

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

February 15, 2018

A meeting of the Board of Directors of the Illinois Sports Facilities Authority was held on February 15, 2018 at 10:00 a.m.

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, Jeffrey Yordon. Norm Bobins and Jim Reynolds participated via telephone conference. Also present were P.J. Frayer, Dana Phillips Goodum, Maureen Gorski, Maureen Garanzini, Maria Saldaña and Russell Levine of the Authority's staff.

Item 3. Approval of the Minutes

Chairman Sanchez called for motion to approve the minutes of the Regular Board Meeting held on December 7, 2017. Mr. Yordon moved to approve and Mr. Rand seconded. The minutes were unanimously approved.

Item 4. 2017 Season Audit Report

Ms. Phillips Goodum reported that the firm of Washington, Pittman & McKeever had completed the audit of the 2017 Base and Net Ticket Fees. The Paid Attendance did not exceed the Base Fee cap, accordingly there were no additional fees due from the Chicago White Sox. The actual attendance was approximately 1.5 million. Ms. Phillips Goodum reported that under the Management Agreement the Base Fee threshold was 1,925,000.

Mr. Sanchez asked for a motion to accept the 2017 Season Audit Report. Ms. Andolino moved to accept the report and motion was seconded by Mr. Rand. Motion to accept the report was unanimously approved.

Item 5. Fiscal Year 2018 ISFA Operating Results Through December 31, 2017

Ms. Phillips Goodum presented Fiscal Year 2018 ISFA Operating Results for six months ending on December 31, 2017. She stated that we have had less in capital expenditures than budgeted because of the timing of some projects. She also reported that we have \$5 million in excess revenue so far, but that we have debt service payment coming in June. In terms of cash flow, Ms. Phillips Goodum reported we are doing fine and she stated that if we had to, we could also use funds in the Hotel Tax Reserve. In terms of the hotel tax revenue Ms. Phillips Goodum reported that she has

seen a decline, and has been in discussions with the State Department of Revenue and decline may be based on timing and we could be seeing an increase.

Item 6. Presentation of the FY2019 Preliminary Budget

Ms. Phillips Goodum presented the Proposed Fiscal Year 2019 Budget. She reported that the preliminary FY2019 budget provided for approximately \$59.7 million of expenditures for the year, of which approximately 73% is debt service and bond related fees and 23% is contractual obligations. The remaining 4% is operating expenses. Mr. Bobins noted that the line item for debt service for FY2019 is approximately \$43 million and asked about projections for 2020 and 2021. Ms. Phillips Goodum reported debt service would be going up to approximately \$46 million 2020 and to \$48.5 million in 2021. Mr. Bobins noted that unless hotel tax revenue went up dramatically the Authority would have a problem meeting those debt service payments. Ms. Phillips Goodum noted that we could use funds in the Hotel Tax Reserve, but that would not be ideal. Mr. Reynolds stated that this is something the Board has discussed before and that we need State legislation to extend the amortization schedule for the Bonds. We need to take this up with the current or new administration. Mr. Reynolds stated that by extending amortization those Bond payments could be lowered and spread out. Mr. Reynolds indicated that this would be something that would be on the agenda for the AFI Committee.

Item 7. Guaranteed Rate Field Capital Repairs

Ms. Gorski gave report on status of overall capital repairs. Ms. Gorski reported that the Authority is on schedule to finish projects before the start of the season, noting that we added some additional projects and are asking for a re-direction of funds for some of those projects, but overall capital budget is not increasing. Ms. Gorski noted that one of the projects included with the re-direction of funds will be extending netting so we can address this issue this year. Mr. Corvino, General Counsel for the White Sox, stated that MLB recommended that we extend netting to where it is necessary and that this project will address the issue. Mr. Sanchez then asked for a motion to approve Resolution 18-07, A Resolution Authorizing Expenditures Relating to Guaranteed Rate Field Capital Repairs/Improvements FY2018 Redirection of Funds. Motion to approve was made by Ms. Andolino and seconded by Mr. Yordon. Resolution passed unanimously.

Ms. Gorski reported that included in Tab 7 was the FY2019 Preliminary Capital Budget. She stated that this preliminary budget was reviewed with Chicago White Sox and that the list of capital projects was close to complete and if anything changed she would let the Board know before approval of FY 2019 Budget.

Item 8. Executive Session

Mr. Sanchez then stated that he would like to make 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 and to discuss Personnel Matters which under Section 2(c)1 of the Open Meetings Act may also be discussed in Executive Session. On the motion to go into executive session roll call was Ayes: Sanchez, Andolino, Bobins, Rand, Reynolds, Yordan; Nays: None.

Item 9. Matters Arising Out of Executive Session

None

Item 10. Other Business

Mr. Sanchez asked for a motion to approve Resolution 18-08, a Resolution Amending the Investment Policy of the Illinois Sports Facilities Authority and Ratifying Issuance of a Letter of Credit by the Federal Home Loan Bank of Chicago to Collateralize Funds on Deposit with J.P. Morgan Chase. Ms. Andolino made a motion to approve and Mr. Rand seconded. Ms. Phillips Goodum explained that our investment policy was dated and we needed to make some updates to include what is permitted under the State's Public Funds Investment Act and to specifically permit collateralization by FHLB letter of Credit. Resolution was approved unanimously.

Item 11. Adjournment

Chairman Sanchez adjourned the meeting at approximately 10:40 a.m.

Chairman, Manuel Sanchez

ATTEST:

Secretary, Jeffrey Yordon