001C (Evanston Northwestern Healthcare Corporation) (the "**Series 2001C Bonds**"), outstanding in an approximate principal amount of \$30,700,000; (vi) refunding all or a portion of the outstanding original principal amount \$75,000,000 Illinois Educational Facilities Authority Commercial Paper Revenue Notes (Pooled Financing Program) (the "**Commercial Paper**"), outstanding in an approximate principal amount of \$75,000,000; (vii) refunding all or a portion of the outstanding \$136,425,000 original principal amount Illinois Finance Authority Revenue Refunding Bonds, Series 2010 (NorthShore University HealthSystem) (the "**Series 2010 Bonds**" and together with the Series 1995 Bonds, the Series 1996 Bonds, Series 2001B Bonds, the Series 2001C Bonds and the Commercial Paper, the "**Prior NorthShore Bonds**"), outstanding in an approximate principal amount of \$103,115,000; (viii) financing the cost to acquire the membership interest of Swedish for an acquisition price in an amount necessary to redeem or defease (a) the outstanding \$107,725,000 original principal amount Illinois Finance Authority Revenue Bonds, Series 2016A (Swedish Covenant Hospital) (the "**Series 2016A Bonds**"), outstanding in an approximate principal amount of \$98,615,000; (b) the outstanding \$27,800,000 original principal amount Illinois Finance Authority Revenue Refunding Bonds, Series 2016B (Swedish Covenant Hospital) (the "**Series 2016B Bonds**"), outstanding in an approximate principal amount of \$24,230,000; and (c) the outstanding \$21,400,000 original principal amount Illinois Finance Authority Revenue Refunding Bonds, Series 2016C (Swedish Covenant Hospital) (the "**Series 2016C Bonds**" and together with the Series 2016A Bonds and Series 2016B Bonds, the

“*Prior Swedish Bonds*” and, together with the Prior NorthShore Bonds, the “*Prior Bonds*”), outstanding in an approximate principal amount of \$18,650,000; (ix) funding a debt service reserve fund for the benefit of the Bonds, if deemed necessary or desirable by the Authority and the Borrower; (x) funding working capital for the Borrower and the User, if deemed necessary or desirable by the Borrower; (xi) funding interest accruing on the Bonds, if deemed necessary or desirable by the Borrower; and (xii) paying certain expenses incurred in connection with the issuance of the Bonds, the refunding of the Prior NorthShore Bonds and the redemption or defeasance of the Prior Swedish Bonds, including the cost of any credit or liquidity enhancement, all as permitted by the **Illinois Finance Authority Act** (the “*Act*”).

IFA PROGRAM AND CONTRIBUTION

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

VOLUME CAP

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

ESTIMATED SOURCES AND USES OF FUNDS

Sources:		Uses:	
IFA Bonds	<u>\$570,000,000</u>	New Money	\$90,000,000
		Refunding	475,918,079
		Cost of Issuance	<u>4,081,921</u>
Total	<u>\$570,000,000</u>	Total	<u>\$570,000,000</u>

JOBS

FTEs as of 9/30/19:	8319	New jobs created by this project:	150-250
Jobs retained:	N/A	Construction jobs created by this project:	90-115

FINANCING SUMMARY

Credit Enhancement:	None.
Security:	Payments under the loan agreement(s) will be secured by obligations issued pursuant to the Borrower’s new master trust indenture. It is anticipated that there will be no gross revenues pledge.
Structure:	Public tax-exempt fixed and/or variable rate or other modes, all as determined by the Borrower.
Interest Rate:	The rates on each series will be determined on the date of pricing. It is contemplated that the Bonds may be each issued in one or more series and shall bear interest at fixed and/or variable tax-exempt interest rates featuring maturities of up to 40 years. The Final Bond Resolution establishes interest rate parameters not to exceed (i) 6.0% on fixed rate tax-exempt Bonds, and (ii) 4.0% as an initial rate for variable tax-exempt bonds.
Interest Rate Modes:	Fixed and/or variable

Underlying Ratings: Current long-term underlying ratings for the Borrower are “Aa2”/“AA-” long term by Moody’s/S&P.

Maturity: Not later than 40 years from the date of issuance.

Estimated Closing Date: March 31, 2020

PROJECT SUMMARY

The Borrower has requested that Authority issue its Revenue Bonds, Series 2020 (NorthShore University Health System), in one or more fixed rate and/or variable rate tax-exempt series in an aggregate principal amount not to exceed \$570,000,000, to be used, together with certain other moneys, for the purpose of (i) financing, refinancing or reimbursing all or a portion of the costs of acquiring, constructing, renovating, remodeling, expanding, rehabilitating and equipping certain health facilities owned by the Borrower and the User; (ii) refunding all or a portion of the Prior Northshore Bonds; (iii) financing the cost to acquire the membership interest of Swedish for an acquisition price in an amount necessary to redeem or defease the Prior Swedish Bonds; (iv) funding a debt service reserve fund for the benefit of the Bonds, if deemed necessary or desirable by the Authority and the Borrower; (v) funding working capital for the Borrower and/or the User, if deemed necessary or desirable by the Borrower; (vi) funding interest accruing on the Bonds, if deemed necessary or desirable by the Borrower; and (vii) paying certain expenses incurred in connection with the issuance of the Bonds, the refunding of the Prior NorthShore Bonds and the redemption or defeasance of the Prior Swedish Bonds, including the cost of any credit or liquidity enhancement, all as permitted by Act.

BUSINESS SUMMARY

Description of Business: The predecessor of the Borrower was established in 1891 in an eight-room cottage located at 806 Emerson Street, Evanston, Illinois. In 1895, the Borrower moved to its present location where it operates Evanston Hospital. An overview of the Borrower’s four existing hospitals in the near northern suburbs of Chicago is included below.

- **Evanston Hospital** – occupies approximately 15 acres in Evanston on which facilities house 354 licensed acute-care beds, ancillary and support services and a medical office building.
- **Glenbrook Hospital** – occupies approximately 55 acres in Glenview on which facilities house 173 licensed acute-care beds, all ancillary and support services and two medical office buildings.
- **Highland Park Hospital** – occupies approximately 25 acres in Highland Park on which facilities house 139 licensed acute-care beds, ancillary and support facilities and a medical office building.
- **Skokie Hospital** – occupies 28 acres in Skokie on which facilities house 111 licensed medical surgical beds, and 12 licensed ICU beds due to a recent conversion to an Orthopaedic & Spine Institute specialty hospital, and is a Level II Trauma Center.

As of January 1, 2020, the combined licensed acute-care beds for the four hospitals was 789. The Borrower also owns and/or operates 17 Immediate Care Centers (i.e., primary care same-day access, immediate care sites, orthopaedic immediate care sites and emergency rooms) and owns 18 stand-alone facilities and leases 57 other facilities containing physician offices and support services. The Borrower’s corporate offices are located approximately 0.2 miles from Evanston Hospital.

In 2008, the Borrower became the primary teaching affiliate of the **University of Chicago Pritzker School of Medicine (“UC Pritzker”)**, and began placing its medical students, residents, and fellows at the Borrower’s hospitals as of the 2009-2010 school year. UC Pritzker sponsors four NorthShore-based residency programs and ten fellowship programs. The Borrower’s affiliation with UC Pritzker also includes stipulations for research collaboration and academic appointments for the Borrower’s teaching and research faculty. The Borrower’s affiliation agreement with UC Pritzker has been renewed through 2028. This affiliation creates opportunities for collaborative research projects that take advantage of each institution’s respective strengths, particularly in the areas of clinical outcomes, clinical trials, oncology and imaging. Neither The University of Chicago nor The University of Chicago Medical Center has any obligation with respect to any debt issued under the Borrower’s new master trust indenture or with respect to any series of Related Bonds issued for the benefit of the Borrower.

The Borrower has received many national recognitions and awards over the years. The following awards, among others, were received by the Borrower in the last year:

- All four of its hospitals received grade “A” from the Leapfrog Group
- Healthgrades “America’s Best Hospitals” list
- “Most Wired” health systems in the country for the 15th straight year, according to the CHIME Healthcare Informatics magazine’s 2018 “Most Wired” survey.
- Evanston Hospital recognized as one of the nation’s 100 Top Hospitals® and Top 15 Major Teaching Hospital for 2019 by IBM Watson Health

Effective January 1, 2020, the Borrower acquired Swedish. Swedish operates an acute care, community and teaching hospital on the Northwest Side of Chicago. Swedish occupies an approximately 14-acre campus and includes the main building which houses Radiology, Intensive Care, post-partum Obstetrics Care, 97 patient rooms and various administrative offices; the east wing, which is devoted to acute care with 67 medical surgical beds; and the Galter LifeCenter, which houses the hospital’s outpatient and diagnostic services and is Chicago’s only certified medical fitness center.

In connection with this transaction it is anticipated that a new master trust indenture will be put in place with the Borrower as the sole obligated group member, and Swedish and NorthShore Faculty Practice Associates as restricted affiliates. The current master trust indentures relating to the Borrower and Swedish will be terminated and any obligations thereunder securing outstanding bonds or interest rate swap agreements will be cancelled and exchanged for obligations issued pursuant to the Borrower’s new master trust indenture.

ECONOMIC DISCLOSURE STATEMENT

Applicant: NorthShore University HealthSystem

Site Address: NorthShore University HealthSystem
1301 Central St.
Evanston, IL 60201

Contact: Doug Welday
Chief Financial Officer
dwelday@northshore.org
847-570-5050

Website: www.northshore.org

Project name: NorthShore University HealthSystem Obligated Group 2020

Organization: 501(c)(3) Not-for-Profit Corporation

State: Illinois

The Borrower's 2020 Board Members (501(c)(3)):

Name	Business Affiliation
Mr. David F. Zucker <i>Chairman of the Board</i>	NorthShore University HealthSystem Managing Partner, Lead Lap Enterprises, LLC Chairman, School of Rock, LLC Chairman, Neuropath, LLC Chairman, Experiential Events Group, LLC
Mr. John G. Zern <i>Vice Chairman of the Board</i>	Chief Executive Officer, Global Health Solutions Aon
Mr. Harry M. Jansen Kraemer, Jr. <i>Past Chairman of the Board</i>	NorthShore University HealthSystem Executive Partner Madison Dearborn Partners, LLC
Mr. Gregory K. Jones <i>Past Chairman of the Board</i>	NorthShore University HealthSystem Partner/ Chief Operation Officer The Edgewater Funds
Mr. A Steven Crown <i>Past Chairman of the Board</i>	NorthShore University HealthSystem General Partner Henry Crown and Company
Ms. Connie K. Duckworth <i>Past Chairman of the Board</i>	NorthShore University HealthSystem Found and Chief Executive Office ARZU, Inc.
Mr. Tourè S. Claiborne	Managing Partner Kearney Park Investments
Mr. David A. Dohnalek	Senior Vice President Finance & Treasurer The Boeing Company Chairman, Boeing Capital Corporation
Mr. William M. Farrow III	Retired President and Chief Executive Officer Urban Partnership Bank
Mr. Gerald 'J.P.' Gallagher <i>President and Chief Executive Officer</i>	NorthShore University HealthSystem
Ms. Catherine Guthrie	Retired Presentation Leo Burnett Worldwide
Jason L. Koh, M.D.	Chairman, Executive Committee of the Professional Staff NorthShore University HealthSystem
Theodore Mazzone, M.D., F.A.C.P.	Chairman, Department of Medicine NorthShore University HealthSystem
Mr. Samuel M. Mencoff	Co-Chief Executive Officer Madison Dearborn Partners, LLC
Mr. Christopher J. Olson	Principal and Portfolio Officer High Pointe Capital Management
Ms. Bea Reyna-Hickey	Chief Financial Officer and Senior Deputy Executive Director Regional Transportation Authority

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Nixon Peabody LLP	Chicago, IL	Julie Seymour
Financial Advisor:	Hammond Hanlon Camp LLC	Chicago, IL	Victoria Poindexter, Philip J. Kaplan
Bond Counsel:	Chapman and Cutler LLP	Chicago, IL	David Kates, Megan Rudd
Underwriters:	J.P. Morgan Securities	Chicago, IL	Megan O'Keefe, Jacob Pancratz
	Goldman Sachs	New York, NY Chicago, IL	Susan Benz, Sonal Bose Sri Mani
Underwriter's Counsel:	Polsinelli PC	Chicago, IL	Janet Zeigler
Bond Trustee:	Wells Fargo	Chicago, IL	Gail Klewin
Issuer's Counsel:	Katten Muchin Rosenman LLP	Chicago, IL	Chad Doobay
IFA Financial Advisor:	Sycamore Advisors LLC	Chicago, IL	Courtney Tobin, Justin O'Shea

LEGISLATIVE DISTRICTS

Congressional:	5, 9, 10
State Senate:	7, 9, 29
State House:	13, 17, 18, 58

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\$400,000,000 (not-to-exceed amount)

February 11, 2020

The University of Chicago

REQUEST	<p>Purpose: The University of Chicago, an Illinois not for profit corporation and a private institution of higher education (the “University” or the “Borrower”), is requesting the Illinois Finance Authority (the “Authority” or “IFA”) issue its revenue bonds in one or more series (the “Bonds”) and loan the proceeds from the sale thereof to the University in order to (i) refinance certain taxable indebtedness (the “Taxable Debt”), the proceeds of which are being used to purchase and cancel all or a portion of the outstanding Illinois Finance Authority Adjustable Rate Revenue Bonds, The University of Chicago, Series 1998B (the “Series 1998B Bonds”) (ii) refinance Taxable Debt, the proceeds of which are being used to purchase and cancel all or a portion of the outstanding Illinois Finance Authority Adjustable Rate Revenue Bonds, The University of Chicago, Series 2001B (the “Series 2001B Bonds”), (iii) refund or provide for the payment of all or a portion of the Illinois Finance Authority Revenue Bonds, Series 2012A (the “Series 2012A Bonds”), (iv) refinance certain taxable commercial paper (the “Commercial Paper”) issued to finance, refinance and reimburse the University for all or a portion of the costs of the planning, design, acquisition, construction, renovation, improvement, expansion, completion and/or equipping of certain of its educational facilities, (v) pay certain working capital expenditures if deemed desirable by the University, (vi) fund one or more debt service reserve funds (if any) in accordance with one or more trust indentures between the Authority and one or more trust companies or banks having the powers of a trust company, as trustee, and (vii) pay certain costs relating to the issuance of the Bonds, including the costs of bond insurance or other credit or liquidity enhancement, if any, and certain costs incurred in connection with the refinancing of the Taxable Debt, the refunding of the Series 2012A Bonds and refinancing of the Commercial Paper, and all originally related to the planning, design, acquisition, construction, renovation, improvement, expansion, completion and/or equipping of certain of its facilities constituting “educational facilities”, as defined and permitted under the Illinois Finance Authority Act, (the “Act”) (collectively, the “Financing Purposes”). See <i>Project Description for Final Bond Resolution on pp. 6-7 for additional information.</i></p> <p>Program: 501(c)(3) Revenue Bonds and Revenue Refunding Bonds</p> <p>Extraordinary Conditions: None.</p>												
BOARD ACTIONS	Final Bond Resolution (one-time consideration)												
MATERIAL CHANGES	<i>Not applicable. This is the first time this matter has been presented to the IFA Board of Directors.</i>												
JOB DATA	<table border="0"> <tr> <td>2,543 Faculty (FT)</td> <td>Current jobs</td> <td>N/A</td> <td>New jobs projected</td> </tr> <tr> <td>9,613 Staff (FT+PT)</td> <td></td> <td></td> <td></td> </tr> <tr> <td>N/A</td> <td>Retained jobs</td> <td>N/A</td> <td>Construction jobs</td> </tr> </table>	2,543 Faculty (FT)	Current jobs	N/A	New jobs projected	9,613 Staff (FT+PT)				N/A	Retained jobs	N/A	Construction jobs
2,543 Faculty (FT)	Current jobs	N/A	New jobs projected										
9,613 Staff (FT+PT)													
N/A	Retained jobs	N/A	Construction jobs										
BORROWER DESCRIPTION	<ul style="list-style-type: none"> The University, a 501(c)(3) organization incorporated under Illinois law, is a private, non-sectarian, co-educational institution of higher learning founded by John D. Rockefeller in 1890 that is currently governed by an up to 55-member Board of Trustees. 												
STRUCTURE	<ul style="list-style-type: none"> The plan of finance contemplates that each series of Bonds shall bear interest at one or more fixed rates and payable over a term not exceeding forty (40) years from their date of issuance. RBC Capital Markets LLC has been engaged by the Borrower as Underwriter/Senior Manager (Bookrunner). The University has engaged 2 Co-Senior Managers and 4 Co-Managers that were selected pursuant to the University’s procurement policies (see p. 9 for the listing of Co-Senior Managers and Co-Managers). 												

CREDIT INDICATORS / SECURITY	<ul style="list-style-type: none"> • The University’s current long-term debt ratings were Aa2/AA-/AA+ (Moody’s/S&P/Fitch) as of 2/5/2020. (Each rating agency most recently affirmed their respective long-term ratings assignment as of January 2019 (each with Stable outlooks).) The University will apply for ratings on the IFA Series 2020 Bonds (at which time the rating agencies are expected to review the ratings on the University’s other outstanding debt). • The Bonds will be a general unsecured corporate obligation of the University and as such will not be secured by a mortgage or security interest on any of the University’s assets, properties or funds. 																
INTEREST RATE	<ul style="list-style-type: none"> • Each series of Bonds will bear interest at one or more fixed rates to be determined at pricing for each series. The authorized Bonds may bear interest on a tax-exempt or taxable basis. 																
MATURITY	<ul style="list-style-type: none"> • Bonds will mature no later than 40 years from the issue date. 																
SOURCES AND USES (PRELIMINARY, SUBJECT TO CHANGE) <i>See p. 3 for more detailed Sources and Uses table.</i>	<table border="0"> <tr> <td colspan="2">Sources:</td> <td colspan="2">Uses:</td> </tr> <tr> <td>IFA Bonds</td> <td style="text-align: right;"><u>\$270,465,000</u></td> <td>Refunding Escrow</td> <td style="text-align: right;">\$329,011,800</td> </tr> <tr> <td>Premium (Estimated)</td> <td style="text-align: right;"><u>60,732,430</u></td> <td>Costs of Issuance</td> <td style="text-align: right;"><u>2,185,630</u></td> </tr> <tr> <td>Total</td> <td style="text-align: right;"><u>\$331,197,430</u></td> <td>Total</td> <td style="text-align: right;"><u>\$331,197,430</u></td> </tr> </table> <p>Note: Concurrently, with the issuance of the proposed IFA Series 2020A-C-D Bonds, the University is planning will issue approximately \$150 million of Taxable Bonds (The University of Chicago, Series 2020B) to finance and refinance certain costs, working capital expenditures, and expenditures that are not authorized as “higher education projects” under the Illinois Finance Authority Act. The University’s Taxable Series 2020B Bonds will be a direct corporate obligation of the University.</p>	Sources:		Uses:		IFA Bonds	<u>\$270,465,000</u>	Refunding Escrow	\$329,011,800	Premium (Estimated)	<u>60,732,430</u>	Costs of Issuance	<u>2,185,630</u>	Total	<u>\$331,197,430</u>	Total	<u>\$331,197,430</u>
Sources:		Uses:															
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Premium (Estimated)	<u>60,732,430</u>	Costs of Issuance	<u>2,185,630</u>														
Total	<u>\$331,197,430</u>	Total	<u>\$331,197,430</u>														
RECOMMENDATION	Project Review Committee recommends approval.																

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**ILLINOIS FINANCE AUTHORITY
 PROJECT SUMMARY REPORT
 February 11, 2020**

INFORMATIONAL – PRELIMINARY, SUBJECT TO CHANGE

Project: The University of Chicago

STATISTICS

Project Number: E-PC-TE-CD-12473	Amount: \$400,000,000 (not-to-exceed)
Type: 501(c)(3) Revenue Bonds	IFA Staff: Rich Frampton and Brad R. Fletcher
Location: Chicago	County/Region: Cook County/Northeast

BOARD ACTION

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

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

IFA PROGRAM AND CONTRIBUTION

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

VOLUME CAP

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

SOURCES AND USES OF FUNDS – DETAILED (PRELIMINARY, SUBJECT TO CHANGE):

⁽¹⁾ Sources:		Uses:	
IFA Series 2020 A Bonds (Par Amount; excludes premium)	155,635,000	Refunding Series 2001B-1 and Series 2001B-2 Bonds and Commercial Paper (excludes COI and additional proceeds)	193,000,000
IFA Series 2020 C Bonds (Par amount; excludes premium)	73,730,000	Refunding Series 1998B (excludes COI and additional proceeds)	90,090,000
IFA Series 2020 D Forwards Bonds (Par amount; excludes premium)	41,100,000	Forward Refunding of Series 2012A Bonds (excludes COI and additional proceeds)	45,921,800
Premium (Estimated)	60,732,431	Costs of Issuance ("COI") and additional proceeds	2,185,631
Total:	<u>\$ 331,197,431</u>	Total:	<u>\$ 331,197,431</u>

Note:

(1) In addition to the subject Bonds, the University will also be issuing corporate taxable bonds (i.e., The University of Chicago, Series 2020B) in an estimated principal amount of \$150 million to refinance its own (a) Commercial Paper Revenue Notes and (b) operating line draws that represent working capital uses (and which cannot be issued under the IFA Act for a higher education project, even on a taxable basis).

BUSINESS SUMMARY

Organization: **The University of Chicago** (the “**University**” or the “**Borrower**”) is a 501(c)(3) organization incorporated under Illinois law. The University is a private, non-sectarian, co-educational institution of higher learning founded by John D. Rockefeller in 1890 that is governed by a Board of Trustees (see p. 8 for a listing of the 50 members of the Board of Trustees as of 11/1/2019). The by-laws of the University provide that the Board shall not exceed 55 members, each elected for a five-year term.

Background: The University of Chicago has emphasized both research and teaching from its inception. The University has had a major impact on American higher education -- including devising the four-quarter academic year, developing extension courses and programs in the liberal arts for adults, establishing a general education program for undergraduates, initiating a full-time medical school teaching faculty, and establishing the first executive MBA program. The University has a highly respected education department and the University is a nationally recognized leader in both the sciences and social sciences.

At the University, campus and community are interconnected in partnerships that serve both to support the community and to train future policymakers, social workers, artists, and social and political leaders. The University of Chicago Charter School, run by the Center for Urban School Improvement, serves students with four campuses for students in pre-kindergarten through high school. The Mandel Legal Aid Clinic teaches Law School students advocacy skills, professional ethics, and the effect of legal institutions on the poor, while assisting indigent clients.

The University of Chicago’s 217-acre Hyde Park Campus is located eight miles south of downtown Chicago. The Hyde Park Campus, designated a botanic garden in 1997, stretches along both sides of the Midway Plaisance, a broad parkway designed by Frederick Law Olmstead for the city’s South Park System developed in connection with the World’s Columbian Exposition in 1893. The campus is arranged in a series of quadrangles, with a blend of traditional English Gothic and award-winning modern buildings designed by renowned international architects.

The University is a “private institution of higher education,” as defined in Section 801-10(t) of the Illinois Finance Authority Act (the “Act”), and the educational facilities being refinanced consist of “projects,” as defined in Section 801-10(b) of the Act

Note: the following information has been derived from the University’s 2019 report: “Appendix A – Certain Information Concerning the University”, which the University files annually on the Municipal Securities Rulemaking Board’s EMMA website (emma.msrb.org) and posted as of 1/29/2020.

Applications to the University’s **Undergraduate College** (the “**College**”) have increased substantially over the past 15 years (see “Enrollment and Admissions” – below), which in turn has allowed the University to become more selective. The University offers 52 majors and 45 minors in the Undergraduate College. The University offers 6 professional schools and 4 divisions in graduate study.

In research, 92 Nobel Prize laureates have been affiliated with the University as professors, students, faculty, or staff. The University also manages the Argonne National Laboratory (under terms of a cost reimbursement contract with the U.S. Department of Energy) and Fermi National Accelerator Laboratory (via a joint venture). Six Nobel Prize winners are current members of faculty.

Admissions: First-year applications to the College for the 2019-2020 academic year were 34,641 and offers of admission were 2,137. Since 2010-2011, first-year applications to the College have increased 63%

thereby allowing the University to become more selective. Its admissions rate declined from 19% in 2010-2011 to 6% in 2019-2020.

Over the same period the mean SAT scores for entering undergraduates rose 59 points from 1469 to 1528. In June 2018, as part of its UChicago Empower Initiative, the University announced a new test-optional admissions process, which is intended to allow students to decide what information best represents their skills and college readiness.

The College’s selectivity has increased as undergraduate enrollment has increased from 4,642 students in 2005-2006 to 5,860 in 2015-2016, and 6,801 in 2019-2020. This continued growth in the undergraduate student body reflects successful implementation of the University’s strategic plan aimed at gradually increasing the undergraduate student population. Additionally, the University had 10,222 graduate and professional students (up from 9,219 in 2015-2016) and 576 non-degree students in Academic Year 2019-2020 (down from 737 in 2015-2016).

Enrollment: In the 2019-2020 academic year, the University enrolled 17,599 students, of which 6,801 were undergraduate students. All University first-year and second-year undergraduate students are required to live in University residence halls. Approximately 3,522 undergraduates live in College housing. Of the total undergraduate on-campus population, first-year students account for 51%, second-year students for 32%, third-year students for 10%, and fourth-year students for 7%. In addition, over 200 graduate students currently live in University owned residential buildings in Hyde Park.

Enrollment data for the past five full academic years, including 2019-2020, is shown in the table below:

Academic Year	The College	Graduate and Professional ¹	Non-Degree ²	Total
2015-2016	5,860	9,129	737	15,726
2016-2017	5,971	9,394	651	16,016
2017-2018	6,286	9,540	619	16,445
2018-2019	6,595	9,889	616	17,100
2019-2020	6,801	10,222	576	17,599

Note that all numbers above represent total enrollment, not full time enrollment (FTE) totals.

¹ Includes students in the off-campus MBA Program and Executive Program.

² Includes post-doctoral fellows, students-at-large and other special students.

The growth in College enrollment from 5,860 students in 2015-2016 to 6,801 in 2019-2020 continues a deliberate University strategy begun in the early 1990’s to gradually increase the undergraduate student population.

Financial Aid: The University is a “need blind” institution, meaning that the University admits students regardless of their financial circumstances. The University supports this policy with an extensive financial aid program. During fiscal year 2019, approximately 57% of all students in the College received a total of \$150.3 million of financial aid in the form of grants and scholarships. University-wide expenditures for scholarships and fellowships amounted to \$464.5 million. Of this amount, approximately \$355.2 million was provided from unrestricted funds; the remaining \$109.3 million came from restricted sources.

In 2008, the University received a \$100 million gift from an anonymous donor to be allocated over a 25-year period. Under the terms of the gift, undergraduate students with family incomes under \$90,000 or those who are first generation college students receive an “Odyssey Scholarship”. By fiscal year 2014 more than 1,000 College students per year were receiving Odyssey Scholarships. In 2014, the University launched the No Barriers initiative, which eliminated student loans for undergraduate students from the University’s need-based financial packages. The No Barriers initiative was phased in starting with students who entered the College in the Fall of 2015.

In October 2019, the University announced a new graduate student financial aid model to replace its Graduate Aid Initiative (“GAI”) that provides financial support for doctoral students in the Divinity School, Division of the Humanities, Division of Social Sciences (SSD), and the School of Social Service Administration (SSA). Under the new graduate student financial aid model, which is expected to be phased in over two academic years, beginning in 2020-21, doctoral students in these units will be funded for the duration of their doctoral program. The new model will allow the University to remain competitive with peer institutions and expands upon the University’s longstanding commitment to financial assistance for students.

Accreditations: Since 1913, the University has been continuously accredited by the Higher Learning Commission of the North Central Association. The Law School is accredited by the American Bar Association, the Divinity School is accredited by the Commission on Accrediting of the Association of Theological Schools in the United States and Canada, and the Pritzker School of Medicine is accredited by the Liaison Committee on Medical Education.

PROJECT DESCRIPTION (FOR FINAL BOND RESOLUTION)

The University of Chicago, an Illinois not for profit corporation and a private institution of higher education (the “**University**” or the “**Borrower**”), is requesting the Illinois Finance Authority (the “**Authority**” or “**IFA**”) issue its revenue bonds in one or more series (the “**Bonds**”) and loan the proceeds from the sale thereof to the University in order to (i) refinance certain taxable indebtedness (the “**Taxable Debt**”), the proceeds of which are being used to purchase and cancel all or a portion of the outstanding Illinois Finance Authority Adjustable Rate Revenue Bonds, The University of Chicago, Series 1998B (the “**Series 1998B Bonds**”) (ii) refinance Taxable Debt, the proceeds of which are being used to purchase and cancel all or a portion of the outstanding Illinois Finance Authority Adjustable Rate Revenue Bonds, The University of Chicago, Series 2001B (the “**Series 2001B Bonds**”), (iii) refund or provide for the payment of all or a portion of the Illinois Finance Authority Revenue Bonds, Series 2012A (the “**Series 2012A Bonds**”), (iv) refinance certain taxable commercial paper (the “**Commercial Paper**”) issued to finance, refinance and reimburse the University for all or a portion of the costs of the planning, design, acquisition, construction, renovation, improvement, expansion, completion and/or equipping of certain of its educational facilities, (v) pay certain working capital expenditures if deemed desirable by the University, (vi) fund one or more debt service reserve funds (if any) in accordance with one or more trust indentures between the Authority and one or more trust companies or banks having the powers of a trust company, as trustee, and (vii) pay certain costs relating to the issuance of the Bonds, including the costs of bond insurance or other credit or liquidity enhancement, if any, and certain costs incurred in connection with the refinancing of the Taxable Debt, the refunding of the Series 2012A Bonds and refinancing of the Commercial Paper, and all originally related to the planning, design, acquisition, construction, renovation, improvement, expansion, completion and/or equipping of certain of its facilities constituting “educational facilities”, as defined and permitted under the Illinois Finance Authority Act, (the “**Act**”) (collectively, the “**Financing Purposes**”).

The Authority will loan the proceeds from the sale of the Bonds to the University through the purchase of one or more of the University’s promissory notes to be issued by the University pursuant to the related Loan Agreement and assigned by the Authority to the related Indenture as authorized by the Bond Resolution under consideration by the IFA Board in connection with this request.

Based on disclosure provided in the TEFRA Hearing Notice published in connection with this proposed financing, the educational facilities being refinanced with proceeds of the Bonds are owned, operated or managed by the University and are located on land owned by the University at (i) its Hyde Park Campus in Chicago, Illinois, generally bordered on the north by 47th Street, on the east by Lake Shore Drive, on the south by 61st Street and on the west by Cottage Grove Avenue, all in Chicago, Illinois (the “**Hyde Park Campus**”) and (ii) 11030 S. Langley Avenue, 10910 S. Langley Avenue, 11023 S. Langley Avenue, 727 E. 110th Street and 450 N. Cityfront Plaza Drive, all in Chicago, Illinois.

ECONOMIC DISCLOSURE STATEMENT

Applicant: The University of Chicago, 5801 S. Ellis Avenue, Chicago, IL 60637
Contact: Ivan Samstein, VP and Chief Financial Officer
T: (773) 702-4114; E-mail: isamstein@uchicago.edu

Website: www.uchicago.edu

Site Locations: The University's Hyde Park Campus and the following locations in the City of Chicago: 11030 S. Langley Avenue, 10910 S. Langley Avenue, 11023 S. Langley Avenue, 727 E. 110th Street, and 450 N. Cityfront Plaza Drive.

Project name: IFA Series 2020A-C-D Revenue Refunding Bonds (The University of Chicago)

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The University of Chicago - Board of Trustees - as of 11/1/2019:

Below is a listing of the University's Trustees as of 11/1/2019 (as posted by the University on the MSRB's EMMA website in connection with its calendar year 2019 EMMA filing: "Appendix A - Certain Information Regarding the University" as posted on EMMA as of 1/29/2020).

