

**MINUTES OF THE REGULAR BOARD MEETING  
OF THE ILLINOIS SPORTS FACILITIES AUTHORITY  
December 10, 2020**

A meeting of the Board of Directors of the Illinois Sports Facilities Authority was held on December 10, 2020 at 10:00. Due to the Governor's Disaster Proclamation related to the COVID-19 pandemic the meeting was held via audio and video conference.

**Item 1. Call to Order**

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

**Item 2. Introduction of New Board Member**

Chairman Sanchez then introduced and welcomed the newest member of the Board, Ms. Coco Soodek. Ms. Soodek had recently been appointed by the Mayor

**Item 3. Roll Call**

Call of the Roll was taken, and the following members of the Board were present: Manuel Sanchez, Rosemarie Andolino, Norm Bobins, Leslie Darling, Michael Forde and Coco Soodek. Board Member Trisha Rooney joined after the meeting had started. P.J. Frayer, Dana Phillips Goodum, Maureen Gorski, Maria Saldaña and Russell Levine of the Authority's staff were also present the meeting. In addition, John Corvino and Maacah Scott from the Chicago White Sox staff also attended the meeting.

**Item 4. Approval of the Minutes**

Chairman Sanchez called for a motion to approve the minutes of the Regular Board Meeting held on September 17, 2020. Mr. Bobins moved to approve and Ms. Darling seconded.

Roll call vote was taken.

*Ayes: Chairman Sanchez, Ms. Darling, Mr. Bobins, Ms. Andolino, Mr. Forde, Ms. Soodek.*

*Nays: None*

*Abstentions: None*

**Item 5. Office Business**

Ms. Frayer submitted to the Board for information the proposed 2021 Board meeting dates. Ms. Frayer requested that Board members let her know if any of the proposed dates presented a conflict by the end of the following week and to provide alternative dates if necessary. She stated that the Board meeting dates were required to be posted by the end of the year.

**Item 6. Chicago Park District**

Ms. Gorski stated that Item 6 on the agenda was the proposed one-year capital plan for Soldier Field that the Chicago Park District was required to submit for approval under the Operation Assistance Agreement. She stated that the total amount of the capital plan was within the annual amount that was required to be deposited by the Authority into the Soldier Field Capital Improvement Fund. Ms. Gorski stated that representatives of the Chicago Park District and ASM Global, the management company that manages Soldier Field, were available to answer questions. Mr. Sanchez asked for a motion to approve Resolution 21-03, A Resolution Approving

Reimbursement for Certain Capital Improvements to be undertaken by the Chicago Park District. Ms. Soodek moved to approve, and Mr. Bobins seconded. Chairman Sanchez then called for discussion. There was some discussion regarding certain proposed line items and whether consideration had been given to the fact that revenues from hotel taxes were down. Mr. Steve Lux, the Chief Financial Officer, of the Park District, explained that capital projects had been carefully considered and had been reviewed with ASM Global and with the Bears. Mr. Lux further stated that some of the projects listed represented reimbursement for projects already completed. A question was raised regarding use of local vendors for projects listed. Representatives from ASM Global stated that most of the projects would be performed by and materials used would be from local vendors. Ms. Gorski stated that there was no report per se that summarized use of local vendors, but that ASM Global could probably generate such a report.

A roll call vote was taken on the passage of Resolution 21-03.

*Ayes: Chairman Sanchez, Ms. Darling, Mr. Bobins, Ms. Andolino, Mr. Forde, Ms. Soodek*

*Nays: None*

*Abstention: None*

#### **Item 7. 2021 Capital Repairs/Improvements**

Ms. Gorski presented the status report of the 2021 Capital Projects. She stated this year's HVAC Air Handling Unit Renovation project, included replacement of the right field chiller. As far as concrete and waterproofing repair, she stated that for this year this project mainly consisted of maintenance and repair. She stated that others project included Video Surveillance improvements and another phase of LED lighting. She stated that this year's phase of LED Lighting would be for offices, hallways, and stairways. She reported that she anticipated getting significant rebates from the LED Lighting project. The other major project she stated was related to Security and Perimeter Upgrades which this year was focused on the relocation of gate 4, which she said would greatly enhance perimeter security at that main entrance.

