

**MINUTES OF THE REGULAR BOARD MEETING  
OF THE ILLINOIS SPORTS FACILITIES AUTHORITY**

**December 6, 2018**

A meeting of the Board of Directors of the Illinois Sports Facilities Authority was held on December 6, 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: Manuel Sanchez, Rosemarie Andolino, Richard Price and Norm Bobbins. Board members, Jim Reynolds, Jeff Yordon and Tim Rand were absent. Greg Bedalov, P.J. Frayer, Dana Phillips Goodum, Maureen Gorski, Maria Saldaña and Russell Levine of the Authority's staff were also present. In addition John Corvino from the Chicago White Sox was in attendance.

**Item 3. Approval of the Minutes**

Chairman Sanchez called for a motion to approve the minutes of the Regular Board Meeting held on September 20, 2018. Mr. Price moved to approve and Ms. Andolino seconded. The motion to approve the minutes was unanimously approved.

**Item 4. Office Business**

Ms. Frayer submitted to the Board for information, the proposed 2019 meeting dates for the Board of Directors. There was no discussion.

**Item 5. Chicago Park District**

Ms. Gorski stated that each year in December, the Park District submits its request for capital expenditures for Soldier Field. This year the Park District was requesting \$3,166,927 for reimbursement for capital repairs; she stated that the Park District had submitted a capital budget which was part of the Board package. She went on to introduce Mr. Marty McAndrew from SMG, the company that manages Soldier Field for the Chicago Park District. In addition to Mr. McAndrew, Mr. Steve Lux, the CFO for the Park District was also present. Mr. McAndrew generally reviewed the proposed capital budget for Soldier Field and major line items. Mr. Sanchez asked for a motion to approve Resolution 19-05, A Resolution Approving Reimbursement for Certain Capital Improvements to be undertaken by the Chicago Park District. Mr. Price moved to approve and Mr. Bobbins seconded. The Resolution was unanimously approved.

#### **Item 6. 2019 Capital Repairs/Improvements**

Ms. Gorski reported on the status of the on-going FY 2019 capital repair and improvement projects. She indicated that all projects are moving forward on timely basis. Ms. Gorski stated that she was requesting a re-direction of funds related to FY 2018 and a re-direction of funds for FY 2019. Mr. Sanchez asked for a motion to approve Resolution 19-06, A Resolution Relating to Guaranteed Rate Field Fiscal Year 2018 Redirection of Funds. Ms. Andolino moved to approve and Mr. Price seconded. The Resolution was approved unanimously. Mr. Sanchez asked for a motion to approve Resolution of 19-07 a Resolution Relating to Guaranteed Rate Field Fiscal Year 2019 Redirection of Funds, Ms. Andolino moved to approve and Mr. Price seconded; the resolution was unanimously approved.

#### **Item 7. ISFA Audited Financials as of June 30, 2018**

Ms. Phillips Goodum stated that representatives from Mitchell & Titus, ISFA's outside auditors, were present to discuss the FY 2018 Audit. Mr. Lester McKeever, a partner at Mitchell & Titus introduced himself and introduced Jeanette Carbona and Tom Duffy also from Mitchell & Titus. Ms. Carbona reported that she and Mr. Duffy would be going over the 2018 Audit Results that were included in report that had been handed out to the Board members at the meeting. She reported that the firm had completed the 2018 Audit and 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. Ms. Carbona reviewed the Executive Summary of the report which included the review of the scope of the audit, summary of significant 2018 considerations and results. Ms. Carbona stated that ISFA's analysis for significant accounting matters is appropriate and that no corrected misstatements or material uncorrected misstatement were identified. She reported that there had been outstanding cooperation and communication by ISFA management staff. Mr. Duffy then went on to give a more in depth review of the significant accounting policies and estimates, specifically he reviewed four main areas; Revenue recognition, Application of revenues under the bond indenture and disposition of revenues after receipt, Fund accounting and Long-term assets/liabilities and improvements. He stated that Mitchell & Titus found that under all four areas the accounting policy and the application is appropriate and consistent with the Bond Indenture basis of accounting as described in the financial statements. Ms. Carbona then reviewed the "Required communications with Board of Directors" section and indicated that there wasn't anything significant to report under any of the applicable areas.

Motion to accept the audit was made by Mr. Price and seconded by Ms. Andolino; motioned passed unanimously.