<u>Name</u>	<u>Title</u>	<u>Company</u>
Andrew M. Alper	Chairman	Alper Investments
Frank A. Baker II	Co-Founder and Managing Partner	Siris Capital Group, LLC
David G. Booth	Founder and Executive Chairman	Dimensional Fund Advisors
David B. Brooks	Op-Ed Columnist	The New York Times Company
Debra A. Cafaro	Chairman and CEO	Ventas, Inc.
Thomas A. Cole	Senior Counsel and Chair Emeritus of the Executive Committee	Sidley Austin LLP
James S. Crown	Chairman and CEO	Henry Crown and Company
Daniel L. Doctoroff	CEO and Chairman	Sidewalk Labs
Brady W. Dougan		Citizen - Greenwich, CT
Craig J. Duchossois	Chairman and CEO	The Duchossois Group, Inc.
John A. Edw ardson	Retired Chairman and CEO	CDW Corporation
James S. Frank	CEO	Wheels Inc.
Rodney L. Goldstein	Co-Managing Partner	Wealth Strategist Partners
Mary Louise Gorno (Vice Chair)	Managing Director	Ingenuity International, LLC
Kenneth C. Griffin	CEO and Founder	Citadel
Sanford J. Grossman	Chairman and CEO	Quantitative Financial Strategies, Inc.
Kenneth M. Jacobs	Chairman and CEO	Lazard
Ashley D. Joyce	President	The Duchossois Family Foundation
Karen L. Katen	Senior Advisor	EW Healthcare Partners
Dennis J. Keller	Retired Chairman and CEO, Co-Founder	Adtalem Global Education
Steven A. Kersten	President	Water Saver Faucet Company
James M. Kilts	Founding Partner	Centerview Partners
Michael J. Klingensmith	Publishing and CEO	Minneapolis Star Tribune
Rachel D. Kohler	Principal	KoHop Ventures
John Liew	Co-Founder	AQR Capital Management, LLC
Rika Mansueto	Vice President	Mansueto Foundation
Satya Nadella	CEO	Microsoft
Joseph Neubauer (Chairman)		Next Egg Group
Emily Nicklin	Partner	Kirkland & Ellis, LLP
Brien M. O'Brien	Chairman and CEO	Port Capital LLC
Michael P. Polsky	Founder, President, and CEO	Invenery, LLC
Myrtle S. Potter	President and CEO	Myrtle Potter and Company, LLC
Thomas J. Prtizker	Executive Chairman	Hyatt Hotels Corporation
Guru Ramakrishnan	CEO and Founder	Meru Capital Group
John W. Rogers Jr. (Vice Chair)	Chairman and CEO	Ariel Investments, LLC
Emmanuel Roman	CEO	PIMCO
Andrew M. Rosenfield	Managing Partner	Guggenheim Partners
David M. Rubenstein	Co-Founder and Co-Executive Chairman	The Carlyle Group
Tandeen Rustandy	Founder and CEO	PT Arwana Citramulia Tbk
Alvaro J. Saieh	Chairman of the Board	CorpGroup
Nassef O. Sawiris	CEO	OCI N.V.
Steve G. Stevanovich	Chairman and CEO	SGS Global Holdings
Mary A. Tolan	Founder and Co-Managing Director	Chicago Pacific Founders
Byron D. Trott	Founder, Chairman and CEO	BDT & Company
Gregory W. Wendt	Partner	Capital Group Companies
Donald R. Wilson, Jr.	CEO, Partner	DRW
Paula Wolff	Director	Illinois Justice Project
Paul G. Yovovich	President	Lake Capital
Francis T.F. Yuen	Chairman, Advisory Board	Ortus Capital Management Ltd.
Robert J. Zimmer	President	The University of Chicago

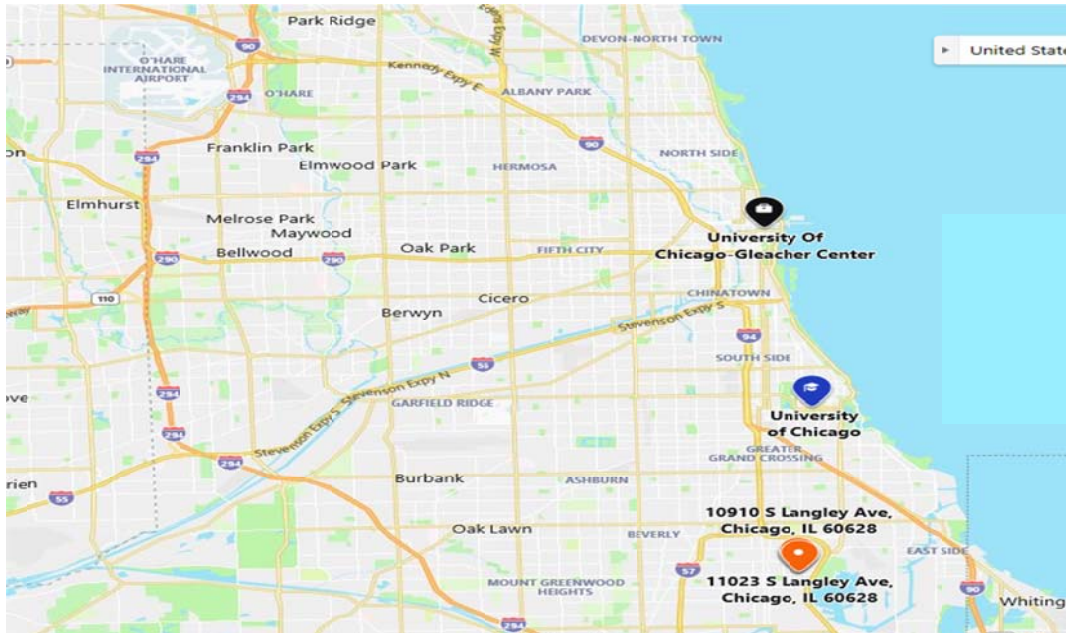
PROFESSIONAL & FINANCIAL

Borrower’s Counsel:	The University of Chicago (in-house counsel)	Chicago, IL	Russ Herron
Auditor (annual audits):	KPMG LLP	Chicago, IL	Kurt Gabaouer
Borrower Financial Advisor:	PFM Financial Advisors, LLC	Chicago, IL	Al Evans
Bond Counsel:	Chapman and Cutler LLP	Chicago, IL	Nancy Burke
Senior Manager:	RBC Capital Markets LLC	New York, NY	Christopher Good
Co-Senior Managers:	Loop Capital Markets, LLC	Chicago, IL	Clarence Bourne
	Morgan Stanley & Co., LLC	Chicago, IL	Martha Linsley
Co-Managers:	Barclays Capital, Inc.	New York, NY	John Augustine
	J.P. Morgan Securities LLC	New York, NY	Jim Costello,
		Chicago, IL	Michelle Salomon
	Siebert Williams Shank & Co., LLC	Chicago, IL	Gary Hall
	Wells Fargo Securities, LLC	Chicago, IL	Kevin Hoecker
Disclosure Counsel:	Burke Warren MacKay & Serritella, P.C.	Chicago, IL	Ray Fricke
Underwriter’s Counsel:	Mayer Brown LLP	Chicago, IL	Joe Seliga,
			David Narefsky
Trustee:	Wells Fargo Bank, NA	Chicago, IL	Gail Klewin
IFA Counsel:	Burke Burns & Pinelli, Ltd.	Chicago, IL	Stephen Welcome,
			Martin Burns
IFA Financial Advisor:	Sycamore Advisors, LLC	Chicago, IL	Courtney Tobin,
			Justin O’Shea

LEGISLATIVE DISTRICTS

	<u>Hyde Park Campus</u>	<u>10910, 11023, 11030 S Langley & 727 E. 110th St.</u>	<u>450 N. Cityfront Plaza</u>
Congressional:	1	2	7
State Senate:	13	17	13
State House:	25, 26	34	26

SITE MAPS – HYDE PARK CAMPUS + THE 5 OTHER LOCATIONS



Source: Bing Maps

ILLINOIS FINANCE AUTHORITY

Memorandum

To: IFA Board of Directors
From: Lorrie Karcher
Date: February 11, 2020
Re: Overview Memo for Beginning Farmer Bonds

- **Borrower/Project Name:** Beginning Farmer Bonds
- **Locations:** Throughout Illinois
- **Board Action Requested:** Final Bond Resolution for the attached projects
- **Amount:** Up to \$552,500 maximum of new money for each project
- **Project Type: Beginning Farmer Revenue Bonds**
- **Total Requested: \$874,000**
- **Calendar Year Summary:** (as of February 11, 2020)
 - Volume Cap: \$TBD (Note: IFA allocation request/award pending for CY 2020)
 - Volume Cap Committed: \$TBD
 - Volume Cap Remaining: \$TBD
 - Average Farm Acreage: 46
 - Number of Farms Financed: 3
- **IFA Benefits:**
 - **Conduit Tax-Exempt Bonds** – no direct IFA or State funds at risk
 - **New Money Bonds:**
 - IFA conveys tax-exempt, municipal bond status onto the financing
 - Will use dedicated 2020 IFA Volume Cap set-aside for Beginning Farmer Bond transactions
- **IFA Fees:**
 - One-time closing fee will total 1.50% of the bond amount for each project
- **Structure/Ratings:**
 - Bonds to be purchased directly as a nonrated investment held until maturity by the Borrower's bank (the "Bank")
 - The Bank will be secured by the Borrower's assets, as on a commercial loan (typically 1st Mortgage)
 - Interest rates, terms, and collateral are negotiated between the Borrower and the Bank, just as with any commercial loan
 - Workouts are negotiated directly between each Borrower and Bank, just as on any secured commercial loan
- **Bond Counsel: Burke, Burns & Pinelli, Ltd.**
Stephen F. Welcome, Esq.
Three First National Plaza, Suite 4300
Chicago, IL 60602

A. Project Number: 30435
Borrower(s): Owens, Kyle Phillip
Borrower Benefit: First Time Land Buyer
Town: Raymond, IL
IFA Bond Amount: \$120,000
Use of Funds: Farmland –12.77 acres of farmland
Purchase Price: \$125,000 / \$9,789 per acre
% Borrower Equity 4%
% IFA Bonds 96% (Bank Purchased Bond – Bank secured by 1st Mortgage)
% USDA Farm Service Agency (“FSA”) 0% (*Subordinate Financing – 2nd Mortgage*)
Township: Shaws Point
Counties/Regions: Macoupin / Central
Lender/Bond Purchase: First National Bank of Litchfield / Kevin Niemann
Legislative Districts: Congressional: 13
State Senate: 48
State House: 95

Principal shall be paid annually in installments determined pursuant to a Thirty-year amortization schedule, with the first principal payment date to begin one year from the date of closing. Accrued interest on the unpaid balance hereof shall be paid annually, with the first interest payment date to begin one year from the date of closing with the thirtieth and final payment of all outstanding balances due thirty years from the date of closing.

B. Project Number: 30436
Borrower(s): Haas, Jason
Borrower Benefit: First Time Land Buyer
Town: Roanoke, IL
IFA Bond Amount: \$377,000
Use of Funds: Farmland –an undivided 50% in 80 acres of farmland
Purchase Price: \$377,000 / \$9,425 per acre
% Borrower Equity 0%
% IFA Bonds 100% (Bank Purchased Bond – Bank secured by 1st Mortgage)
% USDA Farm Service Agency (“FSA”) 0% (*Subordinate Financing – 2nd Mortgage*)
Township: Clayton
Counties/Regions: Woodford / North Central
Lender/Bond Purchase: Heartland Bank & Trust / Tom Hand
Legislative Districts: Congressional: 18
State Senate: 53
State House: 106

Principal shall be paid annually in installments determined pursuant to a Twenty-year amortization schedule, with the first principal payment date to begin one year from the date of closing. Accrued interest on the unpaid balance hereof shall be paid annually, with the first interest payment date to begin one year from the date of closing with the twentieth and final payment of all outstanding balances due twenty years from the date of closing.

C. Project Number:	30437
Borrower(s):	Jones, Christopher & Karen
Borrower Benefit:	First Time Land Buyer
Town:	Benson, IL
IFA Bond Amount:	\$377,000
Use of Funds:	Farmland –an undivided 50% in 80 acres of farmland
Purchase Price:	\$377,000 / \$9,425 per acre
% Borrower Equity	0%
% IFA Bonds	100% (Bank Purchased Bond – Bank secured by 1 st Mortgage)
% USDA Farm Service Agency (“FSA”)	0% (<i>Subordinate Financing – 2nd Mortgage</i>)
Township:	Clayton
Counties/Regions:	Woodford / North Central
Lender/Bond Purchase:	Heartland Bank & Trust / Tom Hand
Legislative Districts:	Congressional: 18
	State Senate: 53
	State House: 106

Principal shall be paid annually in installments determined pursuant to a Twenty-year amortization schedule, with the first principal payment date to begin one year from the date of closing. Accrued interest on the unpaid balance hereof shall be paid annually, with the first interest payment date to begin one year from the date of closing with the twentieth and final payment of all outstanding balances due twenty years from the date of closing.

February 11, 2020

\$47,000,000 (not-to-exceed amount)
Community Unit School District Number 428, DeKalb County

REQUEST	<p>Purpose: Proceeds of the IFA Series 2020 Bonds will be used to purchase General Obligation Refunding School Bonds, Series 2020 (the “Local Government Securities”) issued by Community Unit School District Number 428, DeKalb County, Illinois (the “District”) to: (a) refund all of the District’s outstanding General Obligation Capital Appreciation School Building Bonds, Series 2010, dated August 4, 2010 (the “Series 2010 Bonds” or the “Refunded Bonds”) (the “Refunding”), and (b) pay costs associated with the issuance of the IFA Series 2020 Bonds and the Local Government Securities.</p> <p>Program: Local Government Revenue Bonds</p> <p>IFA/State Funds at Risk: None</p>																				
BOARD ACTIONS	Final Bond Resolution (One-time consideration)																				
MATERIAL CHANGES	None. This is the first time this matter has been presented to the IFA Board of Directors.																				
JOB DATA	<table> <tr> <td>897 FT + 49 PT</td> <td>Current jobs</td> <td>N/A</td> <td>New jobs projected</td> </tr> <tr> <td></td> <td>N/A</td> <td>Retained jobs</td> <td>N/A</td> </tr> <tr> <td></td> <td></td> <td></td> <td>Construction jobs</td> </tr> </table>	897 FT + 49 PT	Current jobs	N/A	New jobs projected		N/A	Retained jobs	N/A				Construction jobs								
897 FT + 49 PT	Current jobs	N/A	New jobs projected																		
	N/A	Retained jobs	N/A																		
			Construction jobs																		
BORROWER DESCRIPTION	<ul style="list-style-type: none"> The District is located in DeKalb County, Illinois (the “County”), approximately 60 miles west of the Chicago “Loop” and 40 miles southeast of Rockford, Illinois. The District encompasses 108 square miles including the City of DeKalb, the Town of Cortland, the Village of Malta, a small section of the City of Sycamore and substantial portions of unincorporated areas within six County townships The District maintains the Early Learning & Development Center (pre-K), 8 elementary schools (grades K through 5), 2 middle schools (grades 6-8), and DeKalb High School (grades 9-12). 																				
STRUCTURE	<ul style="list-style-type: none"> The plan of finance contemplates that tax-exempt refunding bonds will be underwritten by Raymond James & Associates, Inc. (the “Underwriter”) and sold through a public offering. The Series 2020 Bonds are being issued pursuant to a bond resolution adopted by the Board of Education of the District on January 21, 2020, as supplemented by a notification of sale. The Series 2020 Bonds due on or after January 1, 2029, are subject to optional redemption prior to maturity on any date on or after January 1, 2028. 																				
CREDIT INDICATORS/ SECURITY	<ul style="list-style-type: none"> The Series 2020 Bonds will be underwritten and sold in one or more series based on the District’s current long-term debt rating of ‘Aa2’ from Moody’s (Outlook: Stable), assigned as of April 2019. The District expects Moody’s to affirm the ‘Aa2’ rating on the District’s outstanding bonds and to assign the same ‘Aa2’ rating to the new Series 2020 Bonds in mid-February. The Series 2020 Local Government Securities will be issued as “General Obligation Bonds” and will be payable from (i) any funds of the District legally available for such purpose, and (ii) all taxable property in the District that is subject to the levy of taxes to pay the same without limitation as to rate or amount. 																				
INTEREST RATE	<ul style="list-style-type: none"> Fixed interest rates on serial bonds to be determined at pricing. Interest on the Bonds will be payable each January 1 and July 1, beginning January 1, 2021. 																				
MATURITY	<ul style="list-style-type: none"> Series 2020 Bonds will be a mix of serial maturities, ranging from January 1, 2021 through January 1, 2037. 																				
SOURCES AND USES (PRELIMINARY, SUBJECT TO CHANGE)	<table> <thead> <tr> <th colspan="2">Sources:</th> <th colspan="2">Uses:</th> </tr> </thead> <tbody> <tr> <td>IFA Series 2020 Bonds</td> <td>\$42,600,000</td> <td>Refunding Escrow</td> <td>\$55,351,369</td> </tr> <tr> <td>Bond Premium</td> <td>3,372,445</td> <td>Costs of Issuance</td> <td><u>621,076</u></td> </tr> <tr> <td>Equity</td> <td><u>10,000,000</u></td> <td></td> <td></td> </tr> <tr> <td>Total</td> <td><u>\$55,972,445</u></td> <td>Total</td> <td><u>\$55,972,445</u></td> </tr> </tbody> </table>	Sources:		Uses:		IFA Series 2020 Bonds	\$42,600,000	Refunding Escrow	\$55,351,369	Bond Premium	3,372,445	Costs of Issuance	<u>621,076</u>	Equity	<u>10,000,000</u>			Total	<u>\$55,972,445</u>	Total	<u>\$55,972,445</u>
Sources:		Uses:																			
IFA Series 2020 Bonds	\$42,600,000	Refunding Escrow	\$55,351,369																		
Bond Premium	3,372,445	Costs of Issuance	<u>621,076</u>																		
Equity	<u>10,000,000</u>																				
Total	<u>\$55,972,445</u>	Total	<u>\$55,972,445</u>																		
RECOMMENDATION	Project Review Committee recommends approval.																				

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
February 11, 2020**

INFORMATIONAL – PRELIMINARY, SUBJECT TO CHANGE

Project: Community Unit School District Number 428, DeKalb County

STATISTICS

Project Number:	12475	Amount:	\$47,000,000 (<i>not-to-exceed amount</i>)
Type:	Local Government Revenue Bonds	IFA Staff:	Rich Frampton & Brad R. Fletcher
Location:	Cortland, DeKalb, Malta, Sycamore	County/Region:	DeKalb County/Northeast

BOARD ACTION

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

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

IFA PROGRAM AND CONTRIBUTION

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

VOLUME CAP

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

BUSINESS SUMMARY

Description: Community Unit School District Number 428, DeKalb County, Illinois (the "District") serves grades Pre-K through 12 at the DeKalb Early Learning and Development Center, eight elementary schools, two middle schools, and DeKalb High School.

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

Background: The District is located in DeKalb County, Illinois (the "County"), approximately 60 miles west of the Chicago "Loop" and 40 miles southeast of Rockford, Illinois. The District encompasses 108 square miles including the City of DeKalb (the "City"), the Town of Cortland, the Village of Malta, a small section of the City of Sycamore and substantial portions of unincorporated areas within six County townships. Interstate 88 (the East-West Tollway) traverses the District with access and two interchanges.

The District includes agricultural land, substantial industrial and commercial components and one of the State's largest higher education institutions, Northern Illinois University ("NIU"). The District and NIU have worked closely together on education initiatives in the District. Additionally, NIU is undertaking a \$21 million renovation of the hotel and student center on campus (with the initial phase completed in fall 2019). NIU also anticipates completing construction of a new performing arts building this school year.

Other governmental entities in and near the District have undertaken significant projects to improve facilities affecting the District and its residents. In 2016 the DeKalb Public Library District completed a \$25 million rehabilitation and expansion of the main library located downtown. In June 2017, the Kishwaukee Water Reclamation District (formerly known as the DeKalb Sanitary District) received a loan commitment from the Illinois Environmental Protection Agency in the amount of \$53 million to modernize and expand its waste water treatment and reclamation facilities.

Employees: At the start of the 2019-2020 school year, the District had 897 full-time employees and 49 part-time employees. Of the total number of employees, approximately 854 are represented by a union.

Union contracts for 484 teachers expire in July 2023. Union contracts for 264 assistants expire in August 2022 while union contracts for 106 support staff (including cooks, custodians, and office professionals) each expire June 2020.

Financial Condition:

The District was certified to have the best of four financial profile designations (i.e., “Financial Recognition”) assigned by the Illinois State Board of Education (“ISBE”) in the last three of the preceding five fiscal years ending June 30, 2018. In Fiscal Year 2015 and 2014, the District was certified to have the second-highest of the four financial profile designations assigned (i.e. “Financial Review”). (The District’s financial condition improved beginning in FY 2016.)

State Aid:

The State provides aid to local school districts on an annual basis as part of the State’s appropriations process. Many school districts throughout the State rely on such “State Aid” to fund a significant part of their budgets. For the fiscal year ended June 30, 2019, 47.36% of the District’s General Fund revenue came from sources at the State, including State Aid.

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

Outstanding Debt:

The District’s outstanding long-term debt general obligations as of June 30, 2019 were comprised of its (i) Series 2011 Bonds, with a principal carrying amount of \$2.90MM, (ii) Series 2016 Bonds, with a principal carrying amount of \$9.21MM, (iii) Series 2017 Bonds, with a principal carrying amount of \$9.015MM, (iv) Series 2018 Bonds, with a principal carrying amount of \$8.715MM, and its (v) Series 2019 Bond, with a principal carrying amount of \$25.53MM.

The District further had outstanding as of June 30, 2019 its (vi) Series 2010 Capital Appreciation Bonds, with a principal carrying amount of \$55.56MM. Issuance of the IFA Series 2020 Bonds, together with available funds of the District, will refund the Series 2010 Capital Appreciation Bonds.

The District has no record of default and has met its debt repayment obligations promptly and as scheduled.

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DISTRICT FACTS

Table 1: Community Unit School District Number 99 Enrollment Trends*:

<u>Historical</u>		<u>Forecast</u>	
<u>Academic Year</u>	<u>Total Enrollment</u>	<u>Academic Year</u>	<u>Total Enrollment</u>
2015-2016	6,450	2020-2021	6,747
2016-2017	6,585	2021-2022	6,753
2017-2018	6,621	2022-2023	6,808
2018-2019	6,685	2023-2024	6,781
2019-2020	6,763	2024-2025	6,795
Average Enrollment:	<u>6,621</u>	Average Enrollment:	<u>6,777</u>

The District forecasts stable to increasing enrollment over the next 5 years. The District expects the forecast 5-year enrollment average (6,777 students) to be greater than the District’s historic average enrollment (6,621) posted over the previous 5 years (i.e., 2015-16 through 2019-20).

*Source: Preliminary Official Statement prepared by Disclosure Counsel.

Table 2: The Ten Largest Taxpayers in the District:

The companies listed below are the largest taxpayers in the District and comprise approximately 10.07% of the District’s \$809,739,476 Equalized Assessed Value (“EAV”) posted in 2018, inclusive of tax increment finance amounts.

TAXPAYER NAME	2018 EAV	PERCENT OF DISTRICT’S TOTAL EAV
3M (Griffin Essential Asset REIT II LLC)	\$13,046,137	1.61%
Target Corporation (Distribution Center)	11,106,655	1.37%
DeKalb Area Retirement Center (Oak Crest CCRC)	9,307,660	1.15%
3M Distribution Center (ARC TMDKBIL001 LLC)	7,745,109	0.96%
Panduit Corp.	7,408,159	0.91%
Hunter Normal Properties LLC	7,044,317	0.87%
Goodyear Tires (ARC DBPGDYR001 LLC)	6,904,195	0.85%
Lit Industrial Limited Partnership	6,557,227	0.81%
Mason Properties Delaware LLC	6,445,345	0.80%
DeKalb 1 Preservation LP	<u>5,986,051</u>	<u>0.74%</u>
	<u>\$81,550,855</u>	<u>10.07%</u>

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

Below is a listing of the largest non-governmental employers within or near the District area:

EMPLOYER	PRODUCT OR SERVICE	LOCATION	APPROX. NO. OF EMPLOYEES
Northern Illinois University	Public university	DeKalb	3,596
Northwestern Health/Kishwaukee Community Hospital	Hospital	DeKalb	1,443
The District	Education	DeKalb	900
3M Co.	Distributor of office supplies	DeKalb	596
Walmart SuperCenter	Discount retail	DeKalb	475
Community College District No. 523 (Kishwaukee Community College)	Community college	DeKalb	430
American Marketing & Publishing	Publishing company	DeKalb	358
Adient Sycamore	Car seats	Sycamore	355
Ideal Industries, Inc.	HQ, electrical connectors	Sycamore	350
Sonoco - Alloyd	Form and heat seal tool	DeKalb	330
Nicor	Call center	Sycamore	300
Nestle' USA, Inc., Distribution	Grocery distribution warehouse	DeKalb	250
3M Co., Midwest Distribution Center	Distributor of automotive electrical & duct tape	DeKalb	230
Kindred Hospital, Sycamore	Long term acute care hospital	Sycamore	200
SK Express, Inc.	Electrical wiring harnesses	DeKalb	200
The Suter Co., Inc.	Canned prepared foods, refrigerated salads	Sycamore	200
Jewel/Osco	Retail	DeKalb	200
Seymour Of Sycamore, Inc.	Aerosol paints & chemicals	Sycamore	170
Forge Resources Group, LLC	Steel, alloy & stainless closed die forgings	DeKalb	150
Auto Meter Products, Inc.	Tachometers, automotive gages	Sycamore	130
Algas Packaging, Inc.	Heat sealing machines	DeKalb	125

Sources: 2019 Illinois Services and 2019 Illinois Manufacturers Directories, and the Illinois Department of Commerce and Economic Opportunity.

DEMOGRAPHIC INFORMATION

Table 4 - Population Growth:

The District has an estimated population of 51,953 (Source: U.S. Census Bureau).

Entity:	1990	2000	2010	% Change 2000-2010
City of DeKalb	35,076	39,018	43,862	12.41%
DeKalb County	77,932	88,969	105,160	18.20%
State of Illinois	11,430,602	12,419,293	12,830,632	3.31%

Unemployment Rates:

Unemployment statistics are not compiled specifically for the District. According to the Illinois Department of Employment Security, the City of DeKalb posted an unemployment rate of 4.5% during calendar 2018. In comparison, DeKalb County posted an unemployment rate of 4.4% during calendar 2018. This compared with an annual average unemployment rate of 4.3% for the State of Illinois during calendar 2018.

Median Household Income:

According to the U.S. Census Bureau, 2013 - 2017 American Community Survey, the City of DeKalb had a median household income of \$41,009. This compares with \$58,343 for DeKalb County and with \$61,229 for the State of Illinois.

ECONOMIC DISCLOSURE STATEMENT

Applicant/Borrower: Community Unit School District Number 428, DeKalb County

Contact: Richard “Jamie” Craven, Superintendent
 DeKalb Community Unit School District 428
 901 S 4th St
 DeKalb, IL 60115
 (815) 754-2350

Website: <https://www.dist428.org/>

Entity: Illinois Community Unit School District

Board of Education:

OFFICIAL	POSITION	TERM EXPIRES
Samantha McDavid	President	April 2023
Valerie Pena-Hernandez	Vice President	April 2021
Sarah Moses	Member	April 2023
Jeff Hallgren	Member	April 2021
Victoria Newport	Member	April 2021
Jeremy Olson	Member	April 2023
David Seymour	Member	April 2023

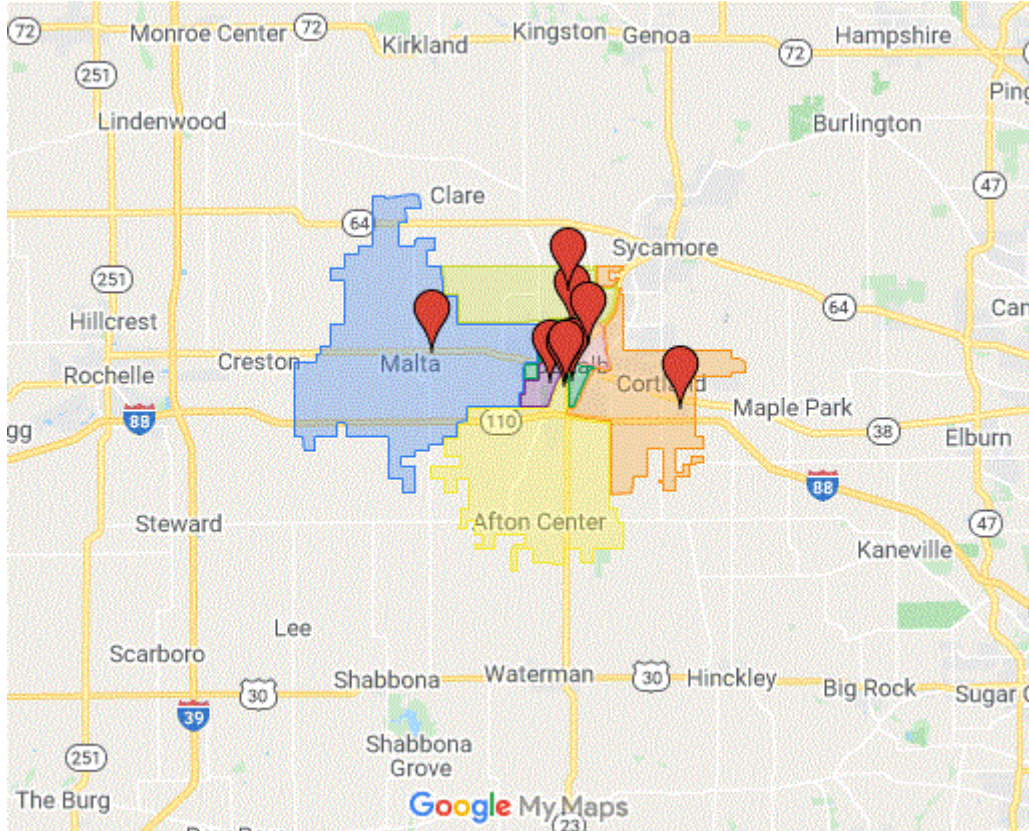
PROFESSIONAL & FINANCIAL

Auditor:	Wipfli LLP	Aurora, IL	
Bond Counsel:	Chapman and Cutler LLP	Chicago, IL	Anjali Vij Stephanie DiSilvestro
Disclosure Counsel:	Chapman and Cutler LLP	Chicago, IL	Larry White Seema Patel
Underwriter:	Raymond James & Associates, Inc.	Chicago, IL	Elizabeth Hennessy Paula Arnedo Karen Barron
Bond Registrar and Paying Agent:	Amalgamated Bank of Chicago	Chicago, IL	
Issuer’s Counsel:	Quarles & Brady LLP	Chicago, IL	Tim Hinchman
IFA Financial Advisor:	Sycamore Advisors LLC	Chicago, IL	Courtney Tobin Justin O’Shea

LEGISLATIVE DISTRICTS

Congressional: 16
State Senate: 35
State House: 70

COMMUNITY UNIT SCHOOL DISTRICT NUMBER 428, DEKALB COUNTY MAP



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ILLINOIS FINANCE AUTHORITY

Memorandum

To: IFA Board of Directors

From: Sara Perugini

Date: February 11, 2020

Re: Resolution Authorizing and Approving Amendments related to the Illinois Finance Authority Revenue Bonds, Series 2012 (Centegra Health System), Illinois Finance Authority Revenue Bonds, Series 2014A (Centegra Health System), Illinois Finance Authority Variable Rate Revenue Bonds, Series 2014B (Centegra Health System), Illinois Finance Authority Revenue Bonds, Series 2015A (KishHealth System) and the Illinois Finance Authority Revenue Bonds, Series 2015B (KishHealth System); and Approving Related Matters
IFA 2014 File Number: H-HO-TE-CD-8671

The **Illinois Finance Authority** (the “**Authority**”) has previously issued the following bonds for the benefit of certain affiliates of **Northwestern Memorial HealthCare** (“**NMHC**”):

- Illinois Finance Authority Revenue Bonds, Series 2012 (**Centegra Health System**) (the “**Series 2012 Bonds**”), which as of January 31, 2010 are outstanding in the aggregate principal amount of \$179,115,000
- Illinois Finance Authority Revenue Bonds, Series 2014A (**Centegra Health System**) (the “**Series 2014A Bonds**”) which as of January 31, 2020 are outstanding in the aggregate principal amount of \$132,325,000
- Illinois Finance Authority Variable Rate Revenue Bonds, Series 2014B (**Centegra Health System**) (the “**Series 2014B Bonds**”) which as of January 31, 2020 are outstanding in the aggregate principal amount of \$33,160,000
- Illinois Finance Authority Variable Rate Revenue Bonds, Series 2014C (**Centegra Health System**) (the “**Series 2014C Bonds**”) which as of January 31, 2020 are outstanding in the aggregate principal amount of \$24,010,000
- Illinois Finance Authority Revenue Bond, Series 2015A (**KishHealth System**) (the “**Series 2015A Bonds**”) which as of January 31, 2020 are outstanding in the aggregate principal amount of \$2,718,002
- Illinois Finance Authority Revenue Bond, Series 2015B (**KishHealth System**) (the “**Series 2015B Bonds**”) which as of January 31, 2020 are outstanding in the aggregate principal amount of \$7,216,215

NMHC is requesting that the Authority (i) authorize the execution and delivery of amendments to the bond trust indentures, loan agreements and other documents relating to the Series 2012 Bonds, the Series 2014A Bonds, the Series 2014B Bonds and the Series 2014C Bonds (the “**NMHC-Centegra Bonds**”) to reflect the merger of Centegra Health System (“**Centegra**”) into NMHC and the assumption of the obligations and duties of Centegra under the bond trust indentures, loan agreements and other documents related to the NMHC-Centegra Bonds (the “**NMHC-Centegra Bond Documents**”) by NMHC and (ii) authorize the execution and delivery of amendments to the bond and loan agreements and the other documents relating to the Series 2015A

Bonds and the Series 2015B Bonds (the “*NMHC-Kish Bonds*”) to reflect a new interest period during which the existing bondholders will continue to own the NMHC-Kish Bonds and establish the interest rate for each series that will be effective for such period, both of which are to be negotiated by NMHC with the current banks that own the bonds.

MERGER OF CENTEGRA INTO NMHC

The proceeds of the NMHC-Centegra Bonds were originally used (i) to refinance or finance the cost of the acquisition, construction and equipping of the healthcare facilities of Centegra and its affiliates, including the construction of a 128-bed, approximately 384,000 square foot acute care hospital in Huntley, Illinois, or to refund prior tax-exempt bonds that had been issued by the Authority or the Illinois Health Facilities Authority for such purposes and (ii) to pay other related costs to the refundings and the issuance of the NMHC-Centegra Bonds.

On September 1, 2019, NMHC and Centegra completed an affiliation with NMHC becoming the sole corporate member of Centegra (the “*Affiliation*”). As part of the Affiliation, Centegra and some of its affiliates became members of the Obligated Group created by NMHC’s Second Amended and Restated Master Trust Indenture dated as of December 1, 2017, as supplemented and amended (the “*NMHC Master Indenture*”) and the documents related to the NMHC-Centegra Bonds were amended to make such NMHC-Centegra Bonds parity debt under the NMHC Master Indenture. At that time, Centegra remained as the borrower under each of the NMHC-Centegra Bond Documents.

As part of NMHC’s ongoing review of its overall corporate structure, NMHC has decided to merge Centegra into NMHC, with NMHC being the surviving entity. The resolution authorizes the execution and delivery by the Authority of any necessary amendments to the NMHC-Centegra Bond Documents to evidence the succession of NMHC to all of the obligations and duties of Centegra. The resolution delegates to the Executive Director or the General Counsel the authority to make the determination of what actions may be required by the Authority to facilitate the merger and to approve such documents.

