

**MINUTES OF THE REGULAR BOARD MEETING
OF THE ILLINOIS SPORTS FACILITIES AUTHORITY
DRAFT SUBJECT TO BOARD APPROVAL**

December 7, 2017

A meeting of the Board of Directors of the Illinois Sports Facilities Authority was held on December 7, 2017 at 10:00 a.m. at the Offices of Manchester Airport Group at 100 North LaSalle Street, Suite 900, Chicago, Illinois.

Item 1. Call to Order

The Chairman called the meeting to order at approximately 10:00 a.m.

Item 2. Roll Call

Call of the Roll was taken and the following members of the Authority were present: Manny Sanchez, Rosemarie Andolino, Timothy Rand, Jeff Yordon, Jim Reynolds and Norm Bobbins. P.J. Frayer, Dana Phillips Goodum, Maureen Gorski, Maureen Garanzini, Maria Saldaña and Russell Levine of the Authority's staff were also present.

Item 3. Approval of the Minutes

Chairman Sanchez called for motion to approve the minutes of the Regular Board Meeting held on September 21, 2017. Mr. Rand moved to approve and Mr. Yordon seconded. The minutes were unanimously approved.

Item 4. Office Business

Ms. Frayer submitted to the Board for information the 2018 meeting dates for the Board of Directors. There was no discussion

Item 5. Chicago Park District

Ms. Gorski presented the 2018 Chicago Park District Capital Spending Budget. Ms. Gorski indicated that the Budget was the standard capital budget and similar to what the Authority has approved in the past. Mr. Sanchez asked for a motion to approve Resolution 18-04, A Resolution Approving Reimbursement for Certain Capital Improvements to be undertaken by the Chicago Park District. Ms. Andolino moved to approve and Mr. Yordon seconded and after a brief discussion regarding particular line items the Resolution was unanimously approved.

Item 6. 2018 Capital Repairs/Improvements

Ms. Gorski reported on the status of the on-going FY2018 capital repair and improvement projects. She indicated that all projects are moving forward on timely basis and we have encountered no issues. Mr. Sanchez asked about protective netting and specifically whether we were going to have to undertake additional netting at the stadium as a result of recent reported incidents. Mr. Corvino, General Counsel for the Chicago White Sox indicated that there have been discussions with MLB and a review is being undertaken. Ms. Gorski represented that at this time she was

requesting that Board approve certain changes to the previously approved Capital Budget to re-direct funds among budget line items and indicated that no additional funds are required. Mr. Sanchez asked for a motion to approve Resolution 18-05, A Resolution Relating to Guaranteed Rate Field Fiscal Year 2018 Redirection of Funds. Ms. Andolino moved to approve and Mr. Rand seconded. Resolution was approved unanimously.

Item 7. ISFA Audited Financials as of June 30, 2017

Mr. Reynolds reported that the Audit, Finance and Investment Committee had met in November and reviewed audit results. He indicated that the Committee had a very robust discussion with staff and the representatives from Mitchell & Titus, the firm that performed the Authority's FY 2017 Audit. Mr. Reynolds also reported that the Committee had discussed cash investment strategies. The Authority currently, has all of its funds on deposit with JP Morgan and earns very little interest on those funds. PFM, an asset management firm had made a presentation relating to possible investment of the Authority's funds in the Illinois Trust. Mr. Bobins reported that he and Ms. Phillips Goodum had just that morning met with bankers at JP Morgan to discuss better cash investment strategies for the Authority. Mr. Bobins summarized that the bankers had presented a strategy that would result in higher returns on our investments, but that required that our deposits be collateralized with a Letter of Credit issued by the Federal Home Loan Bank of Chicago. Mr. Bobins represented that he thought that may require the Authority to change its investment policy. He indicated that by next Board meeting he and Ms. Phillips Goodum will have details fleshed out and they will be ready to make a recommendation.

Mr. Reynolds then introduced Irene Davis of Mitchell & Titus. Ms. Davis reported that the firm had completed the 2017 Audit and went on to review with the Board the 2017 Audit Results. Ms. Davis reported that Mitchell & Titus had issued a clean opinion in accordance with the Bond Indenture Basis of Accounting, but an adverse opinion based on GAAP, because financials are not prepared in accordance with GAAP. She indicated that the Audit, Finance and Investment Committee had asked that the firm work with Ms. Phillips Goodum to transition into preparing and reporting financials in accordance with GAAP.

In connection with the 2017 Audit Results, Ms. Davis reported that in 2017 a significant consideration had been the Get In It MusicFest and its cancellation. She indicated that as result of cancellation the Authority had to write-off certain costs incurred in 2017 related to the concert. In addition she indicated that they had looked at certain internal control policies as result of large amounts of costs incurred by the Authority which seemed to have not been approved by the Board and were beyond what the CEO would have been authorized to expend on his own. She reported that this was discussed with the Audit, Finance and Investment Committee in Executive Session and that they would be issuing a separate letter regarding findings and recommendations.

Ms. Davis then reported that they had reviewed the Authority's significant accounting policies and estimates and that they concluded that the accounting policy and application is appropriate and consistent with the Bond Indenture basis of accounting. Ms. Davis reviewed with the Board the Summary of required communications between the Audit Team and the Board of Directors contained in the 2017 Audit Report. Mr. Reynolds asked for any follow up questions. Motion to accept the audit was made by Reynolds and seconded by Mr. Bobins; motioned passed unanimously.

Item 8. Fiscal Year 2018 ISFA Operating Results through September 30, 2018

Ms. Phillips Goodum reported FY 2018 Operating Results as of September 30 2018. She reported that actual hotel tax revenue for first quarter was 4.7% above the 2018 Budget. She indicated that she currently estimates that the Authority will be able to repay the 2018 State hotel tax advance from the Authority's Hotel tax collection based on current trend. She indicated that as a result of the cancellation of the Get In It MusicFest some expenses had to be recognized in this first quarter. She reported that all other items related to expenses and other expenditures are on track with budget except for other minor expense items that are offset with savings in other line items.

Item 9. Executive Session

Mr. Sanchez asked for a motion to go into Executive Session to discuss litigation matters which under Section 2(c)(11) of the Open Meetings Act maybe discussed in executive session; to discuss Personnel Matters which pursuant to Section 2(c)(1) of the Open Meetings Act maybe discussed in Executive Session and to discuss Audit Matters which pursuant to Section 2(c)(29) maybe discussed in Executive Session. Motion was made by Ms. Andolino and seconded by Mr. Rand. On the motion to go into Executive Session roll call was Ayes: Sanchez, Andolino, Rand, Reynolds, Yordon, Bobins; Nays: None.

Item 10. Matters Arising Out of Executive Session

Mr. Sanchez read into the record Resolution 18-06, a Resolution Approving and Authorizing Execution of Separation and Release Agreement and asked for a motion to approve. It was moved by Mr. Reynolds and seconded by Mr. Rand and motion was unanimously approved.

Item 11. Other Business

None

Item 12. Adjournment

Chairman Sanchez adjourned the meeting at approximately 11:30 a.m.



Chairman, Manuel Sanchez



Secretary, Jeffrey Yordon