

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

December 4, 2019

A meeting of the Board of Directors of the Illinois Sports Facilities Authority was held on December 4, 2019 at 10:00 a.m. at the offices of Sanchez Daniels & Hoffman at 333 West Wacker Drive Suite 500, Chicago, IL

Item 1. Call to Order

The Chairman called the meeting to order at approximately 10:15 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, Leslie Darling, Michael Forde and Trisha Rooney. Norm Bobbins participated via telephone conference. P.J. Frayer, Dana Phillips Goodum, Maureen Gorski, Maria Saldaña and Russell Levine of the Authority's staff were also present.

Item 3. Approval of the Minutes

Chairman Sanchez called for a motion to approve the minutes of the Regular Board Meeting held on September 19, 2019. Ms. Andolino moved to approve and Mr. Forde seconded. The motion to approve the minutes was unanimously approved.

Item 4. Office Business

Ms. Frayer submitted to the Board for information the proposed 2020 meeting dates for the Board of Directors. Ms. Frayer requested that Board members let her know if they had a conflict with proposed dates before the end of the year.

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. Ms. Saldana explained that in connection with funding the restoration of Soldier Field and issuing the bonds for that project the Authority had also entered into an agreement with the Park District pursuant to which the Authority, among other things, was required to deposit certain amounts into a Soldier Field Capital Improvement Fund and the Park District in turn was required to submit an annual capital spending plan for Soldier Field to the Authority for its approval. The amount of the annual capital spending plan that the Park District submits to the Authority for its approval every year is equal to the amount that the Authority is required to deposit into Soldier Field Capital Improvement Fund. Ms. Gorski stated that Resolution 20-06 approves the capital spending plan for 2020 for Soldier Field and includes as Exhibit A, a list of Capital Projects that are included in the plan. Ms. Saldana stated that before the Board considers the Resolution that she would like to make some corrections to the Resolution.

The annual amount that the Authority is required to deposit this year in the Soldier Field Improvement is \$3,261,935; the capital improvement plan amount in the Resolution in the Board Book is \$3,311,935 and Exhibit A has projects totaling \$3,311,935. Accordingly, she said the Resolution should be corrected to reflect the \$3,261,935 amount and Exhibit A should be corrected to reduce the Reserve line item amount from \$146,215 to \$96,215 to reflect the \$50,000 reduction. Mr. Sanchez asked for a motion to approve Resolution 20-06, as corrected, A Resolution Approving Reimbursement for Certain Capital Improvements to be undertaken by the Chicago Park District. Ms. Andolino moved to approve and Mr. Forde seconded. Mr. Sanchez then asked whether there was any discussion. Ms. Andolino had some questions regarding the specific projects and questioned their qualification as "capital expenditures." She also raised an issue regarding potential increased maintenance expense as a result of the Chicago Fire now having agreed to play its games at Soldier Field. Ms. Gorski stated she would discuss issues with the Chicago Park District and if necessary she could get the Park District to move some costs to other line items within the budget, but that total budget amount would not change. Staff agreed to discuss issue of Chicago Fire and potential increased maintenance costs and to review contract between the Park District and the Chicago Fire to determine if contract addressed the issue. Mr. Sanchez asked for vote to approve. Resolution 20-06; Resolution was unanimously approved.

Item 6. Change in Purchase Order Process for \$50,000 and Under

Ms. Gorski stated that she was requesting that Board approve Resolution 20-07 which would rescind Resolution 17-06, a resolution that authorized a small purchase order system for items or services of \$50,000 or under. She explained that a small purchase order system is already authorized under the Authority's Procurement Ordinance and Resolution 17-06 was inconsistent in part with the Procurement Ordinance. Mr. Sanchez asked for a motion to approve Resolution 20-07; Ms. Andolino moved to approve and Ms. Darling seconded. Resolution was unanimously approved.