AMENDMENTS TO NMHC-KISH BONDS

The Series 2015A Bonds were issued on March 2, 2015 and purchased by **The National Bank & Trust Company of Sycamore**, which was later acquired by **First Midwest Bank** (the “*Series 2015A Purchaser*”), in the principal amount of \$3,365,281. The Series 2015B Bonds were issued on March 2, 2015 and purchased by **The First National Bank of Omaha** (the “*Series 2015B Purchaser*”) in the principal amount of \$8,934,719. The proceeds of the Series 2015A Bonds and the Series 2015B Bonds were loaned to **KishHealth System** (“*KishHealth*”) pursuant to separate Bond and Loan Agreements among KishHealth, the Authority and the respective purchaser, and used to finance the acquisition of a 69,322 square foot medical clinic building (and the land thereunder) located at 1850 Gateway Drive in Sycamore, Illinois. On August 31, 2018, NMHC assumed all of the obligations of KishHealth under each of the Bond and Loan Agreements.

Currently, each series of the NMHC-Kish Bonds bears interest at a fixed rate of 2.80% per annum until March 2, 2020, the date on which the NMHC-Kish Bonds are subject to mandatory purchase by NMHC unless the current owners elect to retain their bonds or such bonds are remarketed to a new holder. NMHC has been informed by the both the Series 2015A Purchaser and the Series 2015B Purchaser that they wish to retain their respective NMHC-Kish Bonds for an additional period and are negotiating with NMHC on the length of the

period and the interest rate that will be effective for the new period, all in accordance with the terms of the NMHC-Kish Bonds.

NMHC is requesting approval of a resolution to authorize the execution and delivery of amendments to the Bond and Loan Agreements and the other documents related to the NMHC-Kish Bonds to establish a new interest period and related purchase date at the end of such period for each series of NMHC-Kish Bonds and to reflect the interest rate borne on such series during the new interest period.

The Project Review Committee recommends approval of the accompanying resolution.

PROFESSIONAL & FINANCIAL

Bond Counsel:	Chapman and Cutler LLP	Chicago, IL	Rich Tomei
Borrower's Counsel:	Dentons US LLP	Chicago, IL	Mary Wilson
Borrower's Financial Advisor:	Kaufman Hall	Chicago, IL	Jim Blake Marek Kowalewski
Series 2015 Banks	First Midwest Bank The First National Bank of Omaha	Chicago, IL DeKalb, IL	
Bank Counsel:	TBD		
Issuer's Counsel:	Katten Muchin Rosenman LLP	Chicago, IL	Chad Doobay
IFA Financial Advisor:	Acacia Financial Group, Inc.	Chicago, IL	Phoebe Selden, Brittany Whelen

ECONOMIC DISCLOSURE STATEMENT

2020 Board Members (501(c)(3)):

Carol L. Bernick
John A. Canning
Nicholas D. Chabraja
Michael A. Cullen
Manny Favela
William P. Flesch
Dean M. Harrison
Michael J. Kachmer
Joseph D. Mansueto
Thomas Matya
W. James McNerney, Jr.
Timothy P. Moen
Eric G. Neilson, MD
William A. Osborn
J. Christopher Reyes
Morton O. Schapiro
Timothy P. Sullivan
Glenn F. Tilton
Douglas E. Vaughan, MD
Patricia A. Woertz
Charie A. Zanck

RESOLUTION 2020-0211-CF05

RESOLUTION AUTHORIZING AND APPROVING AMENDMENTS RELATED TO THE ILLINOIS FINANCE AUTHORITY REVENUE BONDS, SERIES 2012 (CENTEGRA HEALTH SYSTEM), THE ILLINOIS FINANCE AUTHORITY REVENUE BONDS, SERIES 2014A (CENTEGRA HEALTH SYSTEM), THE ILLINOIS FINANCE AUTHORITY VARIABLE RATE REVENUE BONDS, SERIES 2014B (CENTEGRA HEALTH SYSTEM), THE ILLINOIS FINANCE AUTHORITY VARIABLE RATE REVENUE BONDS, SERIES 2014C (CENTEGRA HEALTH SYSTEM), THE ILLINOIS FINANCE AUTHORITY REVENUE BOND, SERIES 2015A (KISHHEALTH SYSTEM) AND THE ILLINOIS FINANCE AUTHORITY REVENUE BOND, SERIES 2015B (KISHHEALTH SYSTEM); AND APPROVING RELATED MATTERS

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

WHEREAS, the Authority has previously issued its Illinois Finance Authority Revenue Bonds, Series 2012 (Centegra Health System) (the “*Series 2012 Bonds*”), its Illinois Finance Authority Revenue Bonds, Series 2014A (Centegra Health System) (the “*Series 2014A Bonds*”), its Illinois Finance Authority Variable Rate Revenue Bonds, Series 2014B (Centegra Health System) (the “*Series 2014B Bonds*”), and its Illinois Finance Authority Variable Rate Revenue Bonds, Series 2014C (Centegra Health System) (the “*Series 2014C Bonds*” and, together with the Series 2012 Bonds, the Series 2014A Bonds and the Series 2014B Bonds, the “*NMHC-Centegra Bonds*”) for the benefit of Centegra Health System, an Illinois not for profit corporation (“*Centegra*”) and certain and its related affiliates, including Northern Illinois Medical Center, Memorial Medical Center - Woodstock, and NIMED Corp.; and

WHEREAS, effective on September 1, 2019, Northwestern Memorial HealthCare, an Illinois not for profit corporation (“*NMHC*”), became the sole corporate member of Centegra, and Centegra, and certain of its affiliates became members of the Obligated Group created by the Second Amended and Restated Master Trust Indenture dated as of December 1, 2017, as supplemented and amended, among NMHC, certain NMHC’s affiliates, and Wells Fargo Bank, N.A., as master trustee; and

WHEREAS, NMHC has informed the Authority of its intention to merge Centegra into NMHC, with NMHC being the surviving entity, and has requested the Authority execute and deliver certain amendments to the bond trust indentures and loan agreements and other documents related to the NMHC-Centegra Bonds (the “*NMHC-Centegra Bond Documents*”) to reflect the assumption of the obligations of Centegra under such documents by NMHC and to provide any necessary consents or approvals as may be necessary in connection with such merger; and

WHEREAS, the Authority has previously issued its Illinois Finance Authority Revenue Bond, Series 2015A (KishHealth System) (the “*Series 2015A Bonds*”) and its Illinois Finance Authority Revenue Bond, Series 2015B (KishHealth System) (the “*Series 2015B Bonds*”, and, together with the Series 2015A Bonds, the “*NMHC-Kish Bonds*”) for the benefit of KishHealth System, an affiliate of NMHC; and

WHEREAS, NMHC has determined that it is desirable to exercise its right under the Bond and Loan Agreements, each dated as of March 1, 2015 (collectively, the “*NMHC-Kish Bond Agreements*”) among the Authority, NMHC (as successor to KishHealth System) and the initial purchasers of each series of the NMHC-Kish Bonds to provide for the retention of such NMHC-Kish Bonds by the current holders of such bonds and to establish new Purchase Dates (as defined in the NMHC-Kish Bond Agreements) and interest rates for each series of the NMHC-Kish Bonds that will be effective from March 2, 2020 until the new Purchase Date, all in accordance with the terms of the NMHC-Kish Bond Agreements; and

WHEREAS, NMHC has requested that the Authority execute and deliver any necessary amendments to the NMHC-Kish Bond Agreements and other documents related to the KishHealth Bonds (the “*NMHC-Kish Bond Amendments*”) to reflect the retention of the NMHC-Kish Bonds by the existing holders and the establishment of the new interest rates and Purchase Dates for the NMHC-Kish Bonds and to provide any necessary consents or approvals as may be necessary in connection with such amendments.

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

Section 1. Approval of Documents. The Authority does hereby authorize and approve the execution by its Chairperson, Vice Chairperson, Executive Director or Treasurer (or any other person duly appointed by the Members of the Authority to serve in such office on an interim basis (each an “*Authorized Officer*”) and the delivery and use of (i) such supplements and amendments to the NMHC-Centegra Bond Documents as may be required to evidence the merger of Centegra into NMHC (as determined by the Executive Director or the General Counsel) and (ii) the NMHC-Kish Bond Amendments. Such amendments and supplements shall be substantially in the forms approved by the Authorized Officer of the Authority executing the same, with such execution to constitute conclusive evidence of such Authorized Officer’s approval and the Authority’s approval of the forms of such documents.

Section 2. Authorization and Ratification of Subsequent Acts. The Members, officers, agents and employees of the Authority are hereby authorized and directed to do all such acts and things and to execute or accept all such documents as may be necessary to carry out and comply with the provisions of these resolutions, and all of the acts and doings of the Members, officers, agents and employees of the Authority which are in conformity with the intent and purposes of these resolutions, whether heretofore or hereafter taken or done, shall be and are hereby authorized, ratified, confirmed and approved. Unless otherwise provided therein, wherever in any document executed pursuant hereto it is provided that an action shall be taken by the Authority, such action shall be taken by an Authorized Officer of the Authority, or in the event of the unavailability, inability or refusal of an Authorized Officer to act, any two Members of the Authority, each of whom is hereby authorized, empowered, delegated the power and duty and directed to take such action on behalf of the Authority, all within the parameters set forth herein and in the applicable document.

Section 3. Severability. The provisions of this resolution are hereby declared to be separable, and if any section, phrase or provision hereof shall for any reason be declared to be invalid, such declaration shall not affect the validity of the remainder of the sections, phrases and provisions of this Resolution.

Section 4. Conflicts. All resolutions and orders, or parts thereof, in conflict herewith are hereby superseded to the extent of such conflict.

Section 5. Effectiveness. This resolution shall be in full force and effect immediately upon its passage, as by law provided.

Adopted and effective this 11th day of February, 2020:

Ayes:

Nays:

Abstain:

Absent:

Vacant:

ILLINOIS FINANCE AUTHORITY

By

Executive Director

ATTEST:

Assistant Secretary

[SEAL]

ILLINOIS FINANCE AUTHORITY

Memorandum

To: IFA Board of Directors

From: Sara Perugini

Date: February 11, 2020

Re: Resolution Authorizing the Amendment of the Bond Purchase and Loan Agreement Relating to the Illinois Finance Authority Revenue Bonds, Series 2013A (The University of Chicago Medical Center); and Approving Related Matters
IFA 2013 File Number: H-HO-TE-CD-8586

The **Illinois Finance Authority** (the “**Authority**”) has issued its Illinois Finance Authority Revenue Bonds, Series 2013A (The University of Chicago Medical Center) (the “**Series 2013A Bonds**”), \$69,801,000 of which are now outstanding, pursuant to a **Bond Purchase and Loan Agreement** dated as of January 1, 2013 (the “**Loan Agreement**”), among the Authority, **Bank of America, N.A.**, as lender (the “**Lender**”), and **The University of Chicago Medical Center**, as borrower (the “**Borrower**”).

The Lender currently holds the Series 2013A Bonds. The Loan Agreement provides for the Series 2013A Bonds to bear interest at a variable rate based on LIBOR plus a spread. The Series 2013A Bonds are subject to mandatory tender on May 22, 2020.

In order to provide flexibility in how the Series 2013A Bonds bear interest, the Borrower has requested that the Authority and the Lender amend the Loan Agreement to allow the Series 2013A Bonds to bear interest at fixed rates. The Borrower has also requested that the amendments to the Loan Agreement allow the Series 2013A Bonds to bear interest at variable rates based on SIFMA plus a spread. The Lender has agreed to the proposed amendments.

The proposed Authority resolution approves the execution by the Authority of an amended and restated Loan Agreement containing the amendments described above and certain other related matters. The Lender will be a party to the amended and restated Loan Agreement. Chapman and Cutler LLP is expected to provide an opinion that such amendments will not adversely affect the tax-exempt status of the Series 2013A Bonds.

The Project Review Committee recommends approval of the accompanying resolution.

PROFESSIONAL & FINANCIAL

Bond Counsel:	Chapman and Cutler LLP	Chicago, IL	John Bibby Megan Rudd
Borrower’s Counsel:	Katten Muchin Rosenman LLP	Chicago, IL	Janet Hoffman Chad Doobay
Borrower’s Financial Advisor:	Melio & Company	Chicago, IL	Mark Melio
Bank:	Bank of America, N.A.	Chicago, IL	
Bank Counsel:	Chapman and Cutler LLP	Chicago, IL	David Field
Issuer’s Counsel:	Burke Burns & Pinelli, Ltd.	Chicago, IL	Stephen Welcome, Martin T. Burns
IFA Financial Advisor:	Acacia Financial Group, Inc.	Chicago, IL	Phoebe Selden, Brittany Whelen

ECONOMIC DISCLOSURE STATEMENT

Board Members:	Emily Nicklin Diane Atwood Paul Carbone Cynthia Chereskin Thomas Duckworth Rodney Goldstein Patrick Kelly Frank M. Clark, III Joseph Nolan Kenneth Polonsky Barry E. Fields Michael Tang Paula Wolff Kevin M. Purcell	Richard King Brian Miller Robert Clark Daniel Diermeier Edward Naureckas David Orth Rachel Kohler Joseph Neubauer Brien O'Brien Nicholas Pontikes James Stephen Terry Van Der Aa Paul Yovovich Scott Silverman	Andrew Alper Kevin Brown John Cooney Craig Duchossois James Frank Stephanie Harris Jonathan Kovler Cheryl Mayberry McKissack Sharon O'Keefe James Reynolds, Jr. John Svoboda Scott Wald Robert Zimmer Robin M. Steans
Life Trustees:	Paul Anderson Jules Knapp Barry MacLean Robert Weiss	Robert Feitler Howard Krane Robert Schloerb Ellen Block	Stanford Goldblatt John Mabie Gordon Segal

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RESOLUTION 2020-0211-CF06

**RESOLUTION AUTHORIZING THE AMENDMENT OF THE BOND
PURCHASE AND LOAN AGREEMENT RELATING TO THE ILLINOIS
FINANCE AUTHORITY REVENUE BONDS, SERIES 2013A (THE
UNIVERSITY OF CHICAGO MEDICAL CENTER) AND APPROVING
RELATED MATTERS**

WHEREAS, the ILLINOIS FINANCE AUTHORITY (the “*Authority*”) has been created by the Illinois Finance Authority Act, as amended (the “*Act*”); and

WHEREAS, the Authority previously issued its \$75,000,000 maximum principal amount Illinois Finance Authority Revenue Bonds, Series 2013A (The University of Chicago Medical Center) (the “*Series 2013A Bonds*”), \$69,801,000 of which are currently outstanding, pursuant to a Bond Purchase and Loan Agreement dated as of January 1, 2013 (the “*Loan Agreement*”), among the Authority, Bank of America, N.A., as lender (the “*Lender*”), and The University of Chicago Medical Center, as borrower (the “*Borrower*”); and

WHEREAS, pursuant to the Loan Agreement, the Authority loaned the proceeds of the Series 2013A Bonds to the Borrower; and

WHEREAS, the Lender is the current holder of the Series 2013A Bonds which are subject to mandatory tender on May 22, 2020; and

WHEREAS, the Loan Agreement provides that, except in certain circumstances, the Series 2013A Bonds will bear interest at an Adjusted Rate, which is a variable rate of interest equal to the BBA LIBOR Rate (as defined in the Loan Agreement) plus a spread; and

WHEREAS, in order to provide flexibility in how the Series 2013A Bonds bear interest in different Interest Periods (as defined in the Loan Agreement), the Borrower has requested that the Authority and the Lender amend and restate the Loan Agreement in order to amend the interest rate provisions, to permit the Series 2013A Bonds to bear interest at fixed interest rates, and to provide additional flexibility in converting to other interest rate modes in the future and certain other related matters (collectively, the “*Amendments*”); and

WHEREAS, the Lender has agreed to the Amendments; and

WHEREAS, a draft of the amended and restated Loan Agreement (the “*Amended and Restated Loan Agreement*”) containing the Amendments related to the Series 2013A Bonds, has been previously provided to the Authority and is on file with the Authority; and

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

Section 1. Amendments. The Authority does hereby authorize and approve the execution (by manual or facsimile signature) by the Chairperson, Vice Chairperson, Executive Director or Treasurer (or any person duly appointed by the Members of the Authority to serve in such office on an interim basis) (each, an “*Authorized Officer*”), and the delivery, performance and use of the Amended and Restated Loan Agreement. The Secretary or any Assistant

Secretary of the Authority is hereby authorized to attest and to affix the official seal of the Authority to the Amended and Restated Loan Agreement. The Amended and Restated Loan Agreement shall be substantially in the form previously provided to and on file with the Authority and hereby approved, or with such changes therein as shall be approved by the Authorized Officer of the Authority executing the same, with such execution to constitute conclusive evidence of such Authorized Officer's approval and the Authority's approval of any changes or revisions therein from such form of the Amended and Restated Loan Agreement and to constitute conclusive evidence of such Authorized Officer's approval.

Section 2. Authorization and Ratification of Subsequent Acts. The Members, Authorized Officer, officers, agents and employees of the Authority are hereby authorized and directed to do all such acts and things and to execute or accept all such documents, agreements, certificates, documents or instruments (including without limitation the execution and delivery of one or more replacement Series 2013A Bonds and tax exemption agreements or certificates or amendments thereto) as may be necessary to carry out and comply with the provisions of this Resolution, the Amended and Restated Loan Agreement and the Amendments, and all of the acts and doings of the Members, Authorized Officer, officers, agents and employees of the Authority which are in conformity with the intent and purposes of this Resolution and within the parameters set forth herein, whether heretofore or hereafter taken or done, shall be and are hereby authorized, ratified, confirmed and approved. Unless otherwise provided therein, wherever in the Amended and Restated Loan Agreement or any other document executed, approved or accepted pursuant hereto it is provided that an action shall be taken by the Authority, such action shall be taken by an Authorized Officer of the Authority, or in the event of the unavailability, inability or refusal of an Authorized Officer to take such action, by any two Members of the Authority, each of whom is hereby authorized, empowered, and delegated the power and duty and directed to take such action on behalf of the Authority, all within the parameters set forth herein and in the Amended and Restated Loan Agreement.

Section 3. Severability. The provisions of this Resolution are hereby declared to be separable, and if any section, phrase or provision hereof shall for any reason be declared to be invalid, such declaration shall not affect the validity of the remainder of the sections, phrases and provisions of this Resolution.

Section 4. Conflicts. All resolutions and orders, or parts thereof, in conflict herewith are hereby superseded to the extent of such conflict.

Section 5. Effectiveness. This Resolution shall be in full force and effect immediately upon its passage, as by law provided.

Adopted and effective this 11th day of February, 2020:

Ayes:

Nays:

Abstain:

Absent:

ILLINOIS FINANCE AUTHORITY

By _____
Executive Director

ATTEST:

Assistant Secretary

[SEAL]

ILLINOIS FINANCE AUTHORITY

Memorandum

To: IFA Board of Directors

From: William Atwood

Date: February 11, 2020

Re: RESOLUTION DELEGATING TO THE EXECUTIVE DIRECTOR OF THE ILLINOIS FINANCE AUTHORITY THE POWER TO FUND AND ADMINISTER A LOAN IN AN AMOUNT NOT-TO-EXCEED \$7,500,000 TO THE FIREFIGHTERS' PENSION INVESTMENT FUND AND RATIFYING CERTAIN MATTERS RELATED THERETO

Attached hereto please find for your consideration a resolution approving a proposed loan agreement between the Authority and the newly formed Firefighters' Pension Investment Fund.

In December the Governor signed into law SB1300 that created the Firefighters' Pension Investment Fund and the Police Officers' Pension Investment Fund. The legislation also authorized the Authority to lend start-up capital for the two new organizations.

Under the agreement, consistent with statute, the Authority will lend the Firefighters' Pension Investment Fund up to \$7.5 Million. The funds may be drawn periodically through the statutorily defined transition period that ends June 30, 2022. Upon conclusion of the transition period, the Firefighters' Pension Investment Fund will repay the Authority over the course of twenty four months. The loan may be prepaid at any point after the conclusion of the transition period. The stated interest rate is the greater of (i) 150bps over the Fed Funds rate or (ii) 3.00%.

The agreement will preclude transference of funds until the Firefighters' Pension Investment Fund achieves certain governance benchmarks. The statute also restricts the use of these proceeds "to provide funds for payment of the ordinary and regular costs associated with the implementation of this transition process....".

ILLINOIS FINANCE AUTHORITY

Memorandum

To: IFA Board of Directors

From: William Atwood

Date: February 11, 2020

Re: RESOLUTION DELEGATING TO THE EXECUTIVE DIRECTOR OF THE ILLINOIS FINANCE AUTHORITY THE POWER TO FUND AND ADMINISTER A LOAN IN AN AMOUNT NOT-TO-EXCEED \$7,500,000 TO THE POLICE OFFICERS' PENSION INVESTMENT FUND AND RATIFYING CERTAIN MATTERS RELATED THERETO

Attached hereto please find for your consideration a resolution approving a proposed loan agreement between the Authority and the newly formed Police Officers' Pension Investment Fund.

In December the Governor signed into law SB1300 that created the Firefighters' Pension Investment Fund and the Police Officers' Pension Investment Fund. The legislation also authorized the Authority to lend start-up capital for the two new organizations.

Under the agreement, consistent with statute, the Authority will lend the Police Officers' Pension Investment Fund up to \$7.5 Million. The funds may be drawn periodically through the statutorily defined transition period that ends June 30, 2022. Upon conclusion of the transition period, the Police Officers' Pension Investment Fund will repay the Authority over the course of twenty four months. The loan may be prepaid at any point after the conclusion of the transition period. The stated interest rate is the greater of (i) 150bps over the Fed Funds rate or (ii) 3.00%.

The agreement will preclude transference of funds until the Police Officers' Pension Investment Fund achieves certain governance benchmarks. The statute also restricts the use of these proceeds "to provide funds for payment of the ordinary and regular costs associated with the implementation of this transition process....".

ILLINOIS FINANCE AUTHORITY

Memorandum

To: IFA Board of Directors

From: Charles Myart

Date: February 11, 2020

Re: RESOLUTION DELEGATING TO THE EXECUTIVE DIRECTOR OF THE ILLINOIS FINANCE AUTHORITY THE POWER TO FUND AND ADMINISTER AN APPROPRIATION ANTICIPATION LOAN IN AN AMOUNT NOT-TO-EXCEED \$300,000 TO THE JOLIET ARSENAL DEVELOPMENT AUTHORITY ("JADA") AND RATIFYING CERTAIN MATTERS RELATED THERETO

The **Joliet Arsenal Development Authority** ("JADA") is a political subdivision, body politic, and municipal corporation established under Illinois law (70 ILCS 508/1, et seq.) (the "JADA Act").

JADA has requested the Illinois Finance Authority ("IFA") to consider the accompanying Resolution that would authorize the Executive Director of the IFA to execute an Appropriation Anticipation Loan Agreement with JADA in an amount not-to-exceed \$300,000.

The **Department of Commerce and Economic Opportunity** ("DCEO") received an appropriation in the State's FY 2020 Budget in order to provide a grant of \$500,000 to JADA during this fiscal year. Subsequently, a grant agreement was entered into between JADA and DCEO on December 2, 2019. JADA anticipates a 90 – 120 day delay in the disbursements requested under this grant agreement.

As proposed by JADA, the IFA \$300,000 Appropriation Anticipation Loan would enable JADA to cover payment of operational expenses for an anticipated term of up to six months. Repayment of the Appropriation Anticipation Loan would be subject to an appropriation intercept to IFA.

The accompanying Resolution would authorize a maximum loan term of up to 24 months (i.e., through February 28, 2022). Negotiation of other terms and conditions precedent to closing of the Appropriation Anticipation Loan financing would be delegated to IFA's Executive Director and reported to the IFA Members.

Proposed Conditions:

- 1. Maximum IFA Grant Anticipation Note Amount and Term:** The proposed Appropriation Anticipation Loan may take the form of a loan structured with a maximum term of 24 months and for a maximum principal amount of \$300,000.
- 2. IFA Appropriation Anticipation Loan Proceeds shall be Limited to Eligible Expenses:** Funding of any Appropriation Anticipation Loan to JADA will be limited to the payment of eligible expenses pursuant to the grant agreement with DCEO.
- 3. Security for IFA Grant Anticipation Note Agreement:** Repayment of the Appropriation Anticipation Loan would be subject to an appropriation intercept.
- 4. Mandatory Redemption:** 100% of the advanced principal balance (up to \$300,000) and interest on IFA's Appropriation Anticipation Loan shall become immediately due and payable on the earlier of (i) funding of the

appropriation by the State of Illinois (the “State”), (ii) if JADA receives sufficient proceeds from the sale of property to retire the existing mortgage, all remaining proceeds will be applied to the Loan, or (iii) the final maturity date of February 28, 2022.

5. Right to Impose Additional Terms and Conditions: IFA’s Executive Director is authorized to negotiate and impose any additional terms and conditions deemed necessary or advisable in order to assure that (i) Appropriation Anticipation Loan proceeds are expended in an appropriate manner and (ii) the IFA Appropriation Anticipation Loan is promptly repaid in full upon the receipt of proceeds from a sale of property or the availability of State funds to JADA.

6. Interest and Reimbursement for Reasonable Fees, and Expenses: IFA’s Executive Director is authorized to determine applicable interest rate and fees, if deemed necessary or desirable. Additionally, IFA’s Executive Director may request reimbursement for reasonable out-of-pocket expenses and professional services incurred in connection with this Appropriation Anticipation Loan, if deemed necessary or advisable.

Background Information on JADA

JADA was established in 1995 to facilitate the adaptive reuse and transformation of 3,000 acres of land donated to JADA as part of the decommissioning of the former Joliet Arsenal facility by the United States Department of Defense (“**Department of Defense**”). Federal law requires that a state create what is known as a “local reuse authority” to accept property transfers from the Department of Defense. JADA was established for that purpose, among others. Portions of the original 3,000 acre site have been subdivided, sold, and redeveloped as CenterPoint Intermodal Center – Elwood, Prologis Park – Arsenal, and the Operating Engineers Apprenticeship & Skill Improvement Training Facility.

JADA is governed by a 10-member board comprised of 4 members appointed by the Governor of Illinois and 6 members appointed by the Will County Board Executive.

Prior IFA Short-Term Loan to Entity Established by Illinois Statute

The proposed Appropriation Anticipation Loan to JADA would be similar in scope and purpose to a short-term \$175,000 Grant Anticipation Note approved by the IFA Members on July 9, 2013 on behalf of JADA; the principal balance plus interest (1%) and a fee (3%) was paid in full on September 11, 2013.

The proposed Appropriation Anticipation Loan to JADA would also be similar in scope and purpose to a short-term \$370,000 Grant Anticipation Note approved by the IFA Members on December 10, 2013 on behalf of JADA; the principal balance plus interest (1%) and a fee (3%) was paid in full on December 14, 2014.

The proposed Appropriation Anticipation Loan to JADA would also be similar in scope and purpose to a short-term \$370,000 Grant Anticipation Note approved by the IFA Members on July 8, 2014 on behalf of JADA; the principal balance plus interest (1%) and a fee (3%) was paid in full on December 14, 2014.

IFA RESOLUTION NO. 2020-0211-AD--

RESOLUTION DELEGATING TO THE EXECUTIVE DIRECTOR OF THE ILLINOIS FINANCE AUTHORITY THE POWER TO FUND AND ADMINISTER AN APPROPRIATION ANTICIPATION LOAN IN AN AMOUNT NOT-TO-EXCEED \$300,000 TO THE JOLIET ARSENAL DEVELOPMENT AUTHORITY ("JADA") AND RATIFYING CERTAIN MATTERS RELATED THERETO

WHEREAS, the Joliet Arsenal Development Authority ("JADA") is a political subdivision, body politic, and municipal corporation created pursuant to provisions of the Joliet Arsenal Development Authority Act, 70 ILCS 508/1, et seq. (the "JADA Act") to facilitate the adaptive reuse and transformation of land donated to JADA as part of the decommissioning of the former Joliet Arsenal Facility; and

WHEREAS, JADA is experiencing financial difficulties and has insufficient monies necessary to meet its statutory purposes and powers outlined in the JADA Act; and

WHEREAS, JADA has requested the Illinois Finance Authority ("IFA") to make an interim loan in an amount not to exceed \$300,000 (the "Appropriation Anticipation Loan" or "Loan") to JADA (the "Borrower") for the purposes of, among other things, the day-to-day continued operations of JADA in order to carry out its mission governed by the JADA Act; and

NOW THEREFORE, BE IT RESOLVED that the foregoing WHEREAS clauses are incorporated herein; and

BE IT FURTHER RESOLVED THAT the Members of the Illinois Finance Authority hereby approve the proposed terms and conditions of the Loan substantially as set forth immediately below:

1. **Maximum IFA Grant Anticipation Note Amount and Term:** The proposed Appropriation Anticipation Loan may take the form of a loan structured with a maximum term of 24 months and for a maximum principal amount of \$300,000.
2. **IFA Appropriation Anticipation Loan Proceeds Limited to Eligible Expenses:** Funding of any Appropriation Anticipation Loan to JADA will be limited to payment of expenses for the purpose of maintaining the day-to-day continued operations of JADA in order to carry out its mission governed by the JADA Act.
3. **Security for IFA Grant Anticipation Note Agreement:** Repayment of the Appropriation Anticipation Loan will be subject to an appropriation intercept.
4. **Mandatory Redemption:** 100% of the advanced principal balance (up to \$300,000) and interest on IFA's Appropriation Anticipation Loan shall become immediately due and payable on the earlier of (i) funding of the appropriation by the State of Illinois (the "State"), (ii) if JADA receives sufficient proceeds from the sale of property to retire the existing mortgage, all remaining proceeds will be applied to the Loan, or (iii) the final maturity date of February 28, 2022.

5. **Right to Impose Additional Terms and Conditions:** IFA's Executive Director is authorized to negotiate and impose any additional terms and conditions deemed necessary or advisable in order to assure that (i) Appropriation Anticipation Loan proceeds are expended in an appropriate manner and (ii) the Appropriation Anticipation Loan is promptly repaid to IFA in full upon receipt of proceeds from a sale of property or the availability of State funds to JADA.
6. **Interest and Reimbursement for Reasonable Fees and Expenses:** IFA's Executive Director is authorized to determine applicable interest rate and fees, if deemed necessary or desirable. Additionally, IFA's Executive Director may request reimbursement for reasonable out-of-pocket expenses and professional services incurred in connection with this Appropriation Anticipation Loan, if deemed necessary or advisable.

BE IT FURTHER RESOLVED THAT the Members of the Illinois Finance Authority hereby approve the terms and conditions of the Loan in substantially the form set forth at this meeting, with such changes as the Executive Director and the officer executing such documents and certificates agree to in writing; and

BE IT FURTHER RESOLVED THAT, the Executive Director of the Authority (and any designee of such Executive Director) are authorized, empowered and directed to do all such acts and things and to execute all such documents and certificates as may be necessary to further the purposes and intent of this Resolution; and

BE IT FURTHER RESOLVED THAT all such actions heretofore taken by the Executive Director (or any designee of such Executive Director) in furtherance of the purposes of this Resolution, whether upon oral or written direction of the Authority, are hereby approved, confirmed and ratified; and

BE IT FURTHER RESOLVED THAT, the provisions of this Resolution are hereby declared to be separable, and if any section, phrase or provision hereof shall for any reason be declared to be invalid, such declaration shall not affect the validity of the remainder of the sections, phrases and provisions of this Resolution; and

BE IT FURTHER RESOLVED THAT, all resolutions and orders, or parts thereof, in conflict herewith are hereby superseded to the extent of such conflict; and

BE IT FURTHER RESOLVED THAT this Resolution shall be effective immediately upon adoption.

ILLINOIS FINANCE AUTHORITY

Memorandum

To: IFA Board of Directors

From: Executive Director Chris Meister

Date: February 11, 2020

Re: Resolution Regarding the Illinois Finance Authority Financial Audit for the Year Ended June 30, 2019

Attached please find for your consideration a resolution accepting the Illinois Finance Authority Financial Audit for the Year Ended June 30, 2019 performed by RSM US LLP as Special Assistant Auditors for the Auditor General, State of Illinois.

IFA RESOLUTION NO. 2020-0211-AP__

**RESOLUTION TO ACCEPT THE FISCAL YEAR 2019 FINANCIAL
AUDIT**

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

WHEREAS, pursuant to the Act, the Auditor General shall conduct financial audits and program audits of the Authority, in accordance with the Illinois State Auditing Act (30 ILCS 5/1-1 *et seq.*) (the “Illinois State Auditing Act”);

WHEREAS, it is the Auditor General’s responsibility to express an opinion on the financial statements of the business-type activities, each major fund, and the aggregate remaining fund information of the Authority, a component unit of the State of Illinois, as of and for the year ended June 30, 2019 (“Fiscal Year 2019”), and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements;

WHEREAS, RSM US LLP performs as Special Assistant Auditors for the Auditor General;

WHEREAS, RSM US LLP conducted the Authority’s Financial Audit for Fiscal Year 2019 (the “Fiscal Year 2019 Financial Audit”) in accordance with Government Auditing Standards, issued by the Comptroller General of the United States;

WHEREAS, on January 14, 2020, the Auditor General released the Authority’s Fiscal Year 2019 Financial Audit; and

WHEREAS, in the opinion of the Independent Auditors’ Report, the Authority’s Fiscal Year 2019 Financial Audit presents fairly, in all material respects, the respective financial position of the business-type activities, each major fund, and the aggregate remaining fund information for Illinois Finance Authority, as of June 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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

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

Section 2. Acceptance of Illinois Finance Authority Fiscal Year 2019 Financial Audit. The Authority hereby accepts the Financial Audit for fiscal year ended June 30, 2019.

Section 3. Severability. If any section, paragraph or provision of this Resolution shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any of the remaining provisions of the Resolution.

Section 4. Conflicts. That all resolutions and orders, or parts thereof, in conflict herewith are hereby superseded to the extent of such conflict.

Section 5. Immediate Effect. That this Resolution shall be in full force and effect immediately upon its passage, as by law provided.

