

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

May 9, 2019

A meeting of the Board of Directors of the Illinois Sports Facilities Authority was held on May 9, 2019 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: Chairman Manuel Sanchez, Rosemarie Andolino, Norm Bobins, Tim Rand, Trisha Rooney, Ian Shalit and member Jeffrey Yordon participated via telephone conference. Also present were Greg Bedalov, P.J. Frayer, Dana Phillips Goodum, Maureen Gorski, Maria Saldaña and Russell Levine of the Authority's staff. In addition John Corvino from the Chicago White Sox staff attended the meeting.

Item 3. Approval of Minutes

Mr. Sanchez called for a motion to approve the minutes of the Regular Board Meeting held on March 20, 2019. Mr. Rand moved to approve and Mr. Shalit seconded. Motion to approve was unanimously approved.

Item 4. CEO Report

Mr. Bedalov reported that he, Ms. Phillips Goodum and Ms. Saldana had attended State Senate and State House Committee meetings in connection with ISFA's FY 2020 appropriation request. He summarized that very few questions were asked and he expected that ISFA's full appropriations request would be approved. Mr. Bedalov then briefly updated the Board regarding the Stadiumlinks event to be held in the second week of October. He also reported that a 3-day Latino Festival planned for October to be held in parking lots was moving forward. Mr. Bedalov also reported that ISFA staff is still in discussions regarding a planned parking lot concert for October with an organization called Bassball. Mr. Bedalov reported that the agreement with the White Sox related to the Goose Island seating which included removal of seats had been executed. Mr. Bedalov updated the Board regarding planned changes to ISFA's website. He then went on to provide an overview of rest of the Board meeting agenda.

Item 5. Guaranteed Rate Field Capital Repair & Improvements

Ms. Gorski reported that the majority of the FY 2019 Capital Projects had been substantially completed, stating that there was some work remaining related to security barricades and the video surveillance project. She stated that she would be asking Board to approve a re-direction of funds

from one project be to another project in the FY 2019 Capital Budget with no overall increase in the Capital Budget. She went on to report that she was also presenting the proposed FY 2020 Capital Budget and stated that it was the same as was presented at the last Board meeting. She stated that the largest project in the 2020 Budget is the LED Lighting upgrade for the Field. She went on to state that at the end of 2019, 20 teams will have already made this upgrade. Mr. Sanchez called for a motion to approve Resolution 19-09, A Resolution Relating to Guaranteed Rate Fiscal Year 2019 Redirection of Funds. Motion to approve Resolution 19-09 was made by Ms. Andolino and seconded by Mr. Rand. Resolution was approved unanimously.

Item 6. FY2019 ISFA Operating Results

Ms. Phillips Goodum summarized FY 2019 Financial Operating Results for the FY2019 for the nine months ending March 31, 2019. She reported that the Authority had excess revenues over expenditures of \$32.3 million. This net revenue amount was above budgeted amount by \$4.7 million. Ms. Phillips Goodum stated that the Hotel Tax is performing well and is 7.4% over budgeted amount. Ms. Phillips Goodum pointed out that even though we ended March with \$32.3 million in net revenues over expenditures that there will be sizable debt service payments due after end of March and that she expected that net revenues over expenditures by end of FY 2019 will be approximately \$4.7 million. The Board then had a general discussion regarding hotel tax revenues and expectations going forward.

Item 7. FY2019 Transfers

Ms. Phillips Goodum reported that based on her projections she anticipated that there would be approximately \$5.4 million to be transferred to Hotel Tax Variation Reserve Account and to the Comisky Park Capital Fund. She stated that Resolution 19-10 proposes to increase the amount in the Hotel Tax Reserve to \$27.5 million and that current balance in that account was \$26 Million. Resolution 19-10, she stated would authorize a transfer of \$1.5 million of the year-end balance to Hotel Tax Variation Reserve Account and the balance would be transferred to the Comisky Capital Fund. Mr. Sanchez called for a motion to approve Resolution 19-10, a Resolution Authorizing End of Fiscal Year 2019 Transfers. Motion to approve was made by Mr. Shalit and was seconded by Ms. Rooney. The motion was unanimously approved.