#### **Item 8. Fiscal Year 2019 ISFA Operating Results through September 30, 2018**

Ms. Phillips Goodum reported FY 2019 Operating Results as of September 30 2019. She reported that overall actual excess revenues over expenditure are approximately \$3.7 over budgeted amount due to higher than anticipated hotel revenues and as result of certain capital projects expenditures at this time being less than budgeted. She directed the Board members to page 3 of 9 in the financials and stated that as directed she had prepared full FY 2019 Projections versus budgeted

amounts. She went on to note that she was projecting total hotel revenue of approximately \$55.3 million versus the budgeted amount of approximately \$52.5 million and noted that investment earnings are projected also to be higher than budgeted.

Mr. Sanchez then asked about long term financial planning related to ISFA's debt and Mr. Bedalov reported that ISFA had engaged PFM Financial Advisors to provide financial analysis and to develop strategy for addressing debt service versus revenue issues. Board members generally discussed issues related to having to get statutory changes in order to effectuate any restructuring of ISFA's long term debt.

### **Item 9. CEO Report**

Mr. Bedalov went on to report that ISFA had made approximately \$40,000 from the Stadium Links event held in early October and that ISFA may host the event again in 2019. Mr. Bedalov reported that model for event followed Board policy of ISFA receiving a fee for the rental of the stadium; the promoter paying for all expenses and no participation on the revenue side by ISFA. Mr. Bedalov went on to report that ISFA staff is exploring other events for 2019 and had met with White Sox staff to review the White Sox schedule for the upcoming season and agreeing on ideal dates for events. Mr. Bedalov stated that he was taking steps to develop a professional marketing package to be used for outreach to promoters.

Mr. Bedalov stated that he had one last item to report on for informational purposes only. He stated that he had received from the White Sox a proposal regarding an MLB requirement for a security threat evaluation study for the perimeter and structure of the building. Mr. Bedalov stated that this type of study he believed was within scope of ISFA's responsibility under the Management Agreement and reported that costs of the study was \$135,000 with a \$40,000 discount if proposal is approved before February 1, 2019. Mr. Sanchez noted that this matter was being brought before the Board for informational purposes only and that Board may have to take official action before the next regularly scheduled meeting; in which event there may have be a special Board meeting. Mr. Bobins wanted more information regarding the MLB mandate and expressed concern regarding any costs that may result of recommendations from the study and stated that we should proceed with caution. Mr. Corvino then addressed the Board and stated that the Threat Analysis will be conducted by all MLB teams and that the MLB had developed protocols for the threat assessment with Thronton Tomasetti, the engineering company that had submitted the proposal to the White Sox. Mr. Corvino emphasized that assessment would all be related to the building and not operational. Mr. Bobins expressed that it wasn't clear to him why ISFA had to undertake the expense of the assessment. The Board asked that staff determine whether under the Management Agreement, ISFA was legally obligated to pay for this assessment.

### **Item 10. Executive Session**

There being no matters to be discussed in Executive Session the Board did not go into Executive Session.

**Item 11. Matters Arising Out of Executive Session**


None

**Item 11. Other Business**

Mr. Greg Bedalov reported that ISFA had posted a request for proposals for Insurance Brokerage Services and that we had received three responses. He stated that we had engaged an outside consultant to assist with the evaluation of the proposals. Willis Towers Watson, our current insurance broker had best ranking for Property/Casualty insurance brokerage services and Alliant/Mesirow Insurance Services ranked best for Health/Welfare Benefits brokerage services. Mr. Price disclosed that he had some indirect minimal interest in Alliant and that Mesirow Insurance Services had been sold to Alliant and was no longer related to Mesirow Financial Services. He stated that he would recuse himself from discussions and a vote on this matter. Mr. Bedalov reported that as far as MBE/WBE participation Mesirow had submitted a proposal that met ISFA goals and that the other two firms expressed that if selected they would work to meet the goals. Mr. Bobins moved to approve selection of Willis Towers Watson to provide insurance brokerage services for Property and Casualty insurance program and the selection of Alliant/Mesirow Insurance Services for brokerage services for the Health and Welfare benefit insurance program, provided that we got clarification that the indirect conflict disclosed by Mr. Price was not prohibitive. Motion was seconded by Ms. Andolino and approved by the Board, with Mr. Price recusing himself.

**Item 12. Adjournment**

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

  
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Chairman, Manuel Sanchez