This Resolution No. 2020-0211-AP__ approved and effective this 14th day of February, 2020 by vote as follows:

Ayes:

Nays:

Abstain:

Absent:

Vacancies:

ILLINOIS FINANCE AUTHORITY

By: _____
Executive Director

ATTEST:

Assistant Secretary

[SEAL]

Date: February 11, 2020

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

From: Christopher B. Meister, Executive Director

Subject: ***Transformation Initiative: Sustainable Financing/Addressing Climate Change***

Background

In his State of the State speech, Governor Pritzker talked specifically about climate and energy, highlighting that the spring legislative agenda must also address adopting new clean energy legislation that reduces carbon pollution, promotes renewable energy, and accelerates electrification of the transportation sector.

Governor Pritzker noted that Illinois saw the effects of climate changes last year with a polar vortex, devastating floods, record lake levels, and emergency declarations in more than a third of Illinois’ counties.”

The Authority is already at the forefront of bringing financial tools that will assist in a significant way in achieving the Governor’s climate agenda.

The ***PACE*** program at the Authority has been warmly received by market participants thus far, and counties and municipalities have been reacting by procuring or appointing program administrators that will work with the Authority to issue PACE bonds. Meanwhile, the Authority’s ***PACE*** program has in place approvals for hundreds of millions of dollars of private capital throughout the state to fund PACE projects which will lower energy consumption, reduce carbon pollution, conserve water, and promote sustainable development.

Evidence of the positive impacts of the PACE program is the PACE project at 208 South LaSalle Street, Chicago, IL to be known as The Reserve Hotel, which is reported to have energy savings of 954,546 kWh and 4,875 therms per annum while also conserving 2,272,700 gallons of water each year. Further proof is the PACE project located at 6810 Mannheim Road, Rosemont, IL for three hotels and one restaurant, which is reported to have energy savings of 2,681,625 kWh and 40,899 therms per annum while also conserving 134,167 gallons of water each year.

The Authority has also successfully priced and closed the State of Illinois’ inaugural ***Clean Water Initiative Revolving Fund Revenue Bonds, Series 2019 Green Bonds*** on behalf of the Illinois Environmental Protection Agency. Designating the \$450 million 2019 SRF Bonds as “Green Bonds” prioritized the Authority’s commitment Environment, Social and Governance (“ESG”)-related project funding.

The Series 2019 Green Bond proceeds will fund loans to wastewater and drinking water treatment facilities, including providing financing for energy efficiency and renewable energy projects. An example is a drinking water project for the City of Chicago to convert a pumping station from steam to



electric power. This change will reduce operating expenses approximately \$4.5 million annually and will reduce the pumping station’s carbon footprint by 58%.

Expanding our Leadership Role in Sustainable Development

The Authority has the opportunity to build on our leadership role in financing climate change projects by committing additional resources to this topic under the umbrella of the ***Transformation Initiative***.

The McKinsey Global Institute released its report (January 2020) entitled “*Climate risk and response: physical hazards and socioeconomic impacts.*” (“McKinsey Report”). The McKinsey Report specifically highlights the importance of governments to mobilize financing to fund adaptation measures, including public-private partners. The report stresses that financial markets could bring forward risk recognition in affected regions, with consequences for capital allocation and insurance. Greater understanding of climate risk could make long duration borrowing unavailable, impact insurance cost and availability, and reduce values.

Larry Fink, Chair and Chief Executive Office of BlackRock (“Blackrock Letter” January 2020), wrote that evidence on climate risk is compelling investors to reassess core assumptions about modern finance and that investors are gaining a better understanding that climate risk is investment risk.

The Authority has the opportunity to increase its contribution to this challenge. In addition to the McKinsey Report and the Blackrock Letter, the UN Sustainability Development Goals (2015) provide a good starting points for this discussion, as they identify 17 goals, which reflect job creation, elimination of poverty, reduced inequalities, clean energy, clean water, and climate action to mention a few.

Attachments:

1. Blackrock: A Fundamental Reshaping of Finance (January 2020) and Sustainability FAQs;
2. McKinsey Global Institute – Climate risk and response (excerpts from Executive Summary);
3. United Nations Sustainable Development Goals and the Municipal Market (UBS February 2020); and
4. “*Lake Michigan water levels break monthly record high for the first time in more than 30 years,*” Chicago Tribune, February 5, 2020, Patrick M. O’Connell

A Fundamental Reshaping of Finance

Dear CEO,

As an asset manager, BlackRock invests on behalf of others, and I am writing to you as an advisor and fiduciary to these clients. The money we manage is not our own. It belongs to people in dozens of countries trying to finance long-term goals like retirement. And we have a deep responsibility to these institutions and individuals – who are shareholders in your company and thousands of others – to promote long-term value.

Climate change has become a defining factor in companies' long-term prospects. Last September, when millions of people took to the streets to demand action on climate change, many of them emphasized the significant and lasting impact that it will have on economic growth and prosperity – a risk that markets to date have been slower to reflect. **But awareness is rapidly changing, and I believe we are on the edge of a fundamental reshaping of finance.**

The evidence on climate risk is compelling investors to reassess core assumptions about modern finance. Research from a wide range of organizations – including the UN's Intergovernmental Panel on Climate Change, the BlackRock Investment Institute, and many others, including new studies from McKinsey on the socioeconomic implications of physical climate risk – is deepening our understanding of how climate risk will impact both our physical world and the global system that finances economic growth.

Will cities, for example, be able to afford their infrastructure needs as climate risk reshapes the market for municipal bonds? What will happen to the 30-year mortgage – a key building block of finance – if lenders can't estimate the impact of climate risk over such a long timeline, and if there is no viable market for flood or fire insurance in impacted areas? What happens to inflation, and in turn interest rates, if the cost of food climbs from drought and flooding? How can we model economic growth if emerging markets see their productivity decline due to extreme heat and other climate impacts?

Investors are increasingly reckoning with these questions and recognizing that climate risk is investment risk. Indeed, climate change is almost invariably the top issue that clients around the world raise with BlackRock. From Europe to Australia, South America to China, Florida to Oregon, investors are asking how they should modify their portfolios. They are seeking to understand both the physical risks associated with climate change as well as the ways that climate policy will impact prices, costs, and demand across the entire economy.

These questions are driving a profound reassessment of risk and asset values. And because capital markets pull future risk forward, we will see changes in capital allocation more quickly than we see changes to the climate itself. **In the near future – and sooner than most anticipate – there will be a significant reallocation of capital.**

Climate Risk Is Investment Risk

As a fiduciary, our responsibility is to help clients navigate this transition. Our investment conviction is that sustainability- and climate-integrated portfolios can provide better risk-adjusted returns to investors. And with the impact of sustainability on investment returns increasing, we believe that sustainable investing is the strongest foundation for client portfolios going forward.

In a [letter to our clients](#) today, BlackRock announced a number of initiatives to place sustainability at the center of our investment approach, including: making sustainability integral to portfolio construction and risk management; exiting investments that present a high sustainability-related risk, such as thermal coal producers; launching new investment products that screen fossil fuels; and strengthening our commitment to sustainability and transparency in our investment stewardship activities.

Over the next few years, one of the most important questions we will face is the scale and scope of government action on climate change, which will generally define the speed with which we move to a low-carbon economy. This challenge cannot be solved without a coordinated, international response from governments, aligned with the goals of the Paris Agreement.

Under any scenario, the energy transition will still take decades. Despite recent rapid advances, the technology does not yet exist to cost-effectively replace many of today's essential uses of hydrocarbons. We need to be mindful of the economic, scientific, social and political realities of the energy transition. Governments and the private sector must work together to pursue a transition that is both fair and just – we cannot leave behind parts of society, or entire countries in developing markets, as we pursue the path to a low-carbon world.

While government must lead the way in this transition, companies and investors also have a meaningful role to play. As part of this responsibility, BlackRock was a founding member of the Task Force on Climate-related Financial Disclosures (TCFD). We are a signatory to the UN's Principles for Responsible Investment, and we signed the Vatican's 2019 statement advocating carbon pricing regimes, which we believe are essential to combating climate change.

BlackRock has joined with France, Germany, and global foundations to establish the Climate Finance Partnership, which is one of several public-private efforts to improve financing mechanisms for infrastructure investment. The need is particularly urgent for cities, because the many components of municipal infrastructure – from roads to sewers to transit – have been built for tolerances and weather conditions that do not align with the new climate reality. In the short term, some of the work to mitigate climate risk could create more economic activity. Yet we are facing the ultimate long-term problem. We don't yet know which predictions about the climate will be most accurate, nor what effects we have failed to consider. But there is no denying the direction we are heading. **Every government, company, and shareholder must confront climate change.**

Improved Disclosure for Shareholders

We believe that all investors, along with regulators, insurers, and the public, need a clearer picture of how companies are managing sustainability-related questions. This data should extend beyond climate to questions around how each company serves its full set of stakeholders, such as the diversity of its workforce, the sustainability of its supply chain, or how well it protects its customers' data. Each company's prospects for growth are inextricable from its ability to operate sustainably and serve its full set of stakeholders.

The importance of serving stakeholders and embracing purpose is becoming increasingly central to the way that companies understand their role in society. **As I have written in past letters, a company cannot achieve long-term profits without embracing purpose and considering the needs of a broad range of stakeholders.** A pharmaceutical company that hikes prices ruthlessly, a mining company that shortchanges safety, a bank that fails to respect its clients – these companies may maximize returns in the short term. But, as we have seen again and again, these actions that damage society will catch up with a company and destroy shareholder value. By contrast, a strong sense of purpose and a commitment to stakeholders helps a company connect more deeply to its customers and adjust to the changing demands of society. **Ultimately, purpose is the engine of long-term profitability.**

Over time, companies and countries that do not respond to stakeholders and address sustainability risks will encounter growing skepticism from the markets, and in turn, a higher cost of capital. Companies and countries that champion transparency and demonstrate their responsiveness to stakeholders, by contrast, will attract investment more effectively, including higher-quality, more patient capital.

Important progress improving disclosure has already been made – and many companies already do an exemplary job of integrating and reporting on sustainability – but we need to achieve more widespread and standardized adoption. While no framework is perfect, BlackRock believes that the Sustainability Accounting Standards Board (SASB) provides a clear set of standards for reporting sustainability information across a wide range of issues, from labor practices to data privacy to business ethics. For evaluating and reporting climate-related risks, as well as the related governance issues that are essential to managing them, the TCFD provides a valuable framework.

We recognize that reporting to these standards requires significant time, analysis, and effort. BlackRock itself is not yet where we want to be, and we are continuously working to improve our own reporting. Our SASB-aligned disclosure is available on our website, and we will be releasing a TCFD-aligned disclosure by the end of 2020.

BlackRock has been engaging with companies for several years on their progress towards TCFD- and SASB-aligned reporting. This year, we are asking the companies that we invest in on behalf of our clients to: (1) publish a disclosure in line with industry-specific SASB guidelines by year-end, if you have not already done so, or disclose a similar set of data in a way that is relevant to your particular business; and (2) disclose climate-related risks in line with the TCFD's recommendations, if you have not already done so. This should include your plan for operating under a scenario where the Paris Agreement's goal of limiting global warming to less than two degrees is fully realized, as expressed by the TCFD guidelines.

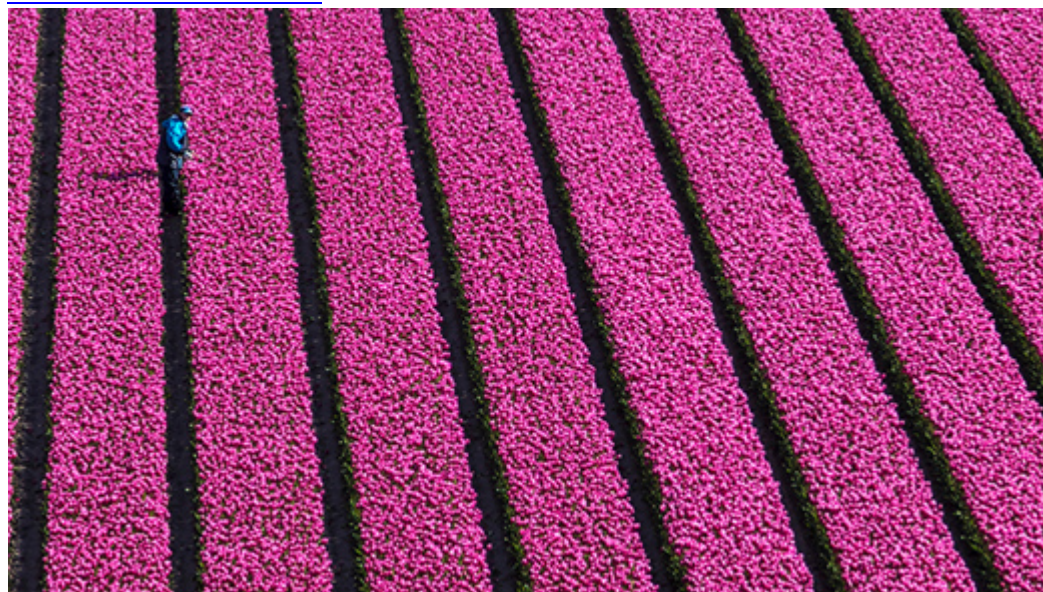
We will use these disclosures and our engagements to ascertain whether companies are properly managing and overseeing these risks within their business and adequately planning for the future. In the absence of robust disclosures, investors, including BlackRock, will increasingly conclude that companies are not adequately managing risk.

We believe that when a company is not effectively addressing a material issue, its directors should be held accountable. Last year BlackRock voted against or withheld votes from 4,800 directors at 2,700 different companies. Where we feel companies and boards are not producing effective sustainability disclosures or implementing frameworks for managing these issues, we will hold board members accountable. **Given the groundwork we have already laid engaging on disclosure, and the growing investment risks surrounding sustainability, we will be increasingly disposed to vote against management and board directors when companies are not making sufficient progress on sustainability-related disclosures and the business practices and plans underlying them.**

[Putting sustainability at the center of how we invest](#)

Sustainability-integrated portfolios can provide better risk-adjusted returns to investors. Sustainability will drive the way we manage risk, construct portfolios, design products, and engage with companies.

[Read our letter to clients](#)



Accountable and Transparent Capitalism

Over the 40 years of my career in finance, I have witnessed a number of financial crises and challenges – the inflation spikes of the 1970s and early 1980s, the Asian currency crisis in 1997, the dot-com bubble, and the global financial crisis. Even when these episodes lasted for many years, they were all, in the broad scheme of things, short-term in nature. Climate change is different. Even if only a fraction of the projected impacts is realized, this is a much more structural, long-term crisis. **Companies, investors, and governments must prepare for a significant reallocation of capital.**

In the discussions BlackRock has with clients around the world, more and more of them are looking to reallocate their capital into sustainable strategies. If ten percent of global investors do so – or even five percent – we will witness massive capital shifts. And this dynamic will accelerate as the next generation takes the helm of government and business. Young people have been at the forefront of calling on institutions – including BlackRock – to address the new challenges associated with climate change. They are asking more of companies and of governments, in both transparency and in action. And as trillions of dollars shift to millennials over the next few decades, as they become CEOs and CIOs, as they become the policymakers and heads of state, they will further reshape the world’s approach to sustainability.

As we approach a period of significant capital reallocation, companies have a responsibility – and an economic imperative – to give shareholders a clear picture of their preparedness. And in the future, greater transparency on questions of sustainability will be a persistently important component of every company’s ability to attract capital. It will help investors assess which companies are serving their stakeholders effectively, reshaping the flow of capital accordingly. But the goal cannot be transparency for transparency’s sake. **Disclosure should be a means to achieving a more sustainable and inclusive capitalism.** Companies must be deliberate and committed to embracing purpose and serving all stakeholders – your shareholders, customers, employees, and the communities where you operate. In doing so, your company will enjoy greater long-term prosperity, as will investors, workers, and society as a whole.

Sincerely,



[Larry Fink](#)

Chairman and Chief Executive Officer

Sustainability as Blackrock’s New Standard for Investing

Dear Client,

Since BlackRock's founding in 1988, we have worked to anticipate our clients' needs to help you manage risk and achieve your investment goals. As those needs have evolved, so too has our approach, but it has always been grounded in our fiduciary commitment to you.

Over the past few years, more and more of our clients have focused on the impact of sustainability on their portfolios. This shift has been driven by an increased understanding of how sustainability-related factors can affect economic growth, asset values, and financial markets as a whole.

The most significant of these factors today relates to climate change, not only in terms of the physical risk associated with rising global temperatures, but also transition risk – namely, how the global transition to a low-carbon economy could affect a company's long-term profitability. As Larry Fink writes in his [2020 letter to CEOs](#), the investment risks presented by climate change are set to accelerate a significant reallocation of capital, which will in turn have a profound impact on the pricing of risk and assets around the world.

As your fiduciary, BlackRock is committed to helping you navigate this transition and build more resilient portfolios, including striving for more stable and higher long-term returns. Because sustainable investment options have the potential to offer clients better outcomes, we are making sustainability integral to the way BlackRock manages risk, constructs portfolios, designs products, and engages with companies. **We believe that sustainability should be our new standard for investing.**

Over the past several years, we have been deepening the integration of sustainability into technology, risk management, and product choice across BlackRock. We are now accelerating those efforts in the following ways.

Sustainable, Resilient, and Transparent Portfolios

Resilient and well-constructed portfolios are essential to achieving long-term investment goals. Our investment conviction is that sustainability-integrated portfolios can provide better risk-adjusted returns to investors. And with the impact of sustainability on investment returns increasing, we believe that sustainable investment will be a critical foundation for client portfolios going forward.

- **Sustainability as Our Standard Offering in Solutions** – BlackRock manages a wide variety of investment solutions that combine different funds to help investors achieve their investment objectives. We intend to make sustainable funds the standard building blocks in these solutions wherever possible, consistent with client preferences and any applicable regulations such as ERISA. All aspects of this approach will be executed over time and in consultation with our clients, and we are committed to offering these sustainable solutions at fees comparable to traditional solutions.
 - This year we will begin to offer sustainable versions of our flagship model portfolios, including our Target Allocation range of models. These models will use environmental,

social, and governance (ESG)-optimized index exposures in place of traditional market cap-weighted index exposures. Over time, we expect these sustainability-focused models to become the flagships themselves.

- We also plan to launch sustainable versions of our asset allocation iShares this year, in order to provide investors with a simple, transparent way to access a sustainable portfolio at good value in a single ETF.
 - Many more steps will follow to make sustainable investments the standard. For example, we are working to develop a sustainable LifePath target date strategy, which would provide investors with an all-in-one, low-fee, sustainable retirement solution, and we are working to expand our sustainable cash offerings as well.
- **Strengthening Sustainability Integration into the Active Investment Processes** – Currently, every active investment team at BlackRock considers ESG factors in its investment process and has articulated how it integrates ESG in its investment processes. By the end of 2020, all active portfolios and advisory strategies will be fully ESG integrated – meaning that, at the portfolio level, our portfolio managers will be accountable for appropriately managing exposure to ESG risks and documenting how those considerations have affected investment decisions. BlackRock’s Risk and Quantitative Analysis Group (RQA), which is responsible for evaluating all investment, counterparty, and operational risk at the firm, will be evaluating ESG risk during its regular monthly reviews with portfolio managers to provide oversight of portfolio managers’ consideration of ESG risk in their investment processes. This integration will mean that RQA – and BlackRock as a whole – considers ESG risk with the same rigor that it analyzes traditional measures such as credit and liquidity risk.
 - **Reducing ESG Risk in Active Strategies** – In heightening our scrutiny on ESG issues, we are continuously evaluating the risk-return profile and negative externalities posed by specific sectors as we seek to minimize risk and maximize long-term return for our clients. Today, we have no exposure through our \$1.8 trillion in active AUM to public debt or equity in certain sectors with heightened ESG risk, such as controversial weapons systems manufacturers. We continue to evaluate, in both our public and private investment portfolios, high-risk sectors that are exposed to a reallocation of capital, and we will take action to reduce exposures where doing so can enhance the risk-return profile of portfolios.
 - **Exiting Thermal Coal Producers** - Thermal coal production is one such sector. Thermal coal is significantly carbon intensive, becoming less and less economically viable, and highly exposed to regulation because of its environmental impacts. With the acceleration of the global energy transition, we do not believe that the long-term economic or investment rationale justifies continued investment in this sector. As a result, we are in the process of removing from our discretionary active investment portfolios the public securities (both debt and equity) of companies that generate more than 25% of their revenues from thermal coal production, which we aim to accomplish by the middle of 2020. As part of our process of evaluating sectors with high ESG risk, we will also closely scrutinize other businesses that are heavily reliant on thermal coal as an input, in order to understand whether they are effectively transitioning away from this reliance. In addition, BlackRock’s alternatives business will make no future direct investments in companies that generate more than 25% of their revenues from thermal coal production.

- **Putting ESG Analysis at the Heart of Aladdin** – We have developed proprietary measurement tools to deepen our understanding of material ESG risks. For example, our Carbon Beta tool allows us to stress-test issuers and portfolios for different carbon pricing scenarios. In 2020 we will continue to build additional tools, including one to analyze physical climate risks and one that produces material investment signals by analyzing the sustainability-related characteristics of companies. We are integrating these measurements into Aladdin, our risk management and investment technology platform.
- **Enhancing Transparency of Sustainable Characteristics for All Products** – We want investors to be able to clearly see the sustainability risks of their investments. We already provide data on our website for iShares that display an ESG score and the carbon footprint of each fund, among other measurements. By the end of 2020, we intend to provide transparent, publicly available data on sustainability characteristics – including data on controversial holdings and carbon footprint – for BlackRock mutual funds. We will seek to make this information available to all of our clients, including those in separate accounts.

Increasing Access to Sustainable Investing

We want to make sustainable investing more accessible to all investors and lower the hurdles for those who want to act. We [have advocated](#) for clear and consistent naming conventions for ESG products across the industry, so that investors can make informed decisions when they invest in a sustainably labeled fund. We have been working to improve access for several years – for example, by building the industry’s largest suite of ESG ETFs, which has allowed many more individuals to more easily invest sustainably. And we are committed to doing even more:

- **Doubling Our Offerings of ESG ETFs** – We intend to double our offerings of ESG ETFs over the next few years (to 150), including sustainable versions of flagship index products, so that clients have more choice for how to invest their money.
- **Simplifying and Expanding ESG iShares, Including ETFs with a Fossil Fuel Screen**– In addition to more choice, clients have asked for a simpler way to integrate ESG in their existing portfolios. To meet that need, we will have three ESG ETF suites in the US and EMEA: one that enables clients to screen out certain sectors or companies that they do not want to invest in; one that enables clients to improve ESG scores meaningfully while still optimizing their ability to closely track market-cap weighted indexes; and one that enables clients to invest in companies with the highest ESG ratings and features our most extensive screens including one for fossil fuels. We will be providing additional information on these product lines later this quarter.
- **Working with Index Providers to Expand and Improve the Universe of Sustainable Indexes**– To provide more sustainable investment options for our clients – and all investors – we are engaging with major index providers to provide sustainable versions of their flagship indexes. We also will continue to work with them to promote greater standardization and transparency of sustainability benchmark methodology. We believe that ESG benchmarks should exclude businesses with high ESG risk such as thermal coal and we are engaging with index providers on this topic.

- **Expanding Sustainable Active Investment Strategies** – BlackRock will be expanding our range of active strategies focused on sustainability as an investment outcome, including funds focused on the global energy transition, and impact investing funds that seek to promote positive externalities or limit negative ones.
 - **Global Energy Transition** – BlackRock currently manages \$50 billion in solutions that support the transition to a low-carbon economy, including an industry-leading renewable power infrastructure business, which invests in the private markets in wind and solar power; green bond funds; LEAF, the industry’s first environmental sustainability-focused cash management strategy; and circular economy active strategies, which invest in businesses focused on minimizing waste and leveraging the full life cycle of materials. We will be expanding dedicated low-carbon transition-readiness strategies, offering investors exposure to the companies that are most effectively managing transition risk.
 - **Impact Investing** – BlackRock recently brought on board a leading impact investing team that offers clients alpha through a portfolio of companies chosen on their measurable, positive impact to society. We are committing to launching dedicated impact investing solutions, beginning with the launch of our Global Impact Equity fund this quarter. Our impact investing solutions will be aligned with the World Bank’s IFC Operating Principles for Impact Management.

Enhancing Engagement, Voting, and Transparency in Stewardship

Investment stewardship is an essential component of our fiduciary responsibility. This is particularly important for our index holdings on behalf of clients, in which we are essentially permanent shareholders. We have a responsibility to engage with companies to understand if they are adequately disclosing and managing sustainability-related risks, and to hold them to account through proxy voting if they are not. We have been engaging with companies for some time on these issues, as reflected in our engagement priorities. As in other areas of our investment functions, our investment stewardship team is intensifying its focus and engagement with companies on sustainability-related risks.

- **Joining Climate Action 100+** – BlackRock believes that collaboration between investors, companies, regulators, and others is essential to improving the management of sustainability questions. We are a founding member of the Task Force on Climate-related Financial Disclosures (TCFD), and a signatory to the UN’s Principles for Responsible Investment. BlackRock recently joined Climate Action 100+, and prior to joining, BlackRock was a member of the group’s five sponsoring organizations. Climate Action 100+ is a group of investors that engages with companies to improve climate disclosure and align business strategy with the goals of the Paris Agreement.
- **Engagement Priorities and Voting Guidelines** – Each year we refresh our engagement priorities and voting guidelines. This year, we will be mapping our engagement priorities to specific UN Sustainable Development Goals, such as Gender Equality and Affordable and Clean Energy. We will also be incorporating key performance indicators in our engagement policies, providing clarity on our expectations for companies.

- **Transparency** – We are committed to enhancing the transparency of our stewardship practices, which we believe we owe to our clients and the broader set of stakeholders in these companies.
 - Starting this quarter, we will be moving from annual to quarterly voting disclosure.
 - On key high-profile votes, we will disclose our vote promptly, along with an explanation of our decision.
 - Finally, we will enhance the disclosure of our company engagements by including in our stewardship annual report the topics we discussed during each engagement with a company.

- **Voting on Sustainability Proposals** – We have engaged with companies on sustainability-related questions for several years, urging management teams to make progress while also deliberately giving companies time to build the foundations for disclosure consistent with the Sustainability Accounting Standards Board (SASB) and TCFD. We are asking companies to publish SASB- and TCFD-aligned disclosures, and as expressed by the TCFD guidelines, this should include the company’s plan for operating under a scenario where the Paris Agreement’s goal of limiting global warming to less than two degrees is fully realized. Given the groundwork we have already laid and the growing investment risks surrounding sustainability, we will be increasingly disposed to vote against management when companies have not made sufficient progress.

Our Commitment

Our role as a fiduciary is the foundation of BlackRock’s culture. The commitments we are making today reflect our conviction that all investors – and particularly the millions of our clients who are saving for long-term goals like retirement – must seriously consider sustainability in their investments.

We invest on your behalf, not our own, and the investments we make will always represent your preferences, timelines, and objectives. We recognize that many clients will continue to prefer traditional strategies, particularly in market-cap weighted indexes. We will manage this money consistent with your preferences, as we always have. The choice remains with you.

As we move to a low-carbon world, investment exposure to the global economy will mean exposure to hydrocarbons for some time. While the low-carbon transition is well underway, the technological and economic realities mean that the transition will take decades. Global economic development, particularly in emerging markets, will continue to rely on hydrocarbons for a number of years. As a result, the portfolios we manage will continue to hold exposures to the hydrocarbon economy as the transition advances.

A successful low-carbon transition will require a coordinated, international response from governments aligned with the goals of the Paris Agreement, including the adoption of carbon pricing globally, which we continue to endorse. Companies and investors have a meaningful role to play in accelerating the low-carbon transition. BlackRock does not see itself as a passive observer in the low-carbon transition. We believe we have a significant responsibility – as a provider of index funds, as a fiduciary, and as a member of society – to play a constructive role in the transition.

Where we have the greatest discretion – in portfolio construction, our active and alternatives platforms, and our approach to risk management – we will employ sustainability across our investment process. Where we serve index clients, we are improving access to sustainable investment options, and we are enhancing our stewardship to make sure that companies in which our clients are invested are managing these risks effectively. We will also work with a broad range of parties – including asset owners, index providers, and regulatory and multilateral institutions – to advance sustainability in finance.

The steps we are taking today will help strengthen our ability to serve you as a fiduciary. Sustainability is becoming increasingly material to investment outcomes, and as the global leader in investment management, our goal is to be the global leader in sustainable investing. If you have questions about these actions, or if you would like to arrange a portfolio review to understand any potential implications for the assets we manage on your behalf, our relationship managers and product strategists are at your disposal. We are grateful for the trust you place in us.

Sincerely,

[BlackRock's Global Executive Committee](#)

Making sustainability our standard

1. Why does Larry Fink write an annual letter to CEOs of other companies? Why are you sending a letter to clients as well?

Each year, Larry's letter to CEOs emphasizes different themes important to long-term value creation. The central theme to all of them is that companies need to be managed with a long-term mindset so they can deliver strong returns to their shareholders over time.

This year, Larry wrote about the importance of sustainability and climate change to investment outcomes. We also are sending a second letter, from our Global Executive Committee to our clients, that explains a set of actions we are taking to integrate sustainability more deeply into our investment and risk management processes.

2. Why do this year's letters focus on sustainability and climate change?

Our investment conviction is that sustainability-integrated portfolios can provide better risk-adjusted returns to investors. And with the impact of sustainability on investment returns increasing, we believe that all investors need to consider sustainability in their portfolios.

3. What does "sustainability" mean in the investment context?

Sustainability in the investment context means understanding and incorporating environmental, social and governance (ESG) factors into investment analysis and decision-making.

4. What sustainability commitments did BlackRock make in the letters?

We are making sustainability integral to how we invest, manage risk, construct portfolios, build products and engage with companies. Everything we do will be consistent with client objectives and preferences and any applicable regulations.

Some of the steps we are taking include:

- Making ESG funds the standard building blocks in multi-asset solutions such as model portfolios.
- Strengthening sustainability integration in active portfolios and our investment process.
 - Reducing ESG risk, including by exiting investments with high ESG risk in active portfolios. For example, we are in the process of removing from our discretionary active investment portfolios the public securities (both debt and equity) of companies that generate more than 25% of their revenues from thermal coal production, which we aim to accomplish by the middle of 2020.
- Launching new ESG-oriented investment products, as well as those that screen fossil fuels.
- Strengthening our commitment to sustainability and transparency in our investment stewardship activities.

5. What does "Sustainable is our Standard in Solutions" mean?

Over the past several years, BlackRock has deepened the integration of sustainable risk management and product choice for clients across the firm. We are now accelerating those efforts consistent with client objectives and preferences. We intend wherever possible to make sustainable funds the standard building blocks in investment solutions that combine different funds to help investors achieve their investment objectives.

6. What is the investment basis for BlackRock's conviction that sustainability can provide better risk-adjusted returns for investors?

Our conviction is straightforward – in order to achieve better risk-adjusted returns, investors need to take into account the full set of risks and opportunities facing a company or an issuer – and that includes sustainability-related issues. That is why we are integrating sustainability into our investment process, performing research on how climate risk and other factors can impact asset prices, and developing proprietary signals to improve investment decision-making.

We believe that in many cases, the risks and opportunities associated with ESG factors, including physical risks associated with climate change and impacts from a transition to a low-carbon economy, are not fully reflected in asset prices. Furthermore, the momentum behind sustainable investing is itself resulting in capital reallocation away from issuers that exhibit negative externalities and that will have an increasingly large impact on asset prices and returns.

You can read more about our research on the implications of physical climate risk [here](#), and our research on how ESG indexes can provide equal or better risk-adjusted returns than traditional indexes [here](#).

7. Will there be changes to investment processes?

Currently, every active investment team at BlackRock has articulated its approach to integrating sustainability considerations into its investment process. By the end of 2020, all active portfolios and advisory strategies will be fully ESG integrated – meaning that, at the portfolio level, our portfolio managers will be accountable for appropriately managing exposure to ESG risks and documenting how those considerations have affected investment decisions. This integration will be overseen by BlackRock’s Risk and Quantitative Analysis Group (RQA), which is responsible for evaluating all investment, counterparty, and operational risk at the firm. This integration means BlackRock will consider ESG risk with the same rigor that it analyzes traditional measures such as credit and liquidity risk.

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BlackRock

8. When will any changes take effect?

All aspects of this transition will be executed over time and in consultation with our clients.

9. Will there be a change in portfolio managers?

There are currently no changes in portfolio managers.

10. Does BlackRock believe that ESG investing can deliver better performance than traditional investing?

Our investment conviction is that sustainability-integrated portfolios can provide better risk-adjusted returns over time to investors. And with the impact of sustainability on investment returns increasing, we believe that sustainable investments will be a critical foundation for client portfolios going forward.

11. What is BlackRock’s responsibility with respect to clients when it comes to sustainability?

Because we believe that sustainability-integrated portfolios can provide better risk-adjusted returns to investors, we believe that it is our responsibility to provide that advice to our clients. The choice, however, is the client’s. The investments we make on their behalf will always represent their preferences, timelines and objectives.

Executive summary

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McKinsey Global Institute

Since its founding in 1990, the McKinsey Global Institute (MGI) has sought to develop a deeper understanding of the evolving global economy. As the business and economics research arm of McKinsey & Company, MGI aims to provide leaders in the commercial, public, and social sectors with the facts and insights on which to base management and policy decisions.

MGI research combines the disciplines of economics and management, employing the analytical tools of economics with the insights of business leaders. Our “micro-to-macro” methodology examines microeconomic industry trends to better understand the broad macroeconomic forces affecting business strategy and public policy. MGI’s in-depth reports have covered more than 20 countries and 30 industries. Current research focuses on six themes: productivity and growth, natural resources, labor markets, the evolution of global financial markets, the economic impact of technology and

innovation, and urbanization. Recent reports have assessed the digital economy, the impact of AI and automation on employment, income inequality, the productivity puzzle, the economic benefits of tackling gender inequality, a new era of global competition, Chinese innovation, and digital and financial globalization.

MGI is led by three McKinsey & Company senior partners: James Manyika, Sven Smit, and Jonathan Woetzel. James and Sven also serve as co-chairs of MGI. Michael Chui, Susan Lund, Anu Madgavkar, Jan Mischke, Sree Ramaswamy, Jaana Remes, Jeongmin Seong, and Tilman Tacke are MGI partners, and Mekala Krishnan is an MGI senior fellow.