Item 8. Insurance Renewal for 2019-2020

Ms. Phillips Goodum stated that all of the Authority's requisite types of insurance coverage expired in March 15, 2019 and had been renewed to ensure continuous coverage. She stated that Resolution 19-11 would be a ratification of the renewal of the insurance coverage and premiums and brokerage fees associated with such renewal. She stated that total cost was \$445,668. Ms. Phillips Goodum stated that Exhibit A to Resolution 19-11 listed the types of insurance coverage that had been renewed and premium costs associated with each. Mr. Sanchez called for a motion to approve Resolution 19-11, A Resolution Authorizing the Renewal of the Public Officials Liability Insurance and Commercial Casualty and Liability Insurance for the Authority. Mr. Rand moved to approve and Mr. Shalit seconded. The motion was unanimously approved.

Item 9. FY2020 ISFA Proposed Budget

Ms. Phillips Goodum stated that the Proposed FY 2020 Budget has a budgeted amount of \$62.7 million of expenditures and budgeted amount of \$67.9 million of revenues resulting in a budgeted surplus of approximately \$5.2 million. In terms of expenditures she stated 73% of the budgeted amount was for Debt Service and Bond Trustees Fees. The balance of the budgeted expenditures she stated were largely contractual obligations. Mr. Sanchez called for a motion to adopt Ordinance 19-01, An Ordinance Adopting the Budget for FY2020 Making Appropriations for the Ordinary & Contingent Expense of the Authority. Mr. Rand moved for adoption of the Ordinance and Ms. Andolino seconded. The motion was unanimously approved.

Item 10. FY2020 ISFA Chairman's Certificate

Ms. Phillips Goodum stated that by June 1st the Authority is required to file its request for funding for FY 2020 with State Comptroller and the State Treasurer. The request for funding is done by filing the Chairman's Certificate. She stated that Chairman's Certificate usually request an amount that is less than the budgeted expenditure amount in order to insulate the City from any potential shortfall in the actual hotel tax amount that is collected for the Authority. Accordingly, she stated that the advance amount requested in the Chairman's Certificate is \$58 million, which is less than the budgeted expenditure amount of \$62.7 million. Mr. Sanchez called for a motion to approve Resolution 19-12, A Resolution Regarding the Filing of the Chairman's Certificate. Ms. Andolino moved to approve and motion was seconded by Mr. Shalit. The motion was unanimously approved.

Item 11. Selection of Auditors

Ms. Phillips Goodum stated that she is requesting that the Board approve the selection of Mueller & Co. LLP to perform financial audits for the Authority for the years 2019-2021 and the selection of Mitchell & Titus, LLP to perform the 2019-2021 ticket fee audit for the Authority. Mr. Sanchez called for a motion to approve Resolution 19-13, A Resolution Authorizing Expenditures and the Execution of Contracts for Auditing Services. Ms. Rooney moved to approve and Ms. Andolino seconded. The motion to approve was unanimously approved.

Item 12. Executive Session

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

Item 13. Matters Arising Out of Executive Session

None


Item 14. Other Business

Mr. Bedalov reported that he wanted staff to give the Board a brief overview regarding status of financial analysis of the Authority's debt. Ms. Saldana reported that she and Ms. Phillips Goodum


had multiple conversations with PFM, the Authority's Financial Advisor and that PFM had identified an opportunity to currently refund some of the Authority's debt and that in 2024 most of the rest of the Authority's debt would be able to be refunded. In connection with the opportunity to currently refund some of its debt, Ms. Saldana reported that staff and PFM were still exploring different structures to determine what would be best to recommend to the Board. Mr. Bedalov reported that one of the options that staff was exploring with PFM involved a restructuring of the debt that would require legislative changes, and another option was just a straight forward refinancing that would not require any legislative changes. He said that at this point he was asking for more time to determine with PFM if a re-structuring would be advantageous at this time. Ms. Saldana reported that she and Ms. Phillips Goodum expected to wrap up the analysis and have a recommendation in June and be able to brief individual Board members regarding the recommendation.

Item 15. Adjournment

Mr. Sanchez adjourned the meeting at approximately 11:00 a.m.


Chairman, Manuel Sanchez

ATTEST:


Secretary, Timothy Rand