Item 7. 2019 Capital Repairs/Improvements

Ms. Gorski summarized status of the FY 2020 Capital Projects. She reported that the LED Field Lighting Upgrade is almost complete. She stated that she was requesting the Board to approve a redirection of funds pursuant to Resolution 20-08. She stated that the Chicago White Sox requested that the Authority add to the capital plan a locker room for women in the training and medical room. She stated that project could be accommodated by moving certain amounts from other FY 2020 project line items. Accordingly, total FY 2020 Capital budget would not be increased. Mr. Sanchez asked for a motion to approve Resolution 20-08, A Resolution Relating to Guaranteed Rate Field Fiscal Year 2020 Redirection of Funds. Ms. Rooney moved to approve and Ms. Andolino seconded. The Resolution was approved unanimously.

Item 8. ISFA Audited Financials as of June 30, 2019

Ms. Phillips Goodum reported that Mueller & Co., LLP and Prado Renteria performed the financial audit for the Authority and presented results to the AFI Committee at its meeting on November 25, 2019. The Committee voted to recommend approval of the audit to the full Board. Ms. Phillip Goodum did want to highlight some items. She reported that the Authority's Financials are not

prepared in accordance with GAAP, but are prepared in accordance with Bond Indenture basis of accounting and as a result the Auditors issue an adverse opinion based on GAAP and issue an Unmodified Opinion under the Indenture basis of accounting, which is a clean opinion. She stated there were not many adjustments made from the unaudited financials she had presented to the Board at the September Board meeting. Mr. Bobins reported that AFI Committee had met in executive session with the Auditors and reported that no issues came up in their discussions. He did state that the Auditors had issued a Management Control Letter that did raise a deficiency in internal control issue that rose to the level of a material weakness. The internal control issue related to the fact that through a period of time there has been only one employee in finance division that controls all functions. They noted that in December of 2018 the Authority did hire a part-time accounting consultant to assist the CFO. Ms. Phillips Goodum stated that with a part-time consultant there was not enough segregation of duties for internal control. Ms. Phillips Goodum stated she would recommend hiring a full time accountant. Mr. Sanchez and Mr. Bobins stated that they would like to discuss this further at a later time. Mr. Bobins moved to accept the FY 2019 Audit and Mr. Forded seconded; motion to accept audit was unanimously approved.

Item 9. Fiscal Year 2020 ISFA Operating Results through September 30, 2019

Ms. Phillips Goodum reported that FY 2020 net operating results as of September 30 2020, totaled \$18.3 million and exceeded the budget by \$1.8 million. She stated that net hotel revenue was higher than budgeted by \$111.2k and was trending below FY 2019 net hotel tax revenue by 3.6%. However, as of November 15, 2019, net hotel tax performance was 1.6% above FY2019 results. She stated that investment income was a little higher than budgeted and noted there was a favorable variance in fees from the White Sox as well. In terms of expenditures, she stated that there was an overall favorable variance due in part to lag in Guaranteed Rate Field construction-related expenditures and a lag in requests for reimbursement from the Park District. In addition, there were overall operating cost savings of \$230.6k noting that personnel costs were less than budgeted due to vacancies, as well as savings in legal and professional, marketing, special events and office costs. In terms of bond interest and refunding costs, she explained that there was a negative variance but that the 2019 Series Bond refinancing, which closed in September of 2019, would result in savings of approximately \$3.3 million by fiscal year end.

Item 10. Executive Session

Mr. Sanchez made a motion to go into Executive Session to discuss Litigation Matters pursuant to Section 2 (c)(11) of the Open Meetings Act, to discuss personnel matters pursuant to Section 2(c)(1) of the Open Meetings Act and to discuss audit matters pursuant to Section (2)(c)(29) of the Open Meetings act. Roll call vote was taken and motion was unanimously approved.

Item 11. Matters Arising Out of Executive Session

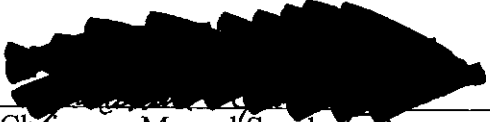
None

Item 12. Other Business


Board members decided that next Board meeting would be February 12, 2020

Item 13. Adjournment

Chairman Sanchez adjourned the meeting at approximately 11:15 a.m.


Chairman, Manuel Sanchez

ATTEST:


Secretary, Leslie Darling