Project teams are led by the MGI partners and a group of senior fellows and include consultants from McKinsey offices around the world. These teams draw on McKinsey’s global network of

partners and industry and management experts. The MGI Council is made up of leaders from McKinsey offices around the world and the firm’s sector practices and includes Michael Birshan, Andrés Cadena, Sandrine Devillard, André Dua, Kweilin Ellingrud, Tarek Elmasry, Katy George, Rajat Gupta, Eric Hazan, Acha Leke, Gary Pinkus, Oliver Tonby, and Eckart Windhagen. The Council members help shape the research agenda, lead high-impact research and share the findings with decision makers around the world. In addition, leading economists, including Nobel laureates, advise MGI research.

The partners of McKinsey fund MGI’s research; it is not commissioned by any business, government, or other institution. For further information about MGI and to download reports for free, please visit www.mckinsey.com/mgi.

In collaboration with McKinsey & Company's Sustainability and Global Risk practices

McKinsey & Company's Sustainability Practice helps businesses and governments reduce risk, manage disruption, and capture opportunities in the transition to a low-carbon, sustainable-growth economy. Clients benefit from our integrated, system-level perspective across industries from energy and transport to agriculture and consumer goods and across business functions from strategy and risk to operations and digital technology. Our proprietary research and tech-enabled tools provide the rigorous fact base that business leaders and government policy makers need to act boldly with confidence. The result: cutting-edge solutions that drive business-model

advances and enable lasting performance improvements for new players and incumbents alike.

www.mckinsey.com/sustainability

McKinsey & Company's Global Risk Practice partners with clients to go beyond managing risk to enhancing resilience and creating value. Organizations today face unprecedented levels and types of risk produced by a diversity of new sources. These include technological advances bringing cybersecurity threats and rapidly evolving model and data risk; external shifts such as unpredictable geopolitical environments and climate change; and an evolving reputational risk

landscape accelerated and amplified by social media. We apply deep technical expertise, extensive industry insights, and innovative analytical approaches to help organizations build risk capabilities and assets across a full range of risk areas. These include financial risk, capital and balance sheet-related risk, nonfinancial risks (including cyber, data privacy, conduct risk, and financial crime), compliance and controls, enterprise risk management and risk culture, model risk management, and crisis response and resiliency—with a center of excellence for transforming risk management through the use of advanced analytics.

www.mckinsey.com/business-functions/risk

Climate risk and response

Physical hazards and socioeconomic impacts

January 2020

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Preface

McKinsey has long focused on issues of environmental sustainability, dating to client studies in the early 1970s. We developed our global greenhouse gas abatement cost curve in 2007, updated it in 2009, and have since conducted national abatement studies in countries including Brazil, China, Germany, India, Russia, Sweden, the United Kingdom, and the United States. Recent publications include *Shaping climate-resilient development: A framework for decision-making* (jointly released with the Economics of Climate Adaptation Working Group in 2009), *Towards the Circular Economy* (joint publication with Ellen MacArthur Foundation in 2013), *An integrated perspective on the future of mobility* (2016), and *Decarbonization of industrial sectors: The next frontier* (2018). The McKinsey Global Institute has likewise published reports on sustainability topics including *Resource revolution: Meeting the world's energy, materials, food, and water needs* (2011) and *Beyond the supercycle: How technology is reshaping resources* (2017).

In this report, we look at the physical effects of our changing climate. We explore risks today and over the next three decades and examine cases to understand the mechanisms through which physical climate change leads to increased socioeconomic risk. We also estimate the probabilities and magnitude of potential impacts. Our aim is to help inform decision makers around the world so that they can better assess, adapt to, and mitigate the physical risks of climate change.

This report is the product of a yearlong, cross-disciplinary research effort at McKinsey & Company, led by MGI together with McKinsey's Sustainability Practice and McKinsey's Risk Practice. The research was led by Jonathan Woetzel, an MGI director based in Shanghai, and Mekala Krishnan, an MGI senior fellow in Boston, together with McKinsey senior partners Dickon Pinner in San Francisco and Hamid Samandari in New York, partner Hauke Engel in Frankfurt, and associate partner Brodie Boland in Washington, DC. The project team was led by Tilman Melzer, Andrey Mironenko, and Claudia Kampel and consisted of Vassily Carantino, Peter Cooper, Peter De Ford, Jessica Dharmasiri, Jakob Graabak, Ulrike Grassinger, Zealan Hoover, Sebastian Kahlert, Dhiraj Kumar, Hannah Murdoch, Karin Östgren, Jemima Peppel, Pauline Pfuderer, Carter Powis, Byron Ruby, Sarah Sargent, Erik Schilling, Anna Stanley, Marlies Vasmel, and Johanna von der Leyen. Brian Cooperman, Eduardo Doryan, Jose Maria Quiros, Vivien Singer, and Sulay Solis provided modeling, analytics, and data support. Michael Birshan, Jacques Bughin, David Fine, Lutz Goedde, Cindy Levy, James Manyika, Scott Nyquist, Vivek Pandit, Daniel Pachthod, Matt Rogers, Sven Smit, and Thomas Vahlenkamp provided critical input and considerable expertise.

While McKinsey employs many scientists, including climate scientists, we are not a climate research institution. Woods Hole Research Center (WHRC) produced the scientific analyses of physical climate hazards in this report. WHRC has been focused on climate science research since 1985; its scientists are widely published in major scientific journals, testify to lawmakers around the world, and are regularly sourced in major media outlets. Methodological design and results were independently reviewed by senior scientists at the University of Oxford's Environmental Change Institute to ensure impartiality and test the scientific foundation for the new analyses in this report. Final design choices and interpretation of climate hazard results were made by WHRC. In addition, WHRC scientists produced maps and data visualization for the report.

We would like to thank our academic advisers, who challenged our thinking and added new insights: Dr. Richard N. Cooper, Maurits C. Boas Professor of International Economics at Harvard University; Dr. Cameron Hepburn, director of the Economics of Sustainability

Programme and professor of environmental economics at the Smith School of Enterprise and the Environment at Oxford University; and Hans-Helmut Kotz, Program Director, SAFE Policy Center, Goethe University Frankfurt, and Resident Fellow, Center for European Studies at Harvard University.

We would like to thank our advisory council for sharing their profound knowledge and helping to shape this report: Fu Chengyu, former chairman of Sinopec; John Haley, CEO of Willis Towers Watson; Xue Lan, former dean of the School of Public Policy at Tsinghua University; Xu Lin, US China Green Energy Fund; and Tracy Wolstencroft, president and chief executive officer of the National Geographic Society. We would also like to thank the Bank of England for discussions and in particular, Sarah Breeden, executive sponsor of the Bank of England's climate risk work, for taking the time to provide feedback on this report as well as Laurence Fink, chief executive officer of BlackRock, and Brian Deese, global head of sustainable investing at BlackRock, for their valuable feedback.

Our climate risk working group helped develop and guide our research over the year and we would like to especially thank: Murray Birt, senior ESG strategist at DWS; Dr. Andrea Castanho, Woods Hole Research Center; Dr. Michael T. Coe, director of the Tropics Program at Woods Hole Research Center; Rowan Douglas, head of the capital science and policy practice at Willis Towers Watson; Dr. Philip B. Duffy, president and executive director of Woods Hole Research Center; Jonathon Gascoigne, director, risk analytics at Willis Towers Watson; Dr. Spencer Glendon, senior fellow at Woods Hole Research Center; Prasad Gunturi, executive vice president at Willis Re; Jeremy Oppenheim, senior managing partner at SYSTEMIQ; Carlos Sanchez, director, climate resilient finance at Willis Towers Watson; Dr. Christopher R. Schwalm, associate scientist and risk program director at Woods Hole Research Center; Rich Sorkin, CEO at Jupiter Intelligence; and Dr. Zachary Zobel, project scientist at Woods Hole Research Center.

A number of organizations and individuals generously contributed their time, data, and expertise. Organizations include AECOM, Arup, Asian Development Bank, Bristol City Council, CIMMYT (International Maize and Wheat Improvement Center), First Street Foundation, International Food Policy Research Institute, Jupiter Intelligence, KatRisk, SYSTEMIQ, Vietnam National University Ho Chi Minh City, Vrije Universiteit Amsterdam, Willis Towers Watson, and World Resources Institute. Individuals who guided us include Dr. Marco Albani of the World Economic Forum; Charles Andrews, senior climate expert at the Asian Development Bank; Dr. Channing Arndt, director of the environment and production technology division at IFPRI; James Bainbridge, head of facility engineering and management at BBraun; Haydn Belfield, academic project manager at the Centre for the Study of Existential Risk at Cambridge University; Carter Brandon, senior fellow, Global Commission on Adaptation at the World Resources Institute; Dr. Daniel Burillo, utilities engineer at California Energy Commission; Dr. Jeremy Carew-Reid, director general at ICEM; Dr. Amy Clement, University of Miami; Joyce Coffee, founder and president of Climate Resilience Consulting; Chris Corr, chair of the Florida Council of 100; Ann Cousins, head of the Bristol office's Climate Change Advisory Team at Arup; Kristina Dahl, senior climate scientist at the Union of Concerned Scientists; Dr. James Daniell, disaster risk consultant at CATDAT and Karlsruhe Institute of Technology; Matthew Eby, founder and executive director at First Street Foundation; Jessica Elengical, ESG Strategy Lead at DWS; Greg Fiske, senior geospatial analyst at Woods Hole Research Center; Susan Gray, global head of sustainable finance, business, and innovation, S&P Global; Jesse Keenan, Harvard University Center for the Environment; Dr. Kindie Tesfaye Fantaye, CIMMYT (International Maize and Wheat Improvement Center); Dr. Xiang Gao, principal research scientist at Massachusetts Institute of Technology; Beth Gibbons, executive director of the American Society of Adaptation Professionals; Sir Charles Godfray, professor at Oxford University; Patrick Goodey, head of flood management in the Bristol City Council; Dr. Luke J. Harrington, Environmental Change Institute at University of Oxford; Dr. George Havenith, professor of environmental physiology and ergonomics at Loughborough University; Brian Holtemeyer, research analyst at IFPRI; David Hodson, senior scientist at CIMMYT; Alex Jennings-Howe, flood risk modeller in the Bristol City Council; Dr.

Matthew Kahn, director of the 21st Century Cities Initiative at Johns Hopkins University; Dr. Benjamin Kirtman, director of the Cooperative Institute for Marine and Atmospheric Studies and director of the Center for Computational Science Climate and Environmental Hazards Program at the University of Miami; Nisha Krishnan, climate finance associate at the World Resources Institute, Dr. Michael Lacour-Little, director of economics at Fannie Mae; Dr. Judith Ledlee, project engineer at Black & Veatch; Dag Lohmann, chief executive officer at KatRisk; Ryan Lewis, professor at the Center for Research on Consumer Financial Decision Making, University of Colorado Boulder; Dr. Fred Lubnow, director of aquatic programs at Princeton Hydro; Steven McAlpine, head of Data Science at First Street Foundation; Manuel D. Medina, founder and managing partner of Medina Capital; Dr. Ilona Otto, Potsdam Institute for Climate Impact Research; Kenneth Pearson, head of engineering at BBraun; Dr. Jeremy Porter, Academic Research Partner at First Street Foundation; Dr. Maria Pregolato, expert on transport system response to flooding at University of Bristol; Jay Roop, deputy head of Vietnam of the Asian Development Bank; Dr. Rich Ruby, director of technology at Broadcom; Dr. Adam Schlosser, deputy director for science research, Joint Program on the Science and Policy of Global Change at the Massachusetts Institute of Technology; Dr. Paolo Scussolini, Institute for Environmental Studies at the Vrije Universiteit Amsterdam; Dr. Kathleen Sealey, associate professor at the University of Miami; Timothy Searchinger, research scholar at Princeton University; Dr. Kai Sonder, head of the geographic information system unit at CIMMYT (International Maize and Wheat Improvement Center); Joel Sonkin, director of resiliency at AECOM; John Stevens, flood risk officer in the Bristol City Council; Dr. Thi Van Thu Tran, Viet Nam National University Ho Chi Minh City; Dr. James Thurlow, senior research fellow at IFPRI; Dr. Keith Wiebe, senior research fellow at IFPRI; David Wilkes, global head of flooding and former director of Thames Barrier at Arup; Dr. Brian Wright, professor at the University of California, Berkeley; and Wael Youssef, associate vice president, engineering director at AECOM.

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As with all MGI research, this work is independent, reflects our own views, and has not been commissioned by any business, government, or other institution. We welcome your comments on the research at MGI@mckinsey.com.

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Climate risk and response: Physical hazards and socioeconomic impacts

After more than 10,000 years of relative stability—the full span of human civilization—the Earth’s climate is changing. As average temperatures rise, acute hazards such as heat waves and floods grow in frequency and severity, and chronic hazards, such as drought and rising sea levels, intensify. Here we focus on understanding the nature and extent of physical risk from a changing climate over the next three decades, exploring physical risk as it is the basis of both transition and liability risks. We estimate inherent physical risk, absent adaptation and mitigation, to assess the magnitude of the challenge and highlight the case for action. Climate science makes extensive use of scenarios ranging from lower (Representative Concentration Pathway 2.6) to higher (RCP 8.5) CO₂ concentrations. We have chosen to focus on RCP 8.5, because the higher-emission scenario it portrays enables us to assess physical risk in the absence of further decarbonization. We link climate models with economic projections to examine nine cases that illustrate exposure to climate change extremes and proximity to physical thresholds. A separate geospatial assessment examines six indicators to assess potential socioeconomic impact in 105 countries. The research also provides decision makers with a new framework and methodology to estimate risks in their own specific context. Key findings:

Climate change is already having substantial physical impacts at a local level in regions across the world; the affected regions will continue to grow in number and size. Since the 1880s, the average global temperature has risen by about 1.1 degrees Celsius with significant regional variations. This brings higher probabilities of extreme temperatures and an intensification of hazards. A changing climate in the next decade, and probably beyond, means the number and size of regions affected by substantial physical impacts will continue to grow. This will have direct effects on five socioeconomic systems: livability

and workability, food systems, physical assets, infrastructure services, and natural capital.

The socioeconomic impacts of climate change will likely be nonlinear as system thresholds are breached and have knock-on effects. Most of the past increase in direct impact from hazards has come from greater exposure to hazards versus increases in their mean and tail intensity. In the future, hazard intensification will likely assume a greater role. Societies and systems most at risk are close to physical and biological thresholds. For example, as heat and humidity increase in India, by 2030 under an RCP 8.5 scenario, between 160 million and 200 million people could live in regions with an average 5 percent annual probability of experiencing a heat wave that exceeds the survivability threshold for a healthy human being, absent an adaptation response. Ocean warming could reduce fish catches, affecting the livelihoods of 650 million to 800 million people who rely on fishing revenue. In Ho Chi Minh City, direct infrastructure damage from a 100-year flood could rise from about \$200 million to \$300 million today to \$500 million to \$1 billion by 2050, while knock-on costs could rise from \$100 million to \$400 million to between \$1.5 billion and \$8.5 billion.

The global socioeconomic impacts of climate change could be substantial as a changing climate affects human beings, as well as physical and natural capital. By 2030, all 105 countries examined could experience an increase in at least one of the six indicators of socioeconomic impact we identify. By 2050, under an RCP 8.5 scenario, the number of people living in areas with a non-zero chance of lethal heat waves would rise from zero today to between 700 million and 1.2 billion (not factoring in air conditioner penetration). The average share of annual outdoor working hours lost due to extreme heat and humidity in exposed regions globally would increase from 10 percent today to 15 to 20 percent

by 2050. The land area experiencing a shift in climate classification compared with 1901–25 would increase from about 25 percent today to roughly 45 percent.

Financial markets could bring forward risk recognition in affected regions, with consequences for capital allocation and insurance. Greater understanding of climate risk could make long-duration borrowing unavailable, impact insurance cost and availability, and reduce terminal values. This could trigger capital reallocation and asset repricing. In Florida, for example, estimates based on past trends suggest that losses from flooding could devalue exposed homes by \$30 billion to \$80 billion, or about 15 to 35 percent, by 2050, all else being equal.

Countries and regions with lower per capita GDP levels are generally more at risk. Poorer regions often have climates that are closer to physical thresholds. They rely more on outdoor work and natural capital and have less financial means to adapt quickly. Climate change could also benefit some countries; for example, crop yields could improve in Canada.

Addressing physical climate risk will require more systematic risk management, accelerating adaptation, and decarbonization. Decision makers will need to translate climate science insights into potential physical and financial damages, through systematic risk management and robust modeling recognizing the limitations of past data. Adaptation can help manage risks, even though this could prove costly for affected regions and entail hard choices. Preparations for adaptation—whether seawalls, cooling shelters, or drought-resistant crops—will need collective attention, particularly about where to invest versus retreat. While adaptation is now urgent and there are many adaptation opportunities, climate science tells us that further warming and risk increase can only be stopped by achieving zero net greenhouse gas emissions.

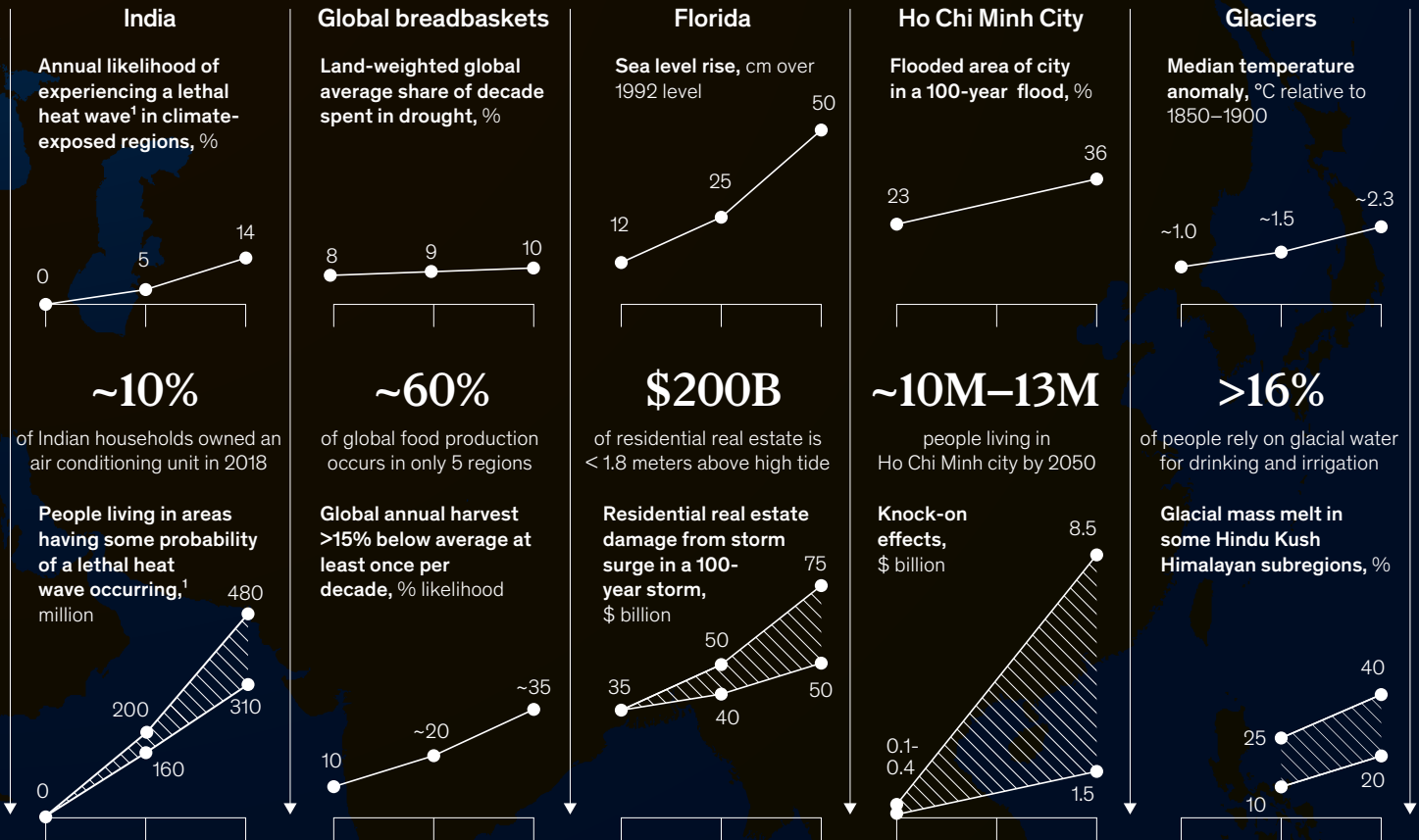
How a changing climate could impact socioeconomic systems

Five systems directly affected by physical climate change



Examples of direct impact of physical climate risk across geographies and sectors, **today, 2030, and 2050**

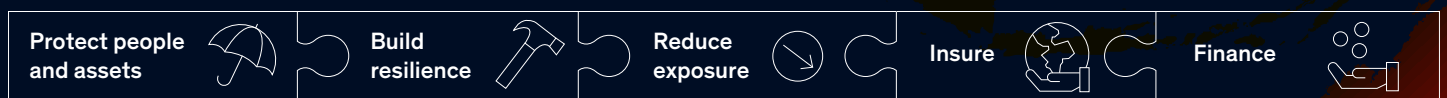
This assessment of the hazards and impacts of physical climate risk is based on an "inherent risk" scenario absent any adaptation and mitigation response. Analysis based on modeling of an RCP 8.5 scenario of greenhouse gas concentrations.



A global geospatial assessment of climate risk by 2050



What can be done to adapt to increased physical climate risk?



¹Lethal heat waves are defined as three-day events during which average daily maximum wet-bulb temperature could exceed the survivability threshold for a healthy human being resting in the shade. The numbers here do not factor in air conditioner penetration. These projections are subject to uncertainty related to the future behavior of atmospheric aerosols and urban heat island or cooling island effects. For the dates, the climate state today is defined as the average conditions between 1998 and 2017, 2030 refers to the average of the years 2021-40, while 2050 refers to the average of the years 2041-60.

UN SDGs and the Municipal Impact Market

UN Sustainable Development Goals



"Seven Super Trends" – increased green investment and growth in green bond markets provides direct benefits (Climate Bonds Initiative)

Overview of the UN SDGs

- The 2030 Agenda for Sustainable Development, adopted by all United Nations Member States in 2015, provides a shared blueprint for peace and prosperity for people and the planet, now and into the future.
- Since adoption, the UN SDGs have catalyzed new ideas to drive more capital into achieving impact by creating a framework for measuring results in environmental, social, and governance focused investing.
- To the left, we provide the outlined goals, highlight the most commonly used by government issuers.

Investors have utilized UN SDGs as guidelines for portfolio management

- Numerous institutional investors have created proprietary municipal ESG frameworks built around the UN SDGs for their funds. By aligning bond issuances with the outlined goals, municipal issuers can further penetrate institutional investor funds.
- Examples of institutional investors that directly align their ESG frameworks with the UN SDGs include:

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ENVIRONMENT NEWS

Lake Michigan water levels break monthly record high for the first time in more than 30 years; Illinois seeks federal disaster aid

By PATRICK M. O'CONNELL
CHICAGO TRIBUNE | FEB 06, 2020



A bicyclist rides the Lakefront Trail near North Avenue Beach in Chicago as Lake Michigan waves crash along the lakefront on Feb. 4, 2020. (Jose M. Osorio / Chicago Tribune)

Pounding waves, eroding bluffs, submerged trails and disappearing beaches have become a common sight along the Lake Michigan shoreline during the past months. While lake levels usually reach their lowest point in winter, this year the lake has remained stubbornly high.

Persistent Midwestern rains — combined with warmer temperatures that led to earlier and faster snow pack melt — pushed the Lake Michigan water level to a record high for the month of January. This is the first time a new monthly high has been recorded in more than 30 years.

Lake Michigan water levels averaged about 4 inches above the previous January high set in 1987. The lake, measured together with Lake Huron because the two are connected at the Straits of Mackinac, is still 9 inches below the all-time high, set in October 1986.

The new January record may be just the beginning, scientists say, and is likely a precursor to higher lake levels during the wet months of spring.

“This is definitely a big deal,” said John Allis, chief of the Great Lakes Hydraulics and Hydrology Office for the U.S. Army Corps of Engineers, based in Detroit. “This is going to continue to be a big problem for people.”



Large Lake Michigan waves pound 31st Street Beach in Chicago on Feb. 4, 2020. (Zbigniew Bzdak / Chicago Tribune)

Just weeks after a winter storm caused [major shoreline flooding](#), the Chicago Park District [closed part of the Lakefront Trail](#) on Tuesday as big waves battered the coast again. Gov. J.B. Pritzker issued a state disaster proclamation Thursday for

damages sustained in Cook and Lake counties from the Jan. 10 storm. This is the first step to allow municipalities to apply for federal funding.

In Wisconsin, officials examined shoreline damage from Milwaukee to Kenosha to see whether the state will seek a federal disaster declaration, and some Michigan lawmakers are pushing for a state of emergency declaration for shoreline communities.

In addition to inundating portions of the Lakefront Trail, lakefront parks and streets in Chicago, the high water level has led to the erosion of picturesque sandy bluffs; damaged lakeside homes, docks and marinas; and left beaches underwater, especially along Michigan's western coast, Allis said. A South Side portion of the Lakefront Trail was shut down after a storm on Veterans Day and isn't expected to reopen until spring.

"It's really been the rain component that has been the real driver of this," Allis said. "It's just been wet, and it's been a sustained wet. Especially in Michigan, many areas kept experiencing wet month after wet month. It's really as simple as that."

Scientists say climate change is ushering in a new reality throughout the world. Last year was the [second-wettest year on record](#) in the U.S., according to the National Oceanic and Atmospheric Administration. Only in 1973 did the country receive more precipitation over the course of a year. Chicago received 49.54 inches of precipitation in 2019, which ranks as the third wettest year on record and more than 12 inches greater than normal, according to the National Weather Service. Since Illinois meteorologists began collecting precipitation records in 1871, four of the Top 5 wettest years in Chicago have occurred in the last

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Waves crash on the breakwater at North Avenue Beach in Chicago on Feb. 4, 2020. (Jose M. Osorio / Chicago Tribune)

And 2019 also was the second warmest year ever since records began to be collected in 1880. The warmest was 2016, aided by El Niño events. Rising temperatures and increased precipitation are linked, scientists said. For every 1 degree of warming, the atmosphere can hold 4% more water vapor that can turn into precipitation.

January in much of the Great Lakes region was warmer and wetter than normal, conditions that helped push the lake levels higher. Warmer-than-average temperatures in December also led to greater runoff due to snow pack melting, especially on lakes Superior, Michigan **and Huron**, leading to more water supply, according to the Army Corps. The warm air also caused less evaporation off the lakes' surface.

The water levels of each of the Great Lakes peaked during the summer or fall in 2019 and have been in decline since then, but they still remain extremely high, and significant erosion continues in many locations.

To determine the lakes' water levels, a network of gauges are set up along the shorelines. The Army Corps, which maintains the official record, takes the readings from the Chicago area and all along the Lake Michigan and Huron coastlines, and averages the daily levels to calculate the monthly figure.

Andrew Gronewold, associate professor at the University of Michigan's School for Environment and Sustainability, said warmer winter temperatures, even brief bursts of warm weather during a usually cold time for the Great Lakes region, also contribute to high lake levels. When temperatures rise, snow melts earlier, and the runoff in the Great Lakes basin flows into the region's rivers and streams and eventually into the lakes.

That phenomenon has contributed to the **flooding along the Mississippi River** and other area rivers and streams in Illinois, as well as the high lake levels on Lake Michigan. The Chicago area straddles the boundary between the Great Lakes and Mississippi River basins. A sliver of northeastern Illinois feeds into Lake Michigan, while most of the rest of the state's water heads south and west toward the Mississippi. Most of the lower peninsula of Michigan drains into Lake Michigan and Lake Huron, as do portions of Wisconsin, the upper peninsula of Michigan, northern Indiana and Ontario, Canada.

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Up north, Lake Superior also set a record for high water level for January, Allis said.

"There's an awful lot of water and flooding all across the Great Lakes basin," Gronewold said.

Gronewold said there is a shift occurring for when water comes through the system. With more precipitation, combined with earlier snow melts, water is making its way into the lake earlier than the typical late February through April period. And there does not appear to be an end to this pattern.

"I think we're going to continue to see this for the next few months, and maybe the next few years," Gronewold said.

The lakes' high level comes seven years after Lake Michigan set a record low in January 2013.

LATEST ENVIRONMENT

Lake Michigan water levels break monthly record high for the first time in more than 30 years; Illinois seeks federal disaster aid

FEB 6, 2020

Date: February 11, 2020

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

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

From: Ximena Granda, Manager of Finance and Administration

Subject: *Presentation and Consideration of Financial Reports as of January 31, 2020***

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

1. GENERAL OPERATING FUND REVENUES, EXPENSES AND NET INCOME

- a. **Total Annual Revenues** of \$2.8 million were \$3 thousand or .1% lower than budget primarily due to **lower** than expected interest income on loans. Closing fees year-to-date of \$1.6 million are \$73 thousand or 4.8% **higher** than budget. Annual fees of \$139 thousand are \$13 thousand higher than budget while Administrative Service Fees of \$113 thousand are lower than budget. Application fees total \$32 thousand which is \$20 thousand higher than budget. Total accrued interest income from loans in connection with the former Illinois Rural Bond Bank local government borrowers and other loans totaled \$280 thousand (which has represented a declining asset since 2014). Net investment income position of \$633 thousand for the fiscal year is \$55 thousand higher than budget.*
- b. In **January** the Authority recorded closing fees of \$4 thousand which was lower than the monthly budgeted amount of \$218 thousand.
- c. **Total Annual Expenses** of \$2.4 million were \$374 thousand or 13.4% lower than budget, which was mostly driven by below budget spending on employee related expenses and professional services. Year-to-date, employee related expenses total \$1.5 million or \$197 thousand or 11.8% lower than budget. Professional services expenses total \$622 thousand or \$148 thousand or 19.2% lower than budget. Annual occupancy costs of \$100 thousand are 4.5% lower than budget, while general and administrative costs are \$217 thousand for the year, which is 9.7% lower than budget. Total depreciation cost of \$10 thousand is 14.0% below budget.
- d. In **January** the Authority recorded operating expenses of \$363 thousand, which was lower than the monthly budgeted amount of \$400 thousand.
- e. **Total Monthly Net Loss** of **\$120** thousand was driven by lower than expected closing fees.

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

- f. **Total Annual Net Income** is \$371 thousand. The major driver of the annual positive bottom line is the level of overall spending at 13.4% below budget, as well as higher than expected interest and investment income.

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

In the General Fund, the Authority continues to maintain a strong balance sheet, with total net position of \$60.0 million. Total assets in the General Fund are \$60.9 million (consisting mostly of cash, investments, and receivables). Unrestricted cash and investments total \$47.3 million (with \$4.0 million in cash). Notes receivable from the former Illinois Rural Bond Bank local governments (“IRBB”) total \$8.3 million. Participation loans, DACA (pilot medical student loans in exchange for service in medically underserved areas in Illinois) and other loans receivable are \$4.4 million.

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

- a. In accordance with Governmental Accounting Standards, the “Other State of Illinois Debt Fund” is comprised of bond activity for the Illinois Environmental Protection Agency (“IEPA”) and Northern Illinois University Foundation (“NIUF”). The majority of the activity in this fund derives from the Clean Water Initiative (“CWI”) bonds issued for the benefit of IEPA. Total assets in this fund total \$1.6 billion, of which CWI Bonds total \$1.6 billion. The Series 2016 CWI Bonds closed on September 12, 2016 in the amount of \$500 million, the Series 2017 CWI Bonds closed on September 12, 2017 in the amount of \$560 million and Series 2019 CWI Green Bonds closed on April 16, 2019 in the amount of \$532 million. Year-to-date bond proceeds spend for Series 2019 Green Bonds is \$348 million or 65.4% for 630 loans. Restricted investments total \$399 million with accrued investment income at \$175 thousand.
- b. The Locally Held Fire Truck and Ambulance Revolving Loan Funds have total year-to-date receipts of \$181 thousand. Year-to-date loan repayments under the Fire Truck and Ambulance Revolving Loan Funds are \$1.9 million and \$280 thousand, respectively. Year-to-date loans issued under the Fire Truck and Ambulance Revolving Loan Funds are \$6.0 million and \$2.1 million, respectively. The Net Position for Fire Truck and Ambulance Revolving Loan Funds on the Authority’s balance sheet is \$24.5 million and \$4.4 million, respectively.
- c. The Illinois Agricultural Loan Guarantee Fund and the Illinois Farmer Agribusiness Loan Guarantee Fund include restricted assets held by the State Treasurer to make payouts of losses in relation to the Authority’s agricultural loan guarantee programs. As of January 31, 2020, the Agricultural Loan Guarantee Fund had a Restricted Net Position of \$10.6 million and the Agribusiness Fund had a Restricted Net Position of \$8.3 million, with no loss reserves in either fund. However, the Industrial Revenue Bond Insurance Fund includes restricted assets held locally by the Authority to make payouts of losses in relation to the Authority’s agricultural loan guarantee programs (please see Senate Bill 324, Public Act 99-0509). The Restricted Net Position for the Industrial Revenue Bond Insurance Fund was \$12.2 million as of January 31, 2020.
- d. All other nonmajor funds recorded total year-to-date revenues of \$415 thousand. Year-to-date expenses total \$6 thousand as of January 31, 2020. Total Net Position in the non-major funds is \$35.6 million.



- e. The Metro East Police District Commission (“Commission”) is reported as an agency/fiduciary fund, which has total assets of \$4 thousand in the custody of the Authority. The Metro East Police District Act was repealed on December 31, 2019 as provided for in the enabling legislation. The Authority is currently working with the Commission to properly dissolve the Metro East Police District Fund and return the remaining assets.
- f. The Illinois Finance Authority NFP Development Fund has a total net position of \$12 thousand.

4. AUTHORITY AUDITS AND REGULATORY UPDATES

On January 14, 2020, the Office of the Auditor General released the Authority’s Financial Audit for Fiscal Year 2019. The Financial Audit Report contained no findings and the Auditors General’s Special Assistant Auditors RSM US LLP, have expressed an unmodified opinion on the Authority’s basic financial statements. The two year compliance examination for Fiscal Year 2018 and Fiscal Year 2019 is on track.

On January 22, 2020 the Internal Auditors finalized the Purchasing, Contracting, and Leasing Audit. The report had one observation. The Authority added additional internal procedures to the current process in the procurement area and accounting department to remedy the observation. The Locally Held Fund Audit is on track.

5. OTHER SUPPLEMENTARY FINANCIAL INFORMATION

The Fiscal Year Comparison of Bonds Issued, the Fiscal Year 2020 Bonds Issued and Schedule of Debt area being presented as supplementary financial information in your Board book.

Respectfully submitted,

/s/ Ximena Granda
Manager of Finance and Administration



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

	JUL	AUG	SEP	OCT	NOV	DEC	JAN	YEAR TO DATE ACTUAL	YEAR TO DATE BUDGET	BUDGET VARIANCE (\$)	BUDGET VARIANCE (%)
Operating Revenues:											
Closing Fees	\$ 63,918	\$ 128,243	\$ 2,600	\$ 466,000	\$ 437,701	\$ 494,818	\$ 4,414	\$ 1,597,694	\$ 1,525,069	\$ 72,625	4.8%
Annual Fees	20,242	17,983	19,227	18,239	18,225	25,821	19,336	139,073	126,000	13,073	10.4%
Administrative Service Fees	-	30,000	10,000	12,000	-	3,000	58,000	113,000	140,000	(27,000)	-19.3%
Application Fees	1,000	16,750	2,450	3,000	5,600	1,750	1,300	31,850	11,669	20,181	172.9%
Miscellaneous Fees	114	107	-	-	499	-	114	834	1,169	(335)	-28.7%
Interest Income-Loans	40,375	39,864	40,127	42,695	37,558	40,807	38,891	280,317	416,430	(136,113)	-32.7%
Other Revenue	125	128	123	123	122	121	120	862	875	(13)	-1.5%
Total Operating Revenue:	\$ 125,774	\$ 233,075	\$ 74,527	\$ 542,057	\$ 499,705	\$ 566,317	\$ 122,175	\$ 2,163,630	\$ 2,221,212	\$ (57,582)	-2.6%
Operating Expenses:											
Employee Related Expense	\$ 188,470	\$ 203,812	\$ 202,650	\$ 205,644	\$ 220,718	\$ 221,466	\$ 233,598	\$ 1,476,358	\$ 1,673,245	\$ (196,887)	-11.8%
Professional Services	53,500	70,140	56,297	71,148	155,912	130,129	84,725	621,851	769,419	(147,568)	-19.2%
Occupancy Costs	13,146	15,935	12,670	15,583	13,932	14,411	14,367	100,044	104,720	(4,676)	-4.5%
General & Administrative	28,909	28,106	30,024	29,697	31,884	39,377	29,047	217,044	240,331	(23,287)	-9.7%
Depreciation and Amortization	1,386	1,437	1,437	1,437	1,437	1,437	1,463	10,034	11,669	(1,635)	-14.0%
Total Operating Expense	\$ 285,411	\$ 319,430	\$ 303,078	\$ 323,509	\$ 423,883	\$ 406,820	\$ 363,200	\$ 2,425,331	\$ 2,799,384	\$ (374,053)	-13.4%
Operating Income(Loss)	\$ (159,637)	\$ (86,355)	\$ (228,551)	\$ 218,548	\$ 75,822	\$ 159,497	\$ (241,025)	\$ (261,701)	\$ (578,172)	\$ 316,471	54.7%
Nonoperating Revenues (Expenses):											
Miscellaneous Non-Opertg Rev/(Exp)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	n/a
Bad Debt Adjustments (Expense)	-	-	-	-	-	-	-	-	(23,338)	23,338	-100.0%
Interest and Investment Income	74,257	68,209	89,029	66,575	56,057	97,643	80,233	532,003	601,510	(69,507)	-11.6%
Realized Gain (Loss) on Sale of Invests	(2,678)	1,103	(6,785)	2,569	59	(3,727)	(439)	(9,898)	-	(9,898)	n/a
Net Appreciation (Depr) in FV of Invests	(9,285)	95,877	(26,422)	42,742	(35,908)	3,056	40,841	110,901	-	110,901	n/a
Total Nonoperating Rev (Exp)	\$ 62,294	\$ 165,189	\$ 55,822	\$ 111,886	\$ 20,208	\$ 96,972	\$ 120,635	\$ 633,006	\$ 578,172	\$ 54,834	9.5%
Net Income (Loss) Before Transfers	\$ (97,343)	\$ 78,834	\$ (172,729)	\$ 330,434	\$ 96,030	\$ 256,469	\$ (120,390)	\$ 371,305	\$ -	\$ 371,305	n/a
Transfers:											
Transfers in from other funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%
Transfers out to other funds	-	-	-	-	-	-	-	-	-	-	0.0%
Total Transfers In (Out)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%
Net Income (Loss)	\$ (97,343)	\$ 78,834	\$ (172,729)	\$ 330,434	\$ 96,030	\$ 256,469	\$ (120,390)	\$ 371,305	\$ -	\$ 371,305	n/a



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

	GENERAL FUND*	FIRE TRUCK REV LOAN FUND	AMBULANCE REV LOAN FUND	ALL OTHER NON-MAJOR	SUBTOTAL IFA FUNDS	OTHER STATE OF IL DEBT FUNDS	TOTAL ALL FUNDS	AGENCY FUNDS
Operating Revenues:								
Closing Fees	\$ 1,597,694	\$ -	\$ -	\$ -	\$ 1,597,694	\$ -	\$ 1,597,694	\$ -
Annual Fees	139,073	-	-	-	139,073	-	139,073	-
Administrative Service Fees	113,000	-	-	-	113,000	-	113,000	-
Application Fees	31,850	-	-	-	31,850	-	31,850	-
Miscellaneous Fees	834	181,011	-	-	181,845	-	181,845	-
Interest Income-Loans	280,317	14,432	3,195	-	297,944	18,773,914	19,071,858	-
Other Revenue	862	-	-	-	862	-	862	-
Total Operating Revenue:	\$ 2,163,630	\$ 195,443	\$ 3,195	\$ -	\$ 2,362,268	\$ 18,773,914	\$ 21,136,182	\$ -
Operating Expenses:								
Employee Related Expense	\$ 1,476,358	\$ -	\$ -		\$ 1,476,358	\$ -	\$ 1,476,358	\$ -
Professional Services	621,851	2,225	1,564	6,362	632,002	-	632,002	-
Occupancy Costs	100,044	-	-	-	100,044	-	100,044	-
General & Administrative	217,044	-	-	17	217,061	-	217,061	-
Interest Expense	-	-	-	-	-	24,536,941	24,536,941	-
Depreciation and Amortization	10,034	-	-	-	10,034	-	10,034	-
Total Operating Expense	\$ 2,425,331	\$ 2,225	\$ 1,564	\$ 6,379	\$ 2,435,499	\$ 24,536,941	\$ 26,972,440	\$ -
Operating Income(Loss)	\$ (261,701)	\$ 193,218	\$ 1,631	\$ (6,379)	\$ (73,231)	\$ (5,763,027)	\$ (5,836,258)	\$ -
Nonoperating Revenues (Expenses):								
Miscellaneous non-opertg rev/(exp)	\$ -	\$ -	\$ -		\$ -	\$ -	\$ -	\$ -
Transfer of funds and program interest from the State of Illi	-	-	-	-	-	-	-	-
Interest and investment income*	532,003	61,155	23,212	380,414	996,784	5,747,806	6,744,590	5
Realized Gain (Loss) on sale of investment	(9,898)	-	-	(3,616)	(13,514)	(3,034,287)	(3,047,801)	-
Net Appreciation (Depr) in fair value of investments**	110,901	-	-	38,262	149,163	3,049,508	3,198,671	-
Total Nonoperating Revenues (Expenses)	\$ 633,006	\$ 61,155	\$ 23,212	\$ 415,060	\$ 1,132,433	\$ 5,763,027	\$ 6,895,460	\$ 5
Net Income (Loss) Before Transfers	\$ 371,305	\$ 254,373	\$ 24,843	\$ 408,681	\$ 1,059,202	\$ -	\$ 1,059,202	\$ 5
Transfers:								
Transfers in from other funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transfers out to other funds	-	-	-	-	-	-	-	-
Total Transfers In (Out)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Income (Loss)	\$ 371,305	\$ 254,373	\$ 24,843	\$ 408,681	\$ 1,059,202	\$ -	\$ 1,059,202	\$ 5



ILLINOIS FINANCE AUTHORITY
STATEMENT OF NET POSITION
IFA FUNDS AND CUSTODIAL FUND ACTIVITY

January 31, 2020

	GENERAL FUND	FIRE TRUCK REV LOAN FUND	AMBULANCE REV LOAN FUND	ALL OTHER NON-MAJOR FUNDS	SUBTOTAL IFA FUNDS	OTHER STATE OF IL DEBT FUNDS	TOTAL ALL FUNDS	METRO EAST POLICE DISTRICT COMMISSION
Assets and Deferred Outflows:								
Current Assets:								
Unrestricted:								
Cash & cash equivalents	\$ 4,066,823	\$ -	\$ -	\$ 159,590	\$ 4,226,413	\$ -	\$ 4,226,413	\$ -
Investments	29,413,650	-	-	3,100,506	32,514,156	-	32,514,156	-
Accounts receivable, Net	52,464	-	-	-	52,464	-	52,464	-
Loans receivables, Net	30,750	-	-	-	30,750	-	30,750	-
Accrued interest receivable	510,103	-	-	24,627	534,730	-	534,730	-
Bonds and notes receivable	956,300	-	-	-	956,300	-	956,300	-
Due from other funds	17	-	-	-	17	-	17	-
Prepaid Expenses	200,178	-	-	-	200,178	-	200,178	-
Total Current Unrestricted Assets	\$ 35,230,285	\$ -	\$ -	\$ 3,284,723	\$ 38,515,008	\$ -	\$ 38,515,008	\$ -
Restricted:								
Cash & Cash Equivalents	\$ -	\$ 1,688,808	\$ 1,199,683	\$ 589,257	\$ 3,477,748	\$ 46,403,278	\$ 49,881,026	\$ 4,633
Deposits in transit	-	-	-	-	-	-	-	-
Investments	-	-	-	8,573,196	8,573,196	399,487,572	408,060,768	-
Securities lending collateral equity with the Treasurer	-	-	-	-	-	-	-	-
Accrued interest receivable	-	10,436	2,823	63,933	77,192	175,072	252,264	-
Due from other funds	-	-	-	-	-	-	-	-
Due from primary government	-	-	-	-	-	-	-	-
Bonds and notes receivable from State component units	-	-	-	-	-	-	-	-
Loans receivables, Net	-	-	-	-	-	-	-	-
Total Current Restricted Assets	\$ -	\$ 1,699,244	\$ 1,202,506	\$ 9,226,386	\$ 12,128,136	\$ 446,065,922	\$ 458,194,058	\$ 4,633
Total Current Assets	\$ 35,230,285	\$ 1,699,244	\$ 1,202,506	\$ 12,511,109	\$ 50,643,144	\$ 446,065,922	\$ 496,709,066	\$ 4,633
Non-current Assets:								
Unrestricted:								
Investments	\$ 13,851,414	\$ -	\$ -	\$ 1,266,121	\$ 15,117,535	\$ -	\$ 15,117,535	\$ -
Loans receivables, Net	4,403,187	-	-	-	4,403,187	-	4,403,187	-
Bonds and notes receivable	7,349,537	-	-	-	7,349,537	-	7,349,537	-
Total Noncurrent Unrestricted Assets	\$ 25,604,138	\$ -	\$ -	\$ 1,266,121	\$ 26,870,259	\$ -	\$ 26,870,259	\$ -
Restricted:								
Cash & Cash Equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investments	-	-	-	3,014,000	3,014,000	-	3,014,000	-
Funds in the custody of the Treasurer	-	2,458,332	282,462	18,952,118	21,692,912	-	21,692,912	-
Loans receivables, Net	-	20,293,312	2,882,991	-	23,176,303	-	23,176,303	-
Bonds and notes receivable from primary government	-	-	-	-	-	1,182,091,686	1,182,091,686	-
Bonds and notes receivable from State component units	-	-	-	-	-	770,422	770,422	-
Total Noncurrent Restricted Assets	\$ -	\$ 22,751,644	\$ 3,165,453	\$ 21,966,118	\$ 47,883,215	\$ 1,182,862,108	\$ 1,230,745,323	\$ -
Capital Assets								
Capital Assets	\$ 763,031	\$ -	\$ -	\$ -	\$ 763,031	\$ -	\$ 763,031	\$ -
Accumulated Depreciation	(715,850)	-	-	-	(715,850)	-	(715,850)	-
Total Capital Assets	\$ 47,181	\$ -	\$ -	\$ -	\$ 47,181	\$ -	\$ 47,181	\$ -
Total Noncurrent Assets	\$ 25,651,319	\$ 22,751,644	\$ 3,165,453	\$ 23,232,239	\$ 74,800,655	\$ 1,182,862,108	\$ 1,257,662,763	\$ -
Total Assets	\$ 60,881,604	\$ 24,450,888	\$ 4,367,959	\$ 35,743,348	\$ 125,443,799	\$ 1,628,928,030	\$ 1,754,371,829	\$ 4,633
DEFERRED OUTFLOWS OF RESOURCES:								
Deferred loss on debt refunding	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 115,453	\$ 115,453	\$ -
TOTAL DEFERRED OUTFLOWS OF RESOURCES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 115,453	\$ 115,453	\$ -
Total Assets & Deferred Inflows of Resources	\$ 60,881,604	\$ 24,450,888	\$ 4,367,959	\$ 35,743,348	\$ 125,443,799	\$ 1,629,043,483	\$ 1,754,487,282	\$ 4,633



ILLINOIS FINANCE AUTHORITY
STATEMENT OF NET POSITION
IFA FUNDS AND CUSTODIAL FUND ACTIVITY
 January 31, 2020

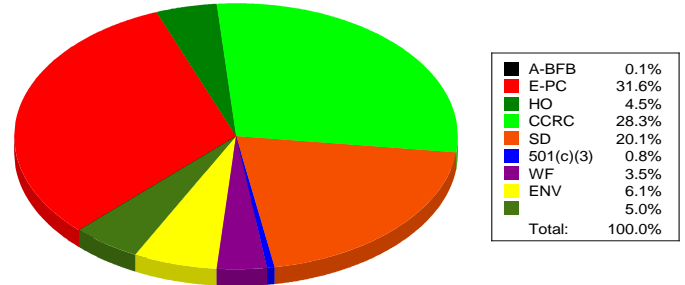
	GENERAL FUND	FIRE TRUCK REV LOAN FUND	AMBULANCE REV LOAN FUND	ALL OTHER NON-MAJOR FUNDS	SUBTOTAL IFA FUNDS	OTHER STATE OF IL DEBT FUNDS	TOTAL ALL FUNDS	METRO EAST POLICE DISTRICT COMMISSION
Liabilities:								
Current Liabilities:								
Payable from unrestricted current assets:								
Accounts payable	\$ 49,215	\$ -	\$ -	\$ -	\$ 49,215	\$ -	\$ 49,215	\$ -
Payables from pending investment purchases	250,230	-	-	125,115	375,345	-	375,345	-
Accrued liabilities	268,979	-	-	-	268,979	-	268,979	-
Payroll Tax Liability	29,041	-	-	-	29,041	-	29,041	-
Due to employees	116,560	-	-	-	116,560	-	116,560	-
Due to primary government	1	-	-	-	1	-	1	-
Due to other funds	-	-	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-	-	4,628
Unearned revenue, net of accumulated amortization	149,151	-	-	-	149,151	-	149,151	-
Total Current Liabilities Payable from Unrestricted Current Assets	\$ 863,177	\$ -	\$ -	\$ 125,115	\$ 988,292	\$ -	\$ 988,292	\$ 4,628
Payable from restricted current assets:								
Accounts payable	-	-	-	-	-	-	-	-
Obligation under securities lending of the State Treasurer	-	-	-	-	-	-	-	-
Accrued interest payable	-	-	-	-	-	5,749,158	5,749,158	-
Due to other funds	-	-	-	17	17	-	17	-
Due to primary government	-	-	-	-	-	-	-	-
Bonds and notes payable from primary government	-	-	-	-	-	14,903,257	14,903,257	-
Bonds and notes payable from State component units	-	-	-	-	-	366,082	366,082	-
Current portion of long term debt	-	-	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-	-	-
Total Current Liabilities Payable from Restricted Current Assets	\$ -	\$ -	\$ -	\$ 17	\$ 17	\$ 21,018,497	\$ 21,018,514	\$ -
Total Current Liabilities	\$ 863,177	\$ -	\$ -	\$ 125,132	\$ 988,309	\$ 21,018,497	\$ 22,006,806	\$ 4,628
Noncurrent Liabilities								
Payable from unrestricted noncurrent assets:								
Noncurrent payables	\$ 585	\$ -	\$ -	\$ -	\$ 585	\$ -	\$ 585	\$ -
Assets	\$ 585	\$ -	\$ -	\$ -	\$ 585	\$ -	\$ 585	\$ -
Payable from restricted noncurrent assets:								
Bonds and notes payable from primary government	-	-	-	-	-	1,607,620,646	1,607,620,646	-
Bonds and notes payable from State component units	-	-	-	-	-	404,340	404,340	-
Total Noncurrent Liabilities Payable from Restricted Noncurrent	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,608,024,986	\$ 1,608,024,986	\$ -
Total Noncurrent Liabilities	\$ 585	\$ -	\$ -	\$ -	\$ 585	\$ 1,608,024,986	\$ 1,608,025,571	\$ -
Total Liabilities	\$ 863,762	\$ -	\$ -	\$ 125,132	\$ 988,894	\$ 1,629,043,483	\$ 1,630,032,377	\$ 4,628
Net Position:								
Net Investment in Capital Assets	\$ 47,181	\$ -	\$ -	\$ -	\$ 47,181	\$ -	\$ 47,181	\$ -
Restricted for Locally Held Agricultural Guarantees	-	-	-	11,941,783	11,941,783	-	11,941,783	-
Restricted for Public Safety Loans	-	24,196,514	4,343,117	-	28,539,631	-	28,539,631	-
Restricted for Agricultural Guarantees and Rural Development Loans	-	-	-	18,764,864	18,764,864	-	18,764,864	-
Restricted for Low Income Community Investments	-	-	-	11,877	11,877	-	11,877	-
Unrestricted	59,599,356	-	-	4,491,012	64,090,368	-	64,090,368	-
Current Change in Net Position	371,305	254,374	24,842	408,680	1,059,201	-	1,059,201	5
Total Net Position	\$ 60,017,842	\$ 24,450,888	\$ 4,367,959	\$ 35,618,216	\$ 124,454,905	\$ -	\$ 124,454,905	\$ 5
Total Liabilities & Net Position	\$ 60,881,604	\$ 24,450,888	\$ 4,367,959	\$ 35,743,348	\$ 125,443,799	\$ -	\$ 1,754,487,282	\$ 4,633

Bonds Issued - Fiscal Year Comparison for the Period Ending January 31, 2020

Fiscal Year 2020

#	Market Sector	Principal Issued
4	Agriculture - Beginner Farmer	787,950
3	Education	258,780,000
1	Healthcare - Hospital	36,752,000
6	Healthcare - CCRC	231,810,882
3	Local Government Schools	165,090,000
1	501(c)(3) Not-for-Profit	6,595,000
1	Water Facilities	28,500,000
1	Environmental issued under 20 ILCS 3515/9	50,000,000
2	Property Assessed Clean Energy	41,240,000
<u>22</u>		<u><u>\$819,555,832</u></u>

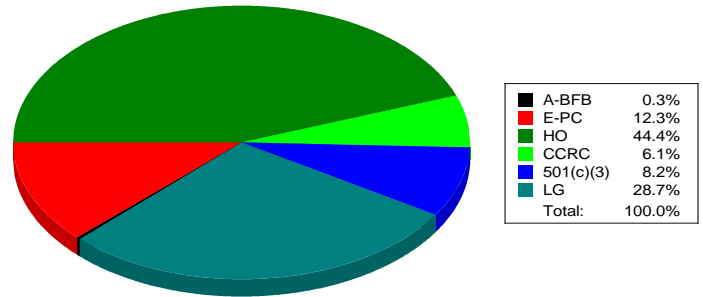
Bonds Issued in Fiscal Year 2020



Fiscal Year 2019

#	Market Sector	Principal Issued
22	Agriculture - Beginner Farmer	5,501,225
10	Education	253,055,000
7	Healthcare - Hospital	914,840,000
2	Healthcare - CCRC	125,815,000
5	501(c)(3) Not-for-Profit	168,995,094
1	Local Government	590,960,000
<u>47</u>		<u><u>\$ 2,059,166,319</u></u>

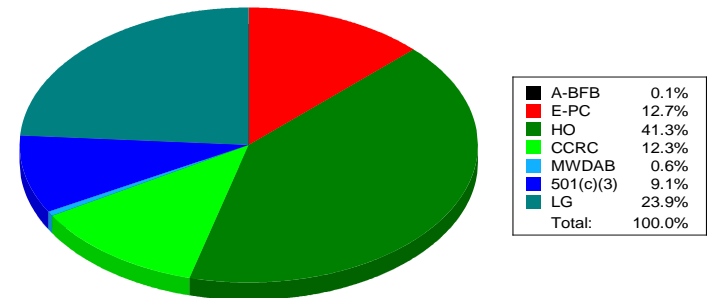
Bonds Issued in Fiscal Year 2019



Fiscal Year 2018

#	Market Sector	Principal Issued
15	Agriculture - Beginner Farmer	2,749,725
5	Education	403,755,000
7	Healthcare - Hospital	1,308,930,000
5	Healthcare - CCRC	388,700,000
1	Midwest Disaster Area Bonds	20,200,000
7	501(c)(3) Not-for-Profit	288,464,000
5	Local Government	758,930,000
<u>45</u>		<u><u>\$ 3,171,728,725</u></u>

Bonds Issued in Fiscal Year 2018



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

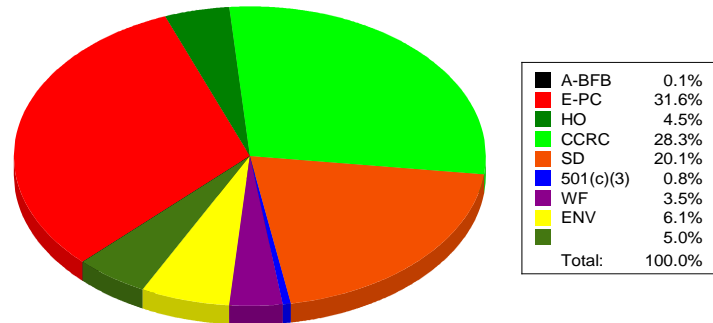


Bonds Issued as of January 31, 2020

Fiscal Year 2020

#	Market Sector	Principal Issued
4	Agriculture - Beginner Farmer	787,950
3	Education	258,780,000
1	Healthcare - Hospital	36,752,000
6	Healthcare - CCRC	231,810,882
3	Local Government Schools	165,090,000
1	501(c)(3) Not-for-Profit	6,595,000
1	Water Facilities	28,500,000
1	Environmental issued under 20 ILCS 3515/9	50,000,000
2	Property Assessed Clean Energy	41,240,000
22		\$819,555,832

Bonds Issued in Fiscal Year 2020



Bonds Issued between July 01, 2019 and January 31, 2020

<u>Bond Issue</u>	<u>Date Issued</u>	<u>Initial Interest Rate</u>	<u>Principal Issued</u>	<u>Bonds Refunded</u>
A-BFB Beginner Farmer Bond	07/01/2019	Variable	787,950	0
E-PC Roosevelt University	07/03/2019	Fixed at Schedule	117,830,000	117,830,000
HO Rush University Medical Center	08/29/2019	Variable	36,752,000	0
SD Elmhurst Community School District 205	08/20/2019	Fixed at Schedule	55,495,000	0
CCRC Smith Washington and Jane Smith Community d/b/a Smith Village 2019A	10/25/2019	Variable	23,608,000	0
CCRC Smith Washington and Jane Smith Community d/b/a Smith Village 2019B	10/25/2019	Variable	25,000,000	25,000,000
CCRC Smith Washington and Jane Smith Community d/b/a Smith Village 2019C	10/25/2019	Variable	5,119,000	5,119,000
ENV Waste Management Inc.	10/30/2019	Fixed at Schedule	50,000,000	0
PACE RCP Hotel Owners LLC	11/08/2019	Fixed at Constant	21,250,000	0
SD Maine Township High School District Number 207	11/13/2019	Fixed at Constant	78,120,000	0
WF American Water Capital Corp.	11/14/2019	Fixed at Schedule	28,500,000	28,500,000
E-PC Columbia College Chicago	11/20/2019	Fixed at Schedule	18,035,000	0
SD Township High School District Number 86	12/10/2019	Fixed at Schedule	31,475,000	0
PACE Hotel Mannheim Chicago, LLC	12/11/2019	Fixed at Constant	19,990,000	0
CCRC Lutheran Life Communities	12/12/2019	Fixed at Schedule	153,360,000	111,850,000
CCRC Lutheran Life Communities	12/12/2019	Variable	659,012	0
CCRC Lutheran Life Communities	12/12/2019	Variable	24,064,870	24,064,870
501(c)(3) Notre Dame College Prep	12/19/2019	Fixed at Schedule	6,595,000	6,595,000
E-PC Illinois Institute of Technology	12/20/2019	Fixed at Schedule	122,915,000	135,125,000

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

Beginner Farmer Bonds Funded between July 01, 2019 and January 31, 2020

<u>Date Funded</u>	<u>Initial Interest Rate</u>	<u>Loan Proceeds</u>	<u>Acres</u>	<u>County</u>
07/19/2019	5.0	295,700	47	Henry
08/22/2019	4.5	180,000	32	Charleston
12/27/2019	3.00	215,000	70	Effingham
12/27/2019	3.70	97,250	27	Edgar
Total Beginner Farmer Bonds Issued		<u>\$ 787,950</u>	<u>176</u>	

ILLINOIS FINANCE AUTHORITY
Schedule of Debt ^[a]

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

Section I	Principal Outstanding		Total Program Limitations	Total Remaining Capacity	
	June 30, 2019	January 31, 2020			
Illinois Finance Authority "IFA"					
Agriculture ^[b]	\$ 53,266,941	\$ 53,599,887			
Education	4,679,948,609	4,542,522,780			
Healthcare	14,180,988,971	14,188,466,596			
Industrial Development [includes Recovery Zone/Midwestern Disaster]	807,109,575	799,497,959			
Local Government	1,581,555,000	1,772,040,000			
Multifamily/Senior/Not-for Profit Housing	275,223,392	272,967,554			
501(c)(3) Not-for Profits	1,517,487,613	1,489,261,484			
Exempt Facilities Bonds	203,500,000	232,000,000			
Student Housing	260,400,000	257,830,000			
Total IFA Principal Outstanding	23,559,480,101	23,608,186,261			
Illinois Development Finance Authority "IDFA"					
Education		-			
Healthcare	61,400,000	61,400,000			
Industrial Development	63,514,196	59,840,000			
Local Government	70,385,868	66,227,306			
Multifamily/Senior/Not-for Profit Housing	40,104,538	2,248,507			
501(c)(3) Not-for Profits	343,257,316	335,323,189			
Exempt Facilities Bonds	-	30,005,000			
Total IDFA Principal Outstanding	578,661,918	555,044,002			
Illinois Rural Bond Bank "IRBB"					
	-	-			
Illinois Health Facilities Authority "IHFA"					
	98,790,000	91,210,000			
Illinois Educational Facilities Authority "IEFA"					
	432,507,000	405,985,000			
Illinois Farm Development Authority "IFDA" ^[b]					
	8,168,707	8,168,707			
Total Illinois Finance Authority Bonded Indebtedness ^[c]	\$ 24,677,607,726	\$ 24,668,593,970	\$ 28,150,000,000 ^[d]	\$ 3,481,406,030	
State Component Unit Bonds ^[e]					
IEPA Clean Water Initiative ^[f]	\$ 1,479,430,000	\$ 1,411,175,000			
Northern Illinois University Foundation, Series 2013	770,422	768,283			
Total State Component Unit Bonds	\$ 1,480,200,422	\$ 1,411,943,283			
Subject to \$28.150 billion total bond limitation under Section 845-5(a), certain debt issued under the Illinois Finance Authority Act is further bound by the following categorical limitation [20 ILCS 3501/801-40(w)]:					
Section I (a)					
	Principal Outstanding		Program Limitations	Categorical Remaining Capacity	
	June 30, 2019	January 31, 2020			
General Purpose Moral Obligation Bonds					
Total General Moral Obligation Bonds	\$ -	\$ -	\$ 150,000,000	\$ 150,000,000	
Subject to \$28.150 billion total bond limitation under Section 845-5(a), certain debt issued under the Illinois Finance Authority Act is further bound by the following categorical limitation [20 ILCS 3501/825-60]:					
Section I (b)					
	Principal Outstanding		Program Limitations	Categorical Remaining Capacity	
	June 30, 2019	January 31, 2020			
Financially Distressed Cities Moral Obligation Bonds					
Total Financially Distressed Cities Bonds	\$ -	\$ -	\$ 50,000,000	\$ 50,000,000	
Subject to \$28.150 billion total bond limitation under Section 845-5(a), certain debt issued under the Illinois Finance Authority Act is further bound by the following categorical limitation [20 ILCS 3501/830-25]:					
Section I (c)					
	Principal Outstanding		Program Limitations	Categorical Remaining Capacity	State of Illinois Exposure
	June 30, 2019	January 31, 2020			
Agri-Debt Guarantees [Restructuring Existing Debt]					
Total Agri-Debt Guarantees - Fund # 994					
Fund Balance \$10,622,190	* \$ 3,354,831	\$ 2,929,056	\$ 160,000,000	\$ 157,070,944	\$ 2,489,698
Agri-Loan Guarantee Program					
Agri Industry Loan Guarantee Program	-	-			-
Farm Purchase Guarantee Program	825,743	825,743			701,882
Specialized Livestock Guarantee Program	1,068,066	1,046,708			889,702
Young Farmer Loan Guarantee Program	195,270	187,399			159,289
Total Agri-Loan Guarantees - Fund # 205					
Fund Balance \$8,329,929	* 2,089,079	2,059,850	225,000,000	222,940,150	1,750,873
Total AG State Guarantees	\$ 5,443,910	\$ 4,988,907	\$ 385,000,000	\$ 380,011,093	\$ 4,240,571

ILLINOIS FINANCE AUTHORITY
Schedule of Debt ^[a]

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

Section II

	Original Amount	Principal Outstanding	
		June 30, 2019	January 31, 2020
Participation Loans			
Business & Industry	\$ 23,020,158	\$ 679,501	\$ 643,010
Agriculture	6,079,859		
Participation Loans Excluding Defaults & Allowances	<u>29,100,017</u>	<u>679,501</u>	<u>643,010</u>
		3,170	3,170
Plus: Legacy IDFA Loans in Default			
Less: Allowance for Doubtful Accounts		<u>5,165</u>	<u>19,270</u>
Total Participation Loans		<u>677,506</u>	<u>626,910</u>
Local Government Direct Loans	1,289,750	1,064,894	1,000,072
Rural Bond Bank Local Government Notes Receivable**		8,305,837	8,305,837 *
FmHA Loans	963,250	125,515	117,202
Deferred Action for Childhood Arrivals (DACA)	2,339,686	2,709,754	2,689,754
Total Loans Outstanding	<u>\$ 32,729,453</u>	<u>\$ 12,883,506</u>	<u>\$ 12,739,775</u>

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

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

Section III

	Principal Outstanding		Cash and Investment Balance
	June 30, 2019	January 31, 2020	
Fire Truck, Fire Station, and Ambulance Revolving Loans			
Fire Truck Revolving Loan Program** Fund # 572	\$ 16,189,730	\$ 20,293,311	\$ 4,147,140 *
Ambulance Revolving Loan Program** Fund # 334	1,109,320.00	2,882,991	1,482,145 *
Total Revolving Loans	<u>\$ 17,299,050</u>	<u>\$ 23,176,302</u>	<u>\$ 5,629,285</u>

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

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

Section IV

	Principal Outstanding		Program Limitations	Remaining Capacity
	June 30, 2019	January 31, 2020		
Clean Coal, Coal, Energy Efficiency, PACE, and Renewable Energy Project Financing				
Property Assessed Clean Energy (PACE) Bonds	\$ -	\$ 41,240,000	\$ 3,000,000,000 [g]	\$ 3,000,000,000
			\$ 2,000,000,000	\$ 1,958,760,000

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

Section V

	Principal Outstanding		Program Limitations	Remaining Capacity
	June 30, 2019	January 31, 2020		
Illinois Power Agency Bonds	\$ -	\$ -	\$ 4,000,000,000	\$ 4,000,000,000

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

Section VI

	Principal Outstanding		Program Limitations	Remaining Capacity
	June 30, 2019	January 31, 2020		
Standard Environmental Facilities Bonds				
Issued through IFA	\$ 54,675,000	\$ 103,435,000		
Issued through IDFA	47,505,000	30,005,000		
Total Standard Environmental Facilities Bonds	<u>102,180,000.00</u>	<u>133,440,000.00</u>	\$ 2,425,000,000	\$ 2,291,560,000
Small Business Environmental Facilities Bonds				
Issued through IFA	-	-	75,000,000	75,000,000
Total Small Business Environmental Facilities Bonds	<u>-</u>	<u>-</u>		
Total Environmental Facilities Bonds	<u>\$ 102,180,000</u>	<u>\$ 133,440,000</u>	<u>\$ 2,500,000,000</u>	<u>\$ 2,366,560,000</u>

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

Section VI

	Principal Outstanding		Program Limitations	Remaining Capacity
	June 30, 2019	January 31, 2020		
Student Loan Program Bonds				
Midwestern University Foundation	\$ 15,000,000	\$ 23,545,000		
Total Student Loan Program Bonds	<u>\$ 15,000,000</u>	<u>\$ 23,545,000</u>	\$ 200,000,000	\$ 176,455,000

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

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

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

[c] Inclusive of State Component Unit Bonds.

[d] Pursuant to P.A. 98-90 effective 07/15/2013, after giving effect to the financing or refinancing of an out-of-state project, the Authority shall have the ability to issue at least an additional \$1 billion of bonds under Section 845-5(a).

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

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

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

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

**BOARD MEETING
February 11, 2020**

CONTRACTS/AMENDMENTS EXECUTED					
Procurement Type	Vendor	Initial Term	Estimated Not to Exceed Value	Action/Proposed Method of Procurement	Products/Services Provided
Illinois Procurement Code- Small Purchases	Miller Hall & Triggs, LLC	12/16/19- 12/15/20	\$20,000	Small Purchase in process	Legal advice related to Ag Guaranty
	Go Daddy	1/19/20	\$551.76	Executed	Malware
	Crane Imaging	02-04-20 02/09/21	\$800.00	Executed	Kodaki2900 Scanner and Software Support
Illinois Procurement Master Contracts	CDW-G	12/01/19- 11/30/22	\$1140.00	Executed	Data Center Edition Licenses with CALs
	CDW-G	01/01/20- 12/31/20	\$258.88	Executed	Microsoft- SLD+WIN SVR STD License
	Hewlett Packard	01/13/20	\$2,485.84	Executed	4 Hard Drive Disks
	CDW-G	01/17/20- 01/16/2023	\$7971.67	Executed	Microsoft SQL License and CALs
	Premier Staffing	1/20/20- 07/19/20	\$22,672.00	Executed	Temp Services-General Clerk
	CDW-G	01/28/20	\$409.00	Executed	MS Windows Remote Desktop license
Illinois Procurement Code Renewals	Bloomberg Finance L.P. AnyWhere Services	08/01/19- 12/31/20	\$33,490	Executed	1 Shared License for 1 Users
	Bloomberg Finance L.P. Terminal Services	01/02/20- 10/08/21	\$47,280	Executed	1 Shared License for 6 Users
	Catalyst Consulting	12/22/19- 12/23/21	\$192,000	Executed	IT Consulting Services
Illinois Procurement Code Contracts	Amalgamated Bank of Chicago	02/01/20- 07/31/20	\$10,000	Executed-6 month extension	Bank Custodian Services

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

**BOARD MEETING
February 11, 2020**

EXPIRING CONTRACTS

Procurement Type	Vendor	Expiration Date	Estimated Not to Exceed Value	Action/Proposed Method of Procurement	Products/Services Provided
<i>Illinois Procurement Code Small Purchases</i>	First Choice Coffee Service	2/14/20	\$800.00	Processing new small purchase	Water Cooler

EXPIRING CONTRACTS

Procurement Type	Vendor	Expiration Date	Estimated Not to Exceed Value	Action/Proposed Method of Procurement	Products/Services Provided
<i>Illinois Procurement Code Contracts</i>	Xerox	3/31/20	\$25,00.00	Processing new release off master	4 Copiers-3 yr. Leases

EXPIRING CONTRACTS-OTHER

Procurement Type	Vendor	Expiration Date	Estimated Not to Exceed Value	Action/Proposed Method of Procurement	Products/Services Provided
<i>Credit Card</i>	Bank of America-Credit Card	06/30/20	\$300,000	Continue	Credit Card
	Bank of America-Depository	06/30/20	\$400,000	Continue	Bank of America Operating Account
<i>Inter-Governmental Agreements</i>	Illinois Department of Commerce and Economic Opportunity (DCEO)	12/04/19-06/30/21	N/A	IGA-Executed	Springfield Office Space within DCEO
	University of Illinois	12/20/19	\$5,000	Executed	Government Research Center

Date: February 11, 2020

Subject: ***Minutes of the January 14, 2020 Regular Meeting***

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

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

Dear Members of the Authority:

Please find enclosed the Report of Proceedings prepared by Veritext Legal Solutions (the “**Minutes**”) in connection with the regular meeting of the Members of the Illinois Finance Authority (the “**Authority**”), begun and held at the Michael A. Bilandic Building, 160 North LaSalle Street, Suite S-1000, Chicago, Illinois 60601, on the second Tuesday of January in the year 2020, pursuant to the provisions of Section 801-25 and Section 801-30 of the Illinois Finance Authority Act, 20 ILCS 3501/801-1 et seq. of the State of Illinois (the “**Act**”).

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

ILLINOIS FINANCE AUTHORITY
REGULAR MEETING
JANUARY 14, 2020
9:30 AM

AGENDA:

- I. Call to Order & Roll Call
(page 3, line 1, through page 4, line 11)
- II. Approval of Agenda
(page 4, line 12 through page 5, line 2)
- III. Public Comment
(page 5, lines 3 through 4)
- IV. Chairman’s Remarks
(page 5, lines 5 through 9)
- V. Message from the Executive Director
(page 5, line 10 through page 8, line 14)
- VI. Committee Reports
(page 8, line 15 through page 11, line 12)
- VII. Presentation and Consideration of New Business Items
(page 11, line 13 through page 50, line 4)



- VIII. Presentation and Consideration of Financial Reports
(page 50, line 5 through page 58, line 16)
- IX. Monthly Procurement Report
(page 58, line 17 through page 59, line 5)
- X. Correction and Approval of Minutes
(page 59, lines 6 through 21)
- XI. Other Business
(page 59, line 22 through page 60, line 13)
- XII. Closed Session
(page 60, lines 14 through 17)
- XIII. Adjournment
(page 60, line 17 through page 61, line 5)

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

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

Respectfully submitted,

/s/ Elizabeth Weber
General Counsel

- Enclosures:
- 1. Minutes of the January 14, 2020 Regular Meeting
 - 2. Voting Record of the January 14, 2020 Regular Meeting

ILLINOIS FINANCE AUTHORITY
REGULAR MEETING OF THE MEMBERS

REPORT OF PROCEEDINGS had at the regular meeting of the Illinois Finance Authority held Tuesday, January 14, 2020 at 9:30 a.m., pursuant to notice at 160 North LaSalle, Chicago, Illinois.

PRESENT:

- ERIC ANDERBERG, Chairman
- JAMES FUENTES
- MICHAEL GOETZ
- ARLENE JURACEK
- LYLE MCCOY
- ROXANNE NAVA
- ROGER POOLE
- BETH SMOOTS
- J. RANDALL WEXLER
- BRADLEY ZELLER

ILLINOIS FINANCE AUTHORITY STAFF:

- CHRISTOPHER MEISTER, Executive Director
- JACOB STUCKY, Deputy Executive Director
- RICH FRAMPTON, Executive Vice President
- SARA PERUGINI, Vice President, Healthcare/CCGC
- BRAD FLETCHER, Vice President
- WILLIAM ATWOOD, Vice President
- XIMENA GRANDA, Manager of Finance & Administration
- LISA BONNETT, Vice President, Water Policy (via audio conference)
- CRAIG HOLLOWAY, Purchasing

ALSO PRESENT:

- LAWRENCE TONOMURA, Managing Director, Bank of America Securities, San Francisco, CA (via telephone)
- JEFF WHITE, Managing Member, Columbia Capital Management LLC

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Page 3

1 CHAIRMAN ANDERBERG: Good morning. I
 2 would like to call the meeting to order.
 3 Would the Assistant Secretary please
 4 call the roll.
 5 MR. FLETCHER: The time is 9:35 a.m.
 6 I'll call the roll. Members
 7 physically present called first.
 8 Mr. Fuentes?
 9 MEMBER FUENTES: Here.
 10 MR. FLETCHER: Mr. Goetz?
 11 MEMBER GOETZ: Here.
 12 MR. FLETCHER: Ms. Juracek?
 13 MEMBER JURACEK: Here.
 14 MR. FLETCHER: Mr. McCoy?
 15 MEMBER MCCOY: Here.
 16 MR. FLETCHER: Ms. Nava?
 17 MEMBER NAVA: Here.
 18 MR. FLETCHER: Mr. Poole?
 19 MEMBER POOLE: Yes.
 20 MR. FLETCHER: Ms. Smoots?
 21 MEMBER SMOOTS: Here.
 22 MR. FLETCHER: Mr. Wexler?
 23 MEMBER WEXLER: Here.
 24 MR. FLETCHER: Mr. Zeller?

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1 MEMBER ZELLER: Here.
 2 MR. FLETCHER: Mr. Chairman?
 3 CHAIRMAN ANDERBERG: Here.
 4 MR. FLETCHER: Mr. Chairman, a quorum of
 5 members physically present in the room has been
 6 constituted.
 7 At this time, I'd like to ask if any
 8 members would like to attend via audio conference?
 9 (No response.)
 10 Hearing none, we may proceed.
 11 CHAIRMAN ANDERBERG: Thank you.
 12 Does anyone wish to make any
 13 additions, edits, or corrections to today's agenda?
 14 (No response.)
 15 Hearing none, I would like to request
 16 a motion to approve the agenda. Is there such a
 17 motion?
 18 MEMBER GOETZ: So moved.
 19 MEMBER JURACEK: Second.
 20 CHAIRMAN ANDERBERG: We have a motion and
 21 a second.
 22 All those in favor?
 23 (A chorus of ayes.)
 24 Opposed?

Page 5

1 (No response.)

2 The eyes have it.

3 Is there any public comment today for

4 the members?

5 We have a number of issues to get to

6 today, and the IFA is starting off on the right

7 foot. I would like to welcome back Waste Management

8 again. I hope they come back more often.

9 Mr. Meister.

10 MR. MEISTER: Thank you, Mr. Chairman.

11 Again, I echo the Chairman's comment.

12 We have had a very good six months opening the

13 current fiscal year. My colleagues will be

14 providing those details as we move forward.

15 The board members do have copies of

16 the audited financials. We intend to have a meeting

17 called or ask for a meeting to be called of the

18 Audit Plus Committee at the February meeting.

19 We received notice yesterday morning

20 about the release of the audited financials by the

21 Auditor General's Office today, but as we sit here

22 today, the last time we checked their website, it

23 had not yet been posted. So it's not appropriate to

24 discuss other than mentioning it.

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1 I will just note that we do have a

2 new element, the transmittal letter from me, the

3 Executive Director, to the Chairman. That is

4 between the two covers of the audited financials.

5 That's new, and I think it represents a significant

6 victory in our partnership with the Auditor

7 General's Office so that the Authority collectively

8 is able to more effectively tell its story in a

9 clear and succinct manner.

10 You will also be hearing later on

11 today -- and again, welcome Jeff White, who is

12 representing Roosevelt University, one of this

13 State's great higher ed institutions, and he is the

14 financial advisor, but as the Members know,

15 nonprofit higher ed is a very important part of the

16 Authority's Statutory Impact Mission, it's an

17 important part of our bond issuance volume, and it's

18 an important part of our revenue picture since we

19 are self-supporting.

20 I ran across some numbers yesterday

21 because higher ed, particularly nonprofit higher ed,

22 there's been a lot written in the media recently

23 about the very challenging environment that this

24 sector is in. Population growth is at the lowest in

1 a century in this country. Millennials are delaying
 2 having children and immigration is at its lowest in
 3 three years. Some of our longer serving Board
 4 Members will recall that various institutions had
 5 highlighted in past bond issuances to us a business
 6 strategy aimed at capturing a higher number of
 7 foreign students.

8 To give you sort of an idea of the
 9 proportions here because, of course, higher ed
 10 really operates on the number of 18-year-olds who
 11 potentially could attend institutions of higher
 12 learning, that there are 1.1 million fewer children
 13 today at the end of 20 -- or at the end of 2019 than
 14 there were at the end of 2009. And the number of
 15 adults between 2010 and 2020 grew by 8.8 percent,
 16 but between 1980 and recently, the percentage of
 17 children of the American population declined from
 18 28 percent to 22 percent. So it is, indeed, on the
 19 numbers, a very challenging environment.

20 But we do want to compliment the
 21 leadership of both Roosevelt and Robert Morris
 22 because as you see from your Board Book and the
 23 public documents and as Mr. Frampton related to the
 24 Conduit Committee, and he will provide the

1 highlights in this meeting, Roosevelt and Robert
 2 Morris recognize these challenges, they took
 3 appropriate action, and they are executing a plan
 4 aimed at maintaining these anchor institutions in
 5 Chicago and northeastern Illinois.

6 Roosevelt has long had since the '40s
 7 a particularly broad-based and welcoming mission for
 8 commuter students and first generation students and
 9 we recognize that and our state is a richer, more
 10 competitive place because of it.

11 So with that, I will turn it over,
 12 but I wanted to highlight that for the members and
 13 for the stakeholders.

14 CHAIRMAN ANDERBERG: Thank you, Chris.
 15 Committee reports. Mr. McCoy.

16 MEMBER MccOY: The Conduit Financing
 17 Committee met earlier this morning and voted

18 unanimously to recommend for approval the following
 19 the New Business items on today's agenda:

- 20 Project for Waste Management, Inc.
- 21 Project for Roosevelt University.
- 22 Resolution for Northwest Community
- 23 Hospital.

24 Resolution for OSF Healthcare System.

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1 Resolution for North American Spine
 2 Society.

3 Resolution for The British Home for
 4 Retired Men and Women.

5 And finally, a Resolution for the
 6 Museum of Science and Industry.

7 CHAIRMAN ANDERBERG: Thank you, Lyle.
 8 MR. MEISTER: Mr. Chairman, Mr. Chairman
 9 McCoy, at the last two or three meetings, we have
 10 had a discussion, a public discussion here
 11 particularly on the amendments to various bond
 12 issuances and the amount of information that is
 13 contained within our reports. One of our
 14 long-tendered members, Mr. O'Brien, had raised this
 15 as a concern I think in December and in October.

16 I do want to highlight some of our
 17 additional language that we have added to the
 18 reports, both the public and the confidential
 19 reports. If you'd turn to Tab 7, just as an
 20 example.

21 MR. FLETCHER: Just confidential.
 22 MR. MEISTER: No, there was some
 23 additional language that was added by Mr. Frampton
 24 too.

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1 So I'm going to highlight on page 2
 2 and read it into the record right above the
 3 recommendation, this has been added to the topic
 4 that was raised by Member O'Brien.

5 As a conduit issuer or as a conduit
 6 bond issue, the bank, in this case, PNC, as bond
 7 purchaser of the Series 2017A Bond and BMO Harris
 8 Investment Company as bond purchaser of the Series
 9 2017B Bond are each assuming 100 percent of the
 10 borrower default risk on the respective series of
 11 bonds owned.

12 So I want to highlight that concept
 13 because that's where the risk lies in these
 14 amendments. They're often bank purchases. They're
 15 the ones making the credit decisions.

16 But if you go into the confidential
 17 section, and we added this -- and again, we can't
 18 predict the future. It just so happened that the
 19 series of amendments that were on the agenda this
 20 time here at the January 2020 meeting lent
 21 themselves to adding a snapshot of the financials,
 22 and there is the source, we have got some additional
 23 language, it's an outstanding Authority bond issue,
 24 an in-depth financial review was presented at the

1 time of the original issuance, and accordingly, the
2 financial statement excerpts are presented below
3 without further comment.

4 You know, hopefully, this will
5 address Mr. O'Brien's concerns. I'll follow up with
6 him after this meeting.

7 This was what the collective staff
8 determined was within the scope of our resources and
9 our relationships with our borrowers. This was a
10 solution that we collectively developed and we hope
11 that Mr. O'Brien will find it satisfactory.

12 CHAIRMAN ANDERBERG: Thank you, Chris.

13 I'd like to ask for the general
14 consent of the Members to consider New Business
15 Items 1 through 7 collectively and to have the
16 subsequent recorded vote applied to each respective
17 individual item, unless there are any specific New
18 Business items that a member would like to consider
19 separately.

20 MEMBER FUENTES: I would like to recuse
21 myself from any deliberations and voting with
22 respect to Item 7, the Museum of Science and
23 Industry, of the New Business items because I am a
24 Board member for the Borrower.

1 MEMBER GOETZ: And Mr. Chairman, I would
2 like to recuse myself from deliberations and voting
3 with respect to Item 3, Northwest Community
4 Hospital, and Item 4, OSF Healthcare System, of the
5 New Business items because I have a family member
6 who works for the financial advisor in these
7 transactions.

8 CHAIRMAN ANDERBERG: Thank you.

9 Then I would like to ask the staff to
10 now present the Project Reports and Resolutions,
11 which will be the considered collectively. Items 3,
12 4, and 7 will be considered separately at the end.

13 MS. PERUGINI: Item No. 1, Waste
14 Management Inc.

15 Item No. 1 is a Solid Waste Disposal
16 Revenue Bond request. Staff requests approval of a
17 Preliminary Bond Resolution for Waste Management,
18 Inc. in a not-to-exceed amount of \$500 million.

19 The purpose of this Preliminary Bond
20 Resolution is to establish reimbursement eligibility
21 for this financing to enable Waste Management to
22 refinance project-related expenditures going back 60
23 days from today's date, or November 12, 2019, as
24 authorized by the Internal Revenue Code.

1 Accordingly, the Preliminary Bond
 2 Resolution will set the "reimbursement clock" and
 3 enable all capital expenditures incurred after
 4 November 12, 2019 to be refinanced with the proceeds
 5 of a future Authority bond issue.

6 Authority staff expects the \$500
 7 million of tax-exempt bonds covered by the
 8 Preliminary Bond Resolution for your consideration
 9 today to be issued in multiple tranches over the
 10 next 5 to 10 years.

11 The project description contemplates
 12 projects located statewide and prospectively
 13 includes all Waste Management operating facilities
 14 throughout Illinois, comprising (i) landfill
 15 facilities; (ii) transfer stations; and (iii)
 16 collection facilities.

17 The specific Waste Management project
 18 sites to be financed will be identified by Waste
 19 Management in a TEFRA Hearing conducted prior to
 20 consideration of any Final Bond Resolution.

21 As with the recent \$50 million Series
 22 2019 bonds issued in November by the Authority,
 23 Waste Management expects that the future bonds will
 24 be initially sold and remarketed based on Waste

1 Management Inc.'s S&P long-term and short-term debt
 2 ratings.

3 S&P currently assigns Waste
 4 Management a long-term debt rating of A- and a
 5 short-term rating of A-2, both with stable outlooks.

6 The interest rate modes and
 7 maturities will be evaluated by Waste Management
 8 based on market conditions in advance of pricing the
 9 future bonds.

10 Authority staff expects to allocate
 11 available prior year carryforward volume cap
 12 designated for Solid Waste Disposal Bond Project
 13 financings as Waste Management issues bonds against
 14 this \$500 million Inducement Resolution parameter.

15 Based on the Authority's anticipated
 16 carryforward filing with the IRS next month,
 17 Authority staff anticipates having at least
 18 \$150 million of prior year solid waste disposal
 19 carryforward available during calendar year 2020,
 20 which is expected to be sufficient to cover
 21 anticipated calendar 2020 demand.

22 This Preliminary Bond Resolution will
 23 be a next step in building on the Authority's and
 24 its predecessor, Illinois Development Finance

1 Authority's, 40 year legacy of issuing tax-exempt
2 bonds for pollution control and solid waste disposal
3 projects.

4 Mr. Frampton, I believe we have a
5 guest joining us via audio conference?

6 MR. FRAMPTON: Yes, it is my pleasure to
7 introduce Mr. Lawrence Tonomura, Managing Director,
8 Bank of America Securities in San Francisco.
9 Lawrence has dialed in this morning from Pittsburgh.

10 Lawrence, do you have any comments?

11 MR. TONOMURA: I do. Thank you, Rich.

12 Mr. Chairman, members of the Board of
13 the Illinois Finance Authority, first opening
14 comment is thank you very much for a wonderful
15 relationship not just with Waste Management but also
16 with Bank of America.

17 The Conduit Program is one of the
18 most successful that we have ever been able to
19 participate with. Professional staff are very open
20 in terms of providing assistance. Most importantly
21 when we need guidance in terms of how does this
22 work, staff has been there every step of the way.
23 And that demonstrates in terms of Waste Management
24 as well as other borrowers that we work with, but

1 here focusing on Waste Management, the longstanding
2 history and relationship that Waste Management has
3 with the IFA is because of the tremendous work by
4 staff as well the support from the Board. So a big
5 thank you.

6 In terms of the project that we're
7 being asked for an inducement for, these are the
8 traditional solid waste facilities that the company
9 has in the past financed with the IFA in the State
10 of Illinois, and these are the landfill assets,
11 these are the collection systems that allow for the
12 hauling, the transferring, and in certain situations
13 the landfilling of waste. This is an important
14 business line for the company, and because they are
15 able to use the tax-exempt financing method, it
16 really does allow for the company to control pricing
17 cost, which translates to the benefit of the
18 residents of the State of Illinois.

19 So with that, happy to answer any
20 additional questions, but the most important comment
21 is thank you, thank you for the wonderful support
22 and the hard work that you continue to provide for
23 Waste Management.

24 Thank you, Rich.

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1 MR. FRAMPTON: You're welcome, Lawrence.
 2 CHAIRMAN ANDERBERG: Thank you.
 3 MS. PERUGINI: Does any member have any
 4 questions or comments?
 5 MR. MEISTER: Sara.
 6 Lawrence, thank you for that
 7 statement. This is Chris Meister. I think you
 8 manage or you succinctly illustrated the public
 9 policy goals that are advanced by federally
 10 tax-exempt conduit financing and here with the
 11 example of the safe and economic disposal and
 12 handling and transfer and transportation of solid
 13 waste. So thank you. That was a great way to
 14 describe one aspect of what the Authority does and
 15 what the Authority's essential public mission is.
 16 Thank you.
 17 MR. TONOMURA: Thank you.
 18 MS. PERUGINI: Item No. 2, Roosevelt
 19 University.
 20 Item No. 2 is a 501(C)(3) Revenue
 21 Bond request. Staff requests approval of the Final
 22 Bond Resolution for Roosevelt University in a
 23 not-to-exceed amount of \$15 million.
 24 The Final Bond Resolution

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1 contemplates the Series 2020 bonds may be issued in
 2 one or more series and subseries, including both
 3 tax-exempt and taxable series.
 4 In December, the Authority approved a
 5 Preliminary Bond Resolution as a Resolution of
 6 Intent on behalf of Roosevelt in an amount
 7 not-to-exceed \$15 million, thereby enabling the
 8 expenditures incurred beginning October 11, 2019, to
 9 be financed or refinanced with the contemplated
 10 Series 2020 bonds.
 11 As proposed, the Series 2020 bonds
 12 will be sold on a non-rated basis.
 13 Accordingly, the Series 2020A
 14 tax-exempt and Series 2020B taxable bonds will be
 15 underwritten by Wells Fargo Securities and privately
 16 placed in minimum denominations of \$100,000 to
 17 accredited investors or qualified institutional
 18 buyers consistent with the Authority Bond Handbook
 19 requirements.
 20 As a result, no policy exceptions
 21 will be necessary.
 22 The initial purchaser has been
 23 identified as Preston Hollow Capital LLC of Dallas,
 24 Texas, which is also the bond owner representative

1 on Roosevelt's outstanding Series 2018A, 2018B, and
2 2019A bonds issued by the Authority.

3 As the bond owner representative,
4 Preston Hollow has the ability to consent to
5 Roosevelt issuing the proposed Series 2020A and
6 Series 2020B bonds as additional indebtedness.

7 As proposed, Roosevelt would use the
8 Series 2020 tax-exempt bond proceeds to (i) pay or
9 reimburse Roosevelt for the payment of costs of
10 acquiring certain assets of Robert Morris University
11 Illinois; (ii) pay or reimburse Roosevelt for
12 payment of the costs of acquiring fixtures,
13 furniture, and equipment, making improvements to
14 Roosevelt-owned facilities at five facilities
15 currently leased by Robert Morris University; (iii)
16 relocating staff and programs; (iv) capitalizing a
17 debt service reserve fund; and (v) potentially
18 paying bond issuance costs.

19 Roosevelt currently anticipates
20 assuming leases at the five Robert Morris locations
21 identified in the report.

22 Roosevelt's acquisition of Robert
23 Morris was publicly announced on October 7, 2019,
24 following its application to the Higher Learning

1 Commission as the accreditation body for Roosevelt
2 and Robert Morris.

3 Appendix A to the staff report
4 contains Roosevelt's public announcement and key
5 content from Roosevelt's website describing its
6 Robert Morris University acquisition plan.

7 Appendix A comprises the last 11
8 pages of the materials provided in Tab 2.

9 Following approval by the Board of
10 the Higher Learning Commission, the proposed
11 acquisition must close within 31 days pursuant to
12 Higher Learning Commission requirements.

13 Finally, here are three key timing
14 and scheduling updates to our discussions from last
15 month:

16 One, Roosevelt now plans to close on
17 the Series 2020 bonds in early February, in advance
18 of approval from the Higher Learning Commission and
19 approvals from the Illinois Board of Higher
20 Education and the governing bodies of each
21 institution.

22 The new February closing and funding
23 date will enable Roosevelt to be reimbursed for
24 cash-funded capital expenditures already completed.

1 Roosevelt will submit all subsequent draw requests
2 to Preston Hollow Capital for review.

3 Second, Roosevelt will be required to
4 close on the acquisition within 31 days after Higher
5 Learning Commission Board approval.

6 Third, within five to six weeks of
7 closing on the Robert Morris acquisition, Roosevelt
8 expects to return to the Authority with a Resolution
9 requesting release of an official statement on the
10 Series 2020 bonds. This step is new and was not
11 contemplated last month.

12 Content in the official statement
13 will reflect public information that Roosevelt will
14 disseminate following the Robert Morris acquisition
15 and include new Roosevelt EMMA filing information
16 that will not be posted until February, including
17 Roosevelt's August 31, 2019, audit report and
18 management narrative.

19 Based on a tentative timetable,
20 Authority staff anticipates this Resolution would
21 proceed for consideration at the Authority's
22 May 2020 Board meeting.

23 Mr. Frampton, I believe we have some
24 guests joining us today.

1 MR. FRAMPTON: Yes. It is my pleasure to
2 introduce Mr. Jeff White, managing member of
3 Columbia Capital Management LLC. Jeff is financial
4 advisor to Roosevelt, and he is based in Overland
5 Park, Kansas and Chicago.

6 Jeff.

7 MR. WHITE: Good morning, Mr. Chairman
8 and members of the Board.

9 As Chris mentioned at the beginning
10 of the meeting, my name is Jeff White with Columbia
11 Capital. We have been the longstanding financial
12 advisor to Roosevelt University.

13 Thank you so much for consideration
14 of this item. I know the par amount is small, but
15 it's really critically important to this
16 transaction.

17 I don't think this is going to be the
18 last kind of transaction that the Board sees like
19 this. I can tell you it is incredibly complex.
20 There is something like two-dozen cross-institution
21 committees working today to get things in place so
22 that hopefully when HLC approves this transaction,
23 that will be ready for 1800 students to effectively
24 kind of move across the street in a seamless manner

1 and obviously maintaining that enrollment base is
2 critically important.

3 A huge thanks, as always, to your
4 staff, particularly Rich and Elizabeth. Really,
5 this began back in the fall of 2018 when Roosevelt
6 first started working with Preston Hollow on a
7 series of financings. Rich and I trade way more
8 emails at 11:00 o'clock at night than either of us
9 would probably prefer to admit.

10 Again, thank you so much on behalf of
11 President Malekzdeh and CFO Andrew Harris and really
12 appreciate your consideration of the item.

13 MR. MEISTER: Jeff, just one quick
14 clarification for the members.

15 Can you talk a little bit about the
16 Higher Learning Commission, who they are, what their
17 role is, and what they're considering because it's
18 got a name that sounds like a state or a
19 federal-based entity but it is more of a
20 sector-driven voluntary --

21 MR. WHITE: It is an industry
22 organization. So in higher education, every higher
23 ed institution wants to become accredited. HLC is
24 the accrediting body for this region. They're the

1 accrediting body for both Roosevelt and for Robert
2 Morris.

3 Typically once a decade or so, these
4 higher ed institutions go through an accreditation
5 process that includes a whole host of kind of
6 written information and then site visits from a team
7 of people from other universities come in, looking
8 at best practices, is the University following its
9 own policies, and those kinds of things.

10 Roosevelt went through that process
11 relatively recently, I want to say within the last
12 two years, and is in the early part of a ten-year
13 accreditation process. But when these organizations
14 come together, HLC is required to come in again to
15 make sure that the transaction won't impair the
16 accreditation that Roosevelt recently received.

17 So it is an incredibly in-depth
18 review. I have seen the packet that went to HLC.
19 It is very, very thick. It covers everything from
20 student enrollment to financials to HR practices and
21 a whole host of other issues, again, site visit
22 involved presentation before that body, and fingers
23 crossed that everything has gone according to plan
24 at this point and we hope that HLC will, indeed,

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1 approve the asset purchase at its meeting in
 2 February.

3 Thanks, Chris.

4 CHAIRMAN ANDERBERG: Thank you.

5 MS. PERUGINI: Does any member have any
 6 comments or questions?

7 (No response.)

8 Item No. 5, North American Spine
 9 Society.

10 Item No. 5 is a Resolution relating
 11 to the Series 2014 bond previously issued by the
 12 Authority on behalf of North American Spine Society.

13 Approval of this Resolution will
 14 provide consent to changes as agreed to by the
 15 Borrower and BMO Harris Bank concerning the Series
 16 2014 bond. Specifically the Borrower and the Bank
 17 desire to convert the Series 2014 bond from the
 18 index rate to a long-term rate and extend the
 19 initial term approximately 9 years and 6 months to
 20 July 1, 2029.

21 This Resolution authorizes the
 22 execution and delivery of a First Amendment to Trust
 23 Indenture and approves related documents to
 24 effectuate the change in the interest rate formula.

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1 Does any member have any questions or
 2 comments?

3 (No response.)

4 Item 6, The British Home for Retired
 5 Men and Women.

6 Item 6 is a Resolution relating to
 7 the Series 2011 bond previously issued by the
 8 Authority on behalf of The British Home for Retired
 9 Men and Women.

10 Approval of this Resolution will
 11 provide consent to changes as agreed to by the
 12 Borrower and First Midwest Bank concerning the
 13 Series 2011 bond. Specifically, the Borrower and
 14 the Bank desire to decrease the effective interest
 15 rate borne on the Series 2011 bond and extend the
 16 initial term by approximately 9 years. The interest
 17 rate borne on the Series 2011 bond will now be based
 18 on LIBOR but synthetically fixed.

19 This Resolution authorizes the
 20 execution and delivery of a First Amendment to Bond
 21 and Loan Agreement and approves the related
 22 documents to effectuate the change in the interest
 23 rate formula.

24 Does any member have any questions or

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1 comments?

2 MEMBER NAVA: I did have a question. Are

3 they located in Brookfield, Illinois?

4 MR. FLETCHER: Yes, that's correct.

5 They're currently doing business as Cantata Adult

6 Life Services.

7 MEMBER NAVA: Okay.

8 MS. PERUGINI: Any additional questions

9 or comments?

10 (No response.)

11 Thank you.

12 CHAIRMAN ANDERBERG: Thank you. I'd like

13 to request a motion to pass and adopt the following

14 New Business items: Items 1, 2, 5, and 6.

15 Is there such a motion?

16 MEMBER MCCOY: So moved.

17 MEMBER GOETZ: Second.

18 CHAIRMAN ANDERBERG: Motion by Mr. McCoy;

19 second by Mr. Goetz.

20 Will the Assistant Secretary please

21 call the roll.

22 MR. FLETCHER: On the motion and second,

23 I will call the roll.

24 Mr. Fuentes?

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1 MEMBER FUENTES: Yes.

2 MR. FLETCHER: Mr. Goetz?

3 MEMBER GOETZ: Yes.

4 MR. FLETCHER: Ms. Juracek?

5 MEMBER JURACEK: Yes.

6 MR. FLETCHER: Mr. McCoy?

7 MEMBER MCCOY: Yes.

8 MR. FLETCHER: Ms. Nava?

9 MEMBER NAVA: Yes.

10 MR. FLETCHER: Mr. Poole?

11 MEMBER POOLE: Yes.

12 MR. FLETCHER: Ms. Smoots?

13 MEMBER SMOOTS: Yes.

14 MR. FLETCHER: Mr. Wexler?

15 MEMBER WEXLER: Yes.

16 MR. FLETCHER: Mr. Zeller?

17 MEMBER ZELLER: Yes.

18 MR. FLETCHER: Mr. Chairman?

19 CHAIRMAN ANDERBERG: Yes.

20 MR. FLETCHER: Mr. Chairman, the motion

21 carries.

22 CHAIRMAN ANDERBERG: Okay. Please

23 continue with Items 3 and 4, and I would like to ask

24 Member Goetz to exit the room.

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(Exit Member Goetz.)

MR. FLETCHER: Please let the record reflect that Member Goetz has recused himself from deliberations and voting by exiting the room.

MS. PERUGINI: Thank you.

Item No. 3, Northwest Community Hospital.

Item No. 3 is a Resolution relating to the Series 2008B, Series 2008C, and Series 2011 bond previously issued by the Authority on behalf of Northwest Community Hospital.

The Borrower desires to convert the bonds to bear interest at fixed rates and the bonds will be tendered and purchased by JPMorgan Chase Bank, national association or an affiliate.

In connection with the conversion, the Borrower would like to make certain amendments to the original bond trust indentures and new bonds will need to be issued. The purchaser of the bonds will consent to such amendments as well.

This Resolution authorizes and approves the execution and delivery of supplemental bond trust indentures, new bonds, and tax agreements, and other documents as necessary.

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Does any member have any questions or comments?

(No response.)

Item No. 4, OSF Healthcare System.

Item 4 is a Resolution relating to the Series 2008A, 2008B, and Series 2015 bond previously issued by the Authority on behalf of Little Company of Mary Hospital and Healthcare Centers.

Little Company of Mary and OSF Healthcare Systems have entered into an affiliation agreement under which Little Company will merge into OSF on or about February 1st, 2020.

The master trust indenture relating to Little Company will be terminated, and the obligations securing the bonds thereunder will be cancelled and exchanged for obligations issued pursuant to the OSF master trust indenture. The letter of credit providers with respect to the Series 2008 bonds and the owner of the Series 2015 bonds will consent to the merger and obligation exchange.

This Resolution authorizes and approves the execution and delivery of supplements

1 and amendments relating to the bonds and certain
2 other documents which may be necessary to reflect
3 the assumption by OSF of the obligations of Little
4 Company as a result of the merger and obligation
5 exchange and any necessary waivers, consents, or
6 approvals in connection with the merger and
7 obligation exchange.

8 Does any member have any questions or
9 comments?

10 (No response.)

11 CHAIRMAN ANDERBERG: Thank you.

12 I would like to request a motion to
13 pass and adopt the following New Business items: 3
14 and 4.

15 Is there such a motion?

16 MEMBER POOLE: So moved, Mr. Chairman.

17 MEMBER FUENTES: Second.

18 CHAIRMAN ANDERBERG: Motion by Mr. Poole,
19 second by Mr. Fuentes.

20 Will the Assistant Secretary please
21 call the roll.

22 MR. FLETCHER: On the motion and second,
23 I will call the roll.

24 Mr. Fuentes?

1 MEMBER FUENTES: Yes.

2 MR. FLETCHER: Ms. Juracek?

3 MEMBER JURACEK: Yes.

4 MR. FLETCHER: Mr. McCoy?

5 MEMBER MCCOY: Yes.

6 MR. FLETCHER: Ms. Nava?

7 MEMBER NAVA: Yes.

8 MR. FLETCHER: Mr. Poole?

9 MEMBER POOLE: Yes.

10 MR. FLETCHER: Ms. Smoots?

11 MEMBER SMOOTS: Yes.

12 MR. FLETCHER: Mr. Wexler?

13 MEMBER WEXLER: Yes.

14 MR. FLETCHER: Mr. Zeller?

15 MEMBER ZELLER: Yes.

16 MR. FLETCHER: Mr. Chairman?

17 CHAIRMAN ANDERBERG: Yes.

18 MR. FLETCHER: Mr. Chairman, the motion
19 carries.

20 CHAIRMAN ANDERBERG: Okay. Before we do

21 No. 7, I would like to ask Member Fuentes to exit
22 the room and Member Goetz to return.

23 (Exit Member Fuentes.)

24 (Enter Member Goetz.)

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1 MR. FLETCHER: Let the record reflect
 2 that Member Fuentes has recused himself from
 3 deliberations and voting by exiting the room while
 4 Member Goetz has returned to deliberations and
 5 voting at this time.
 6 MS. PERUGINI: Thank you.
 7 Item No. 7, Museum of Science and
 8 Industry.
 9 Item 7 is a Resolution relating to
 10 the Series 2017A and Series 2017B bonds previously
 11 issued by the Authority on behalf of the Museum of
 12 Science and Industry.
 13 Approval of this Resolution will
 14 provide consent to changes as agreed to by the
 15 Borrower and PNC Bank and BMO Harris Bank concerning
 16 the Series 2017A bond and Series 2017B bond.
 17 Specifically, the Borrower and the Bond Purchasers
 18 desire to decrease the effective interest rate borne
 19 on the Series 2017A bond and Series 2017B bond.
 20 Furthermore, BMO Harris Bank will be
 21 assigning the Series 2017B bond to its affiliate BMO
 22 Harris Investment Company LLC contemporaneously with
 23 the execution and delivery of the First Amendment to
 24 Bond and Loan Agreement.

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1 This Resolution authorizes the
 2 execution and delivery of each First Amendment to
 3 the Bond and Loan Agreement and approves related
 4 documents to effectuate the change in the interest
 5 rate formula on both the Series 2017A bond and
 6 Series 2017B bond.
 7 Does any member have any comment or
 8 questions?
 9 (No response.)
 10 CHAIRMAN ANDERBERG: Thank you, Sara.
 11 I would like to request a motion to
 12 pass and adopt the following New Business item:
 13 Item No. 7.
 14 Is there such a motion?
 15 MEMBER GOETZ: So moved.
 16 MEMBER JURACEK: Second.
 17 CHAIRMAN ANDERBERG: Motion from
 18 Mr. Goetz, second by Ms. Juracek.
 19 Will the Assistant Secretary please
 20 call the roll.
 21 MR. FLETCHER: On the motion and second,
 22 I will call the roll.
 23 Mr. Goetz?
 24 MEMBER GOETZ: Yes.

1 MR. FLETCHER: Ms. Juracek?
 2 MEMBER JURACEK: Yes.
 3 MR. FLETCHER: Mr. McCoy?
 4 MEMBER MCCOY: Yes.
 5 MR. FLETCHER: Ms. Nava?
 6 MEMBER NAVA: Yes.
 7 MR. FLETCHER: Mr. Poole?
 8 MEMBER POOLE: Yes.
 9 MR. FLETCHER: Ms. Smoots?
 10 MEMBER SMOOTS: Yes.
 11 MR. FLETCHER: Mr. Wexler?
 12 MEMBER WEXLER: Yes.
 13 MR. FLETCHER: Mr. Zeller?
 14 MEMBER ZELLER: Yes.
 15 MR. FLETCHER: Mr. Chairman?
 16 CHAIRMAN ANDERBERG: Yes.
 17 MR. FLETCHER: Mr. Chairman, the motion
 18 carries.
 19 CHAIRMAN ANDERBERG: Thank you. Do you
 20 want to ask Mr. Fuentes to come back in.
 21 (Enter Member Fuentes.)
 22 MR. FLETCHER: Please let the record
 23 reflect that Member Fuentes has returned to the
 24 room.

1 MR. STUCKEY: Good morning. On Tab 8,
 2 you'll see a memo from Executive Director Meister
 3 which I'll present.
 4 S&P Global Ratings proposed an
 5 revised methodology for US rental housing bonds. As
 6 a part of this process, multiple members of our
 7 staff participated in an S&P webinar on the proposed
 8 methodology. Then we ultimately decided to comment
 9 on the methodology, which you will find on the
 10 following pages.
 11 On the following pages, you will see
 12 we gave a brief background on the Authority, our
 13 experience on some bonds that use -- that had S&P
 14 investment grade, S&P ratings and their eventual --
 15 their rapid decline. Then we went into some of the
 16 S&P rating methodology and we also included some
 17 broad elements for consideration as a part of that,
 18 their revised methodology.
 19 You will find that on the second and
 20 third pages.
 21 If anybody has any questions.
 22 (No response.)
 23 On Tab 9, this is a follow up to the
 24 December 10, 2018, Board meeting, Agenda Item 12.

We attached The Bond Buyer article, "Taxables Could Account for 20 Percent of Municipal Bond Issuances in 2020."

On the following page, you will find the article and a couple of points that I wanted to highlight.

The person attributed, Jeff Lipton, Managing Director of head of Municipal Research and Strategy in Oppenheimer was quoted in the article saying that he believed that 20 percent of all 2020 issuances will be in the taxable variety, but he did say that they are not concerned that taxable issuance would have a crowding out effect for additional tax-exempt bonds as the buyers are different bases. They have different buyers for both the taxable and tax-exempt.

But does anyone have any questions? (No response.)

MS. PERUGINI: Item No. 10 in your Board Book is a memo that kind of sets forth some rules, regulation, and transparency in the Municipal Securities Market.

The Authority as a conduit issuer operates in the framework of the Municipal

Securities Market established and regulated by many federal and state agencies, and kind of below details a high level snapshot of how certain rules are created and changed and the Authority's role in connection therewith.

The first article addresses the Municipal Security's Rulemaking Board and its Electronic Municipal Market Access System. So the MSRB is the principal regulator of the Municipal Securities Market. It was established by Congress in 1975, and it's authorized to regulate broker/dealers, banks, and municipal advisors that provide advice to municipal entities about the issuance of bonds and municipal financial products.

The MSRB creates rules for such dealers and municipal advisors, and it also protects investors and the municipal entities by increasing the transparency and availability of market information by making such information publicly available and free via its Electronic Municipal Market Access, or otherwise known as EMMA, website. So the first article behind the memo details that.

The second article addresses the

1 Securities Exchange Commission and its interaction
2 with the MSRB.

3 The SEC is one of the entities that
4 oversees the MSRB. In furtherance of the MSRB's
5 mission to protect the interests of Municipal
6 Security's investors, issuers, and the public, the
7 MSRB establishes rules, which are generally subject
8 to the SEC approval, and members may find article
9 number 2 interesting in connection with a recently
10 proposed MSRB rule.

11 Finally, just a little bit of a
12 framework context. The National Association of
13 Health and Educational Facilities Finance
14 Authorities, that's a mouthful, otherwise known as
15 NAHEFFA, is a national association representing
16 issuers of tax-exempt debt like ourselves. The
17 Authority is a longstanding member of NAHEFFA, and
18 NAHEFFA provides educational and professional
19 development opportunities for its members as well as
20 advocacy and support for issues of importance to
21 conduit issuers.

22 As a part of NAHEFFA's advocacy and
23 support on behalf of its members, the NAHEFFA
24 president meets with MSRB once or twice a year. The

1 Authority's own Executive Vice President, Pamela
2 Lenane, is a past NAHEFFA president, and NAHEFFA
3 member Barry Fick, who is the Executive Director of
4 the Minnesota Higher Education Facilities Authority,
5 was recently named to an MSRB Advisory Committee on
6 compliance.

7 The Authority monitors federal
8 rulemaking and legislation through organizations
9 such as NAHEFFA, and while the Authority always
10 cooperates with various federal and state regulators
11 and market participants, where appropriate, either
12 directly or indirectly through larger organizations
13 such as NAHEFFA, we work to have constructive input
14 on rulemaking and legislative process. Such input
15 is generally in the form of comments or a comment
16 process, and through its comments, the Authority may
17 highlight practical or real world implications that
18 a regulator who is drafting the rules may not have
19 considered or have even been aware of.

20 Article No. 3 in Your Board book is
21 NAHEFFA's December 18, 2019, comments to the second
22 article, SEC Release, and in its comments, NAHEFFA
23 raises questions and provides recommendations with
24 respect to the MSRB's proposed rule change.

This proposed rule change in the comments are technical, but a brief synopsis is that in response to complaints by financial analysts that entities are not filing their financials in a timely enough manner after their year end, the MSRB proposes to create an algorithm from all of your required filings, which pulls the year-end date and the date that the financials are actually filed and produces and posts a calculation of time between those two dates.

One of the things that NAHEFFA evaluates proposed rules for is that they are rationally related to improving information regarding investment decisions. So in this case, in its comments, NAHEFFA takes the position that while it is not opposed to such rule change in including that calculation on the EMMA website, it needs to be vetted by the industry to ensure that it works as intended and provides value.

So please see me with any questions or comments you may have.

CHAIRMAN ANDERBERG: Thank you.

MR. ATWOOD: Good morning, the executive director asked that I update you on the policy

initiatives to consolidate downstate and suburban police and fire pension fund investment authority and I'm pleased to do so.

The short report is everything is going well, but before I go into that, I would like to give you the background.

As you will recall, a little less than a year ago, the Governor appointed the Pension Consolidation Feasibility Task Force. The purpose of that task force was to review Illinois' pension systems and identify areas where value could be added through consolidation. An initial focus of the task force was downstate police and fire retirement boards. There is approximately 640 of those boards around the state.

What the Commission found was that as a group, they pay too high of fees, and as a group, they enjoy too low of returns. And so by consolidating the investment functionality of those funds into two funds, fees could be reduced and hopefully returns improved.

So, in September, the task force issued a report to that effect, and as we have discussed in the past, Senate Bill 1300 was

1 introduced into the General Assembly and passed into
2 law. All of this was reported to you at your last
3 meeting. Since your last meeting on December 18,
4 Governor Pritzker signed Senate Bill 1300 into law
5 becoming Public Act 101-0610.

6 This is all good public policy, and
7 as a reminder, the role of the Finance Authority in
8 this initiative is critical because what the Finance
9 Authority has been charged to do by the Legislature
10 is to provide \$7.5 million dollars each to the two
11 new investment funds in operating capital that they
12 may use to operate for the first 30 months through
13 the transition period and then pay the Authority
14 back upon completion of the transition period. If
15 the IFA didn't provide that critical funding, it is
16 hard to identify where that funding would have come
17 from.

18 So now that the law has passed, the
19 effective date of the legislation was January 31 --
20 excuse me -- January 1. Under the statute, the
21 Governor has until January 31 to appoint the nine
22 members -- nine members each to the new boards.
23 These nine members will serve for one year as
24 interim boards in that at the end of the year, in

1 this coming December, the two boards will need to
2 hold elections to elect permanent boards to their --
3 permanent boards to each of the two boards.

4 The Authority has begun discussions
5 with the Governor's office about how to structure
6 the financing in advance of these boards being
7 appointed. For the record, sitting here today on
8 whatever today's date is, the Governor hasn't
9 appointed those boards, but in anticipation of those
10 boards being appointed, Director Meister, legal
11 counsel, has begun drafting intergovernmental
12 agreements to provide that funding, and the goal --
13 the hope is to be able to come back to you on
14 February 11th for approval of that intergovernmental
15 agreement so they may be transmitted to the two new
16 boards and funding be provided at their first
17 convenience when they're ready to accept the
18 funding.

19 We made clear to the Governor's
20 office, to the respective stakeholder groups, that
21 besides providing the funding, the IFA remains ready
22 to be a resource and provide any assistance that we
23 can to ensure the success of these two new
24 initiatives. We have that responsibility as a

1 lender, as a prudent lender. We also have that
2 responsibility in the statutory mandate of the IFA.
3 And so that's the approach that we're taking.

4 Director Meister is involved with
5 this on a daily basis, and the final point I would
6 make is that this is really a great initiative and
7 it is a real pleasure to be involved in something
8 when we're on the side of the angels. I know Chris
9 is excited about it. I'm excited about it. I hope
10 the Authority is excited about it as well.

11 With that, I would be glad to answer
12 any questions.

13 MEMBER JURACEK: For the audience who
14 doesn't know, I'm the Mayor of Mt. Prospect and a
15 staunch proponent of this fantastic activity that
16 took us way too long to achieve in the state of
17 Illinois. Brad Cole, who is the Executive Director
18 of the Illinois Municipal League and who led the
19 effort in Springfield on behalf of all of our
20 municipalities to get this done, he is an appointed
21 member of each of the two boards, so police and
22 fire; and in a meeting that the Illinois Municipal
23 League held with member councils of government
24 representative, which included me, he had reported

1 that the two interim boards have been appointed.
2 He's on each board, and there's a joint meeting this
3 week of those interim boards to sort of make sure
4 that they're marching on the same page, and Brad's
5 job is to make sure that the boards don't go off in
6 opposite directions.

7 But I believe that the joint meeting,
8 which is probably a generic stage-setting type of
9 meeting will take place this week, and then they're
10 each going to go off on their merry way, and my
11 understanding is that they each have to appoint a
12 executive director by March 1st for each of the two
13 boards.

14 MR. ATWOOD: I think that's correct.

15 MEMBER JURACEK: Once that's done, at
16 least there will be a point person for the IFA to
17 deal with on the ground, but they have a huge task
18 before them. They have to establish themselves.

19 They are not an agency of the State
20 so they are similar to the Illinois Municipal
21 Retirement Fund, which is not a state agency. It is
22 basically almost like a co-op of all the municipal
23 members. They need to find office space, they need
24 to pay the executive director, they need to hire

1 investment consultants, they need to figure out a
2 transition plan for how each of us as
3 municipalities -- how our pension funds are going to
4 be transitioned into the larger.

5 So there's a huge amount of work that
6 is going to involve a need to draw definitely on
7 this capital infusion to pay these start-up
8 activities. But the benefits are such that I have
9 no doubt that the \$7.5 million each is going to be
10 paid back relatively quickly.

11 MR. ATWOOD: I think it is a pretty good
12 credit.

13 MEMBER GOETZ: Would that be paid out of
14 earnings?

15 MR. ATWOOD: It will be paid out of -- in
16 a public pension fund, you know, the assets of the
17 public pension systems have to be used for two
18 purposes: One is to pay benefits and the other is
19 to pay the operation of the fund. So, yeah, the
20 money would be paid out of the corpus of the new
21 pension funds. If you do simple math, it is
22 \$14 billion and they earn about 3 or 4 percent cash
23 yield. There's plenty of cash flow to pay back the
24 \$7.5 million.

1 MEMBER GOETZ: Okay. Will there always
2 be two funds -- two boards?

3 MR. ATWOOD: I mean, that's what the
4 statute currently is. Until they change the
5 statute, there is. But just as a process of putting
6 this legislation together, clearly the stakeholders
7 groups --

8 MEMBER GOETZ: Yeah, I can see why.

9 MEMBER JURACEK: Historically, there have
10 been two separate funds. You're dealing with a
11 police union and a fire union so I don't
12 anticipate --

13 MEMBER GOETZ: I know. I know. Bill and
14 I used to work together at the State Board of
15 Investment so we know all about --

16 MEMBER JURACEK: I don't anticipate them
17 any joining any time soon.

18 MR. MEISTER: Bill, just something that I
19 think may have been mentioned in past discussions on
20 this topic, the First Responder Local Pension Fund
21 consolidation, but I think it is worth repeating
22 because I think it goes to both the timeline and why
23 Senate Bill 1300 got introduced in the veto session
24 rather than a year ago.

1 Can you remind everybody, if it
2 hasn't come up, this report that the firefighter's
3 union had issued and sort of the highlights --

4 MR. ATWOOD: Well, the highlights of the
5 report that you are referring to, and forgive me for
6 not having the exact report at my fingertips, was
7 that I believe prior to the formation of the task
8 force, the firefighter's union, the Associated
9 Firefighters of Illinois did their own study that
10 showed that if over the last ten years they had
11 received a rate of the return on their assets
12 consistent with the state funds instead of being
13 approximately 55 percent funded, they would be
14 approximately 70 percent funded. That's a pretty
15 material number.

16 I was reading this just yesterday. I
17 was looking over the report from the task force, and
18 in a given 5-to-10-year period, the average police
19 and fire retirement fund returned 200 to 300 basis
20 points less than the state plans and so you compound
21 that 250 basis points year after year after year and
22 it's a pretty profound loss.

23 The other statistic that people throw
24 out, it is just an easy one to grasp, is a million

1 dollars a day of loss -- of opportunity loss.

2 Any other questions?
3 (No response.)

4 CHAIRMAN ANDERBERG: Thank you, Bill.
5 Financial reports.

6 MS. GRANDA: Good morning, everyone. The
7 Financial Statements and the Treasury report can be
8 found in your Board book under the Financial
9 Statements Tab.

10 The financial information for
11 December 31, 2019, is as follows:

12 In December, the Authority recorded
13 operating revenue of \$566,000, which is higher than
14 the budgeted amount of \$317,000.

15 This brings our total annual
16 operating revenue to \$2 million, which is \$138,000
17 higher than the budget.

18 Our nonoperating revenue for December
19 was \$97,000, which brings our total annual
20 nonoperating revenue to \$512,000, which is \$17,000
21 higher than the budget.

22 In December, the Authority reported
23 operating expenses of \$409,000, which was higher
24 than the monthly budgeted amount of \$400,000. This

1 was mostly attributable to information technology
 2 expenditures relating to software license renewals
 3 for the telephone systems and software upgrades for
 4 the accounting, human resource, and payroll systems.

5 Our total annual expenses are at \$2.1
 6 million. They are \$337,000 or 14.1 percent lower
 7 than budget, which was mostly driven by below budget
 8 spending on employee-related expenses and
 9 professional services.

10 Our total net income for the month of
 11 December was \$256,000, which was due to higher than
 12 expected closing fees.

13 Our total annual net income is
 14 \$492,000. The major driver of the annual positive
 15 bottom line continues to be the level of overall
 16 spending at 14.1 percent below budget and higher
 17 than expected closing fees.

18 The Authority General Operating Fund
 19 continues to maintain a strong balance sheet with
 20 total net position of \$60.1 million and total assets
 21 of \$16.4 million.

22 The financial information for the
 23 other funds are as follows:
 24 Our year-to-date lowering payments

1 under the fire truck and ambulance revolving loan
 2 funds were \$1.9 million and \$280,000 respectively.

3 Our year-to-date loans issued under
 4 the fire truck were \$6 million for 20 loans and
 5 under the Ambulance Revolving Loan Fund \$2.1 million
 6 for 11 loans.

7 The net positions for the fire truck
 8 and the ambulance is \$24.4 million and \$4.4 million
 9 respectively.

10 There were no material transactions
 11 under the non-major funds category. These funds
 12 continue to have a strong balance sheet. The
 13 Agricultural Loan Guaranteed Funds net position for
 14 these two funds are \$18.9 million. The Industrial
 15 Revenue Bond Insurance net fund position is at
 16 \$12.1 million, and the Illinois Housing Partnership
 17 Fund net position is \$4.5 million.

18 The Metro East Police District
 19 Commission is reported as an agency fiduciary fund,
 20 which has total assets of \$4000 in the custody of
 21 the Authority. The Metro East Police District Act
 22 was repealed on December 31, 2019, as provided for
 23 in the enabling legislation. The Authority is
 24 currently working with the Commission to properly

1 dissolve the Metro East Police District Fund and
2 return the remaining assets.

3 The other State of Illinois debt fund
4 financial information will be provided to you next
5 month.

6 Now, moving on to Treasury. In
7 December, the Authority issued five bonds in an
8 aggregate amount of \$334 million, of which \$93
9 million is in new monies.

10 Our total bonds outstanding as of the
11 December 31, 2019, is \$24.8 billion.

12 As a reminder, the PACE monthly
13 treasury report is in your Board books under the
14 Financial Statements Tab, after the Financial
15 Statements and the Treasury Reports.

16 Moving on to audit, as we checked a
17 few minutes ago, the financial audit for fiscal year
18 2019 has been released so I am going to provide
19 three main points for the audit.

20 Point 1, the auditors stated that the
21 financial statements of the Illinois Finance
22 Authority as of end of the year ended June 30, 2019,
23 are very fairly stated in all material respects.
24 And that could be found in -- I believe it is in

1 your -- you have a copy of the report, and that
2 would be on the Summary Report Digest.

3 The Auditor General Special Assistant
4 Auditors RSM US LLP have expressed an unmodified
5 opinion on the Authority's basic financial
6 statements, and that could be found on page 6 of the
7 audit report.

8 Second, just to note, there is no
9 findings in the fiscal year 2019 financial audit.

10 And the last point, it was a
11 significant victory for the Authority as the Auditor
12 General allowed the Authority to include a
13 transmittal letter between the cover of the audit.
14 That can be found on pages 2 -- page 5.

15 The Authority as Director Meister
16 mentioned will be scheduling an audit plus committee
17 meeting just to discuss and recommend the accepting
18 of the fiscal year 2019 financial audit.

19 The two-year compliance examination
20 for the fiscal year 2018 and fiscal year 2019 are on
21 track and a draft of that compliance report has been
22 provided to the external auditors and is currently
23 under their review.

24 As far as the internal audits for

fiscal year 2020, they are on track and at this time, there is nothing to report.

Is there any questions?

MEMBER NAVA: Great job on the audit.

CHAIRMAN ANDERBERG: Thank you, Six.

MR. FLETCHER: Mr. Chairman, members, I

wanted to bring your attention to the Monthly PACE

Bond Issuance Summary Report, which follows the

Treasury Reports in your Board book. It looks like

this. It begins with a cover letter from myself,

and there is a second page here.

We first presented this last month

subsequent to the closing of the first PACE bond

issue. We have now closed our second PACE bond

issue in the month of December, which is why it is

now being reported in January.

As summarized on page 2 of the

report, we issued the PACE Bonds on behalf of Hotel

Mannheim Chicago LLC in an amount of \$19,990,000.

The Authority issued the PACE bonds pursuant to the

Bond Resolution you adopted on September 10, last

year, 2019, which approved SFA Partners as a capital

provider. They are affiliated with Structured

Finance.

The PACE bond proceeds for this

project funded the acquisition and installation of

eligible energy efficiency and water use improvement

projects for Hyatt Place Chicago O'Hare Airport

Hotel, the LaQuinta Inn and Suites Hotel, the Best

Western Premier Hotel and the R&D Restaurant, all of

which are located in Rosemont, which was the

sponsoring governmental entity here. These hotels

and the restaurant are cited just southeast and

adjacent to Allstate Arena if you're familiar with

the area.

The Hyatt Place is currently

operational. So that part of the transaction was a

refinancing if you will, while the other facilities

are rehabilitation projects of otherwise closed and

dormant properties. The PACE bond proceeds will

fund 40 full-time equivalent construction jobs over

the next year.

Importantly, you will note the

estimates provided about the energy audit, which are

summarized on the bottom of page 2, these

improvements will save the property owner

approximately \$270,000 of energy costs annually

while additionally conserving approximately

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1 134,000 gallons of water each year as well.

2 Our fee for issuing these PACE bonds

3 is listed on top of page 3 which, of course, is

4 confidential, but I wanted to bring it to your

5 attention.

6 If I may be frank, in less than 60

7 days, we've issued more PACE bonds than most states

8 have done in five years. We are being very warmly

9 received by the market, and we're currently in

10 documentation for a deal that will finalize between

11 \$10- and \$15 million, which will then put us past

12 our budget that was approved by yourselves in July.

13 We first adopted a resolution at this

14 body on February 15, 2018. That is less than two

15 years. Our counterparts that got involved with PACE

16 at the same time, namely Virginia and New York, are

17 still playing catchup with us.

18 So I wanted to thank you for your

19 leadership in this, and this will be, provided we

20 close PACE bonds, a monthly part of Six's financials

21 and treasury reports.

22 Are there any questions?

23 MEMBER JURACEK: Just a quick question.

24 Are these available for new construction or just

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1 rehab?

2 MR. FLETCHER: Yes. That's correct.

3 MEMBER JURACEK: New construction?

4 MR. FLETCHER: Yes.

5 CHAIRMAN ANDERBERG: I would like to

6 request a motion to accept the financial reports.

7 Is there such a motion?

8 MEMBER FUENTES: So moved.

9 MEMBER MCCOY: Second.

10 CHAIRMAN ANDERBERG: I have a motion and

11 second.

12 All those in favor?

13 (A chorus of ayes.)

14 Opposed?

15 (No response.)

16 The ayes have it.

17 Procurement.

18 MR. HOLLOWAY: The contracts listed on

19 page 1 of the Procurement Report are to support the

20 Authority operations. Pages 2 and 3 are the

21 expiring contracts through 2020.

22 As I mentioned at the December Board

23 meeting, we continue to reach out to the BEP office

24 to discuss the Authority's historical minority

1 contract spend and developing a minority vendor
2 participation plan going forward. I would update
3 the Board as soon as we progress with BEP.

4 Thank you.

5 CHAIRMAN ANDERBERG: Thank you.

6 Does anyone wish to make any
7 additions, edits, or corrections to the minutes from
8 December 10?

9 (No response.)

10 Hearing none, I would like to request
11 a motion to approve the minutes. Is there such a
12 motion?

13 MEMBER GOETZ: So moved.

14 MEMBER POOLE: Second.

15 CHAIRMAN ANDERBERG: We have a motion and
16 a second.

17 All those in favor?

18 (A chorus of ayes.)

19 Opposed?

20 (No response.)

21 The ayes have it.

22 Is there any other business to come
23 before the members today?

24 (No response.)

1 Hearing none, I would like to request
2 a motion to excuse the absences of members unable to
3 participate today.

4 Is there such a motion?

5 MEMBER MCCOY: So moved.

6 MEMBER GOETZ: Second.

7 CHAIRMAN ANDERBERG: A motion and a
8 second.

9 All those in favor?

10 (A chorus of ayes.)

11 Opposed?

12 (No response.)

13 The ayes have it.

14 Is there any matter for discussion in
15 closed session today?

16 (No response.)

17 Good. Hearing none, the next

18 regularly scheduled meeting will be February 11.

19 I would like to request a motion to

20 adjourn. Is there such a motion?

21 MEMBER GOETZ: So moved.

22 MEMBER MCCOY: Second.

23 CHAIRMAN ANDERBERG: A motion and second.

24 All those in favor?

(A chorus of ayes.)

Opposed?

(No response.)

The ayes have it.

Thank you, everybody.

(Off the record at 10:38 a.m.)

(WHEREUPON, which were all the proceedings had in the above entitled cause.)

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REPORTER CERTIFICATION

I, JO ANN LOSOYA, a Certified Shorthand Reporter of the State of Illinois, do hereby certify that I reported in shorthand the proceedings had at the meeting aforesaid, and that the foregoing is a true, complete and correct transcript of the proceedings of said meeting as appears from my stenographic notes so taken and transcribed under my personal direction.

IN WITNESS WHEREOF, I do hereunto set my hand at Chicago, Illinois, this February 5, 2020.



JO ANN LOSOYA

C.S.R. No. 084-002437

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[funds - improvements]

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[volume - zeller]

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ILLINOIS FINANCE AUTHORITY
VOICE VOTE
JANUARY 14, 2020 AGENDA OF THE REGULAR MEETING OF THE MEMBERS
APPROVED

January 14, 2020

10 YEAS		0 NAYS		0 PRESENT	
Y	Fuentes	Y	McCoy	Y	Smoots
Y	Goetz	Y	Nava	Y	Wexler
E	Hobert	E	Obernagel	E	Wright
Y	Juracek	E	O'Brien	Y	Zeller
E	Knox	Y	Poole	Y	Mr. Chairman

E – Denotes Excused Absence

ILLINOIS FINANCE AUTHORITY
ROLL CALL
RESOLUTION NO. 2020-0114-CF01
PRIVATE ACTIVITY BONDS - REVENUE BONDS
WASTE MANAGEMENT, INC.
PRELIMINARY
PASSED*

January 14, 2020

10 YEAS

0 NAYS

0 PRESENT

Y Fuentes
Y Goetz
E Hobert
Y Juracek
E Knox

Y McCoy
Y Nava
E Obernagel
E O'Brien
Y Poole

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

E – Denotes Excused Absence
* Consent Agenda

ILLINOIS FINANCE AUTHORITY
ROLL CALL
RESOLUTION NO. 2020-0114-CF02
PRIVATE ACTIVITY BONDS - REVENUE BONDS
ROOSEVELT UNIVERSITY
FINAL
PASSED*

January 14, 2020

10 YEAS

0 NAYS

0 PRESENT

Y Fuentes
Y Goetz
E Hobert
Y Juracek
E Knox

Y McCoy
Y Nava
E Obernagel
E O'Brien
Y Poole

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

E – Denotes Excused Absence
* Consent Agenda

ILLINOIS FINANCE AUTHORITY
 ROLL CALL

RESOLUTION NO. 2020-0114-CF03

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

ADOPTED

January 14, 2020

9 YEAS

0 NAYS

0 PRESENT

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

E – Denotes Excused Absence

ILLINOIS FINANCE AUTHORITY
 ROLL CALL
 RESOLUTION NO. 2020-0114-CF04

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

January 14, 2020

9 YEAS

0 NAYS

0 PRESENT

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

E – Denotes Excused Absence

ILLINOIS FINANCE AUTHORITY
 ROLL CALL

RESOLUTION NO. 2020-0014-CF05

RESOLUTION AUTHORIZING THE EXECUTION AND DELIVERY OF A FIRST AMENDMENT TO TRUST INDENTURE RELATING TO THE ILLINOIS FINANCE AUTHORITY REVENUE REFUNDING BONDS, SERIES 2014 (NORTH AMERICAN SPINE SOCIETY) TO PROVIDE FOR CERTAIN AMENDMENTS RELATING TO A CONVERSION TO THE NEW LONG-TERM RATE PERIOD AND CERTAIN OTHER MATTERS; AUTHORIZING THE EXECUTION AND DELIVERY OF ANY OTHER DOCUMENTS NECESSARY OR APPROPRIATE TO EFFECT THE MATTERS SET FORTH IN SUCH FIRST AMENDMENT; AND AUTHORIZING AND APPROVING RELATED MATTERS.
 ADOPTED*

January 14, 2020

10 YEAS

0 NAYS

0 PRESENT

Y Fuentes
 Y Goetz
 E Hobert
 Y Juracek
 E Knox

Y McCoy
 Y Nava
 E Obernagel
 E O'Brien
 Y Poole

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

E – Denotes Excused Absence
 * Consent Agenda

ILLINOIS FINANCE AUTHORITY
ROLL CALL

RESOLUTION NO. 2020-0114-CF06

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

ADOPTED*

January 14, 2020

10 YEAS

0 NAYS

0 PRESENT

Y Fuentes
Y Goetz
E Hobert
Y Juracek
E Knox

Y McCoy
Y Nava
E Obernagel
E O'Brien
Y Poole

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

E – Denotes Excused Absence

* Consent Agenda

ILLINOIS FINANCE AUTHORITY
 ROLL CALL

RESOLUTION NO. 2020-0114-CF07

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

January 14, 2020

9 YEAS

0 NAYS

0 PRESENT

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

E – Denotes Excused Absence

ILLINOIS FINANCE AUTHORITY
VOICE VOTE
ACCEPT THE FINANCIAL REPORTS FOR JANUARY 14, 2020
ACCEPTED

January 14, 2020

10 YEAS

0 NAYS

0 PRESENT

Y Fuentes
Y Goetz
E Hobert
Y Juracek
E Knox

Y McCoy
Y Nava
E Obernagel
E O'Brien
Y Poole

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

E – Denotes Excused Absence

ILLINOIS FINANCE AUTHORITY
VOICE VOTE
APPROVAL OF THE MINUTES OF THE REGULAR MEETING OF THE BOARD FROM
DECEMBER 10, 2019
APPROVED

January 14, 2020

10 YEAS

0 NAYS

0 PRESENT

Y Fuentes
Y Goetz
E Hobert
Y Juracek
E Knox

Y McCoy
Y Nava
E Obernagel
E O'Brien
Y Poole

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

E – Denotes Excused Absence