Ms. Gorski then addressed Resolution 21-04, A Resolution Authorizing a Grant of Easement to Commonwealth Edison Company. She stated that Com Ed has proposed enhancing service to the buildings and improvements on the north side of 35<sup>th</sup> Street by providing ATO service. She explained that ATO service was an automatic override switch that would automatically transfer service to another line in the event of a power outage. Ms. Gorski noted that there had been a power outage incident in the past in which power to all the improvements went out and power was not restored until after a Com Ed crew was able to come out to the site. This proposed ATO project would prevent this from happening in the future. She stated that the project required installation of equipment including a box like structure that would contain the equipment for the project. She stated that Com Ed was requesting an easement on the northeast corner of 35<sup>th</sup> and Shields to locate the requisite equipment.

Mr. Sanchez asked for a motion to approve Resolution 21-04; Ms. Andolino moved to approve, and Mr. Forde seconded.

A roll call vote was taken.

*Ayes: Chairman Sanchez, Ms. Darling, Mr. Bobins, Ms. Andolino, Mr. Forde, Ms. Soodek*

*Nays: None*

*Abstention: None*

**Item 8. ISFA Audited Financials as of June 30, 2020**

Ms. Phillips Goodum reported that Mueller & Co., LLP, and Prado Renteria performed the FY 2020 financial audit for the Authority. Ms. Phillips Goodum reported that the Authority's Financials are not prepared in accordance with GAAP and are prepared instead in accordance with the bond indenture basis of accounting. She stated that as a result the Auditors issued an adverse opinion based on GAAP and issued an unmodified opinion under the Indenture basis of accounting, which is a clean opinion.

John Fatus introduced himself and Kevin Bissell from Mueller & Co and Hilda Renteria from Prado Renteria. Mr. Bissel stated that he would go through some of the most important parts of the statements that everyone had received. He stated that the report included the auditor's report which as Ms. Phillips Goodum stated provided an adverse opinion under GAAP, but an Unmodified Opinion under the Indenture Basis of accounting.

He then reviewed the next section of the financial which included the pages that had schedule of the assets of the Authority as of June 30<sup>th</sup>. He highlighted that cash and cash equivalents were up approximately \$4.5 million from the previous year and that Hotel tax revenue was significantly down from prior year due to the pandemic. He noted that interfund receivables were down from last year, noting that last year there had been approximately \$4.7 million due from General Fund to Comiskey Park Capital Improvement fund and that this year there was no amount due from General Fund to that fund. He also noted that long term assets were higher this year than last year due to ongoing stadium improvements.

He then on went on to review schedule of liabilities. He indicated that accounts payable were up from last year primarily in the Soldier Field Improvement Fund. He also pointed out that long term liabilities were up by \$22.4 million due to the 2019 Bond refunding. He highlighted that fund deficit increased approximately \$7.6 million in total.

He then went on to review the schedule of revenue and expenses noting that hotel tax revenues were down approximately \$16 million from last year, due to the pandemic. As far as expenditures he noted that FY 2020 reflects the bond issuance cost of approximately \$2.3 million. He also noted that capital expenditure for both Comiskey Park and for Soldier Field Improvement Fund were both higher than the previous year. Mr. Bissell than reviewed the schedule of Other Financing Sources noting that this is where issuance of the refunding debt is reflected. He noted that bond proceeds totaled approximately \$147 million and that there was a transfer of approximately \$146 million of those proceeds to the escrow account to pay-off the refunded bonds.

Mr. Bissell than commented on the Notes section of the Financials. He highlighted that Note 2 addressed Cash and Cash Equivalents noting that cash was fully collateralized as of June 30<sup>th</sup>. He also explained that Note 3 addressing Bonds Payable included details of the 2019 refunding Bond issuance including sources and uses of funds. Lastly, he noted that Note 9 discusses some of the

impact that Authority is facing as result of COVID-19. He stated that remainder of the Financial Statements included fund analysis that provide additional detail for information already covered.

Hilda Renteria then reviewed the letter dated October 26, 2020 to the Authority that contained information required to be communicated pursuant to professional standards governing the auditors. She noted that there were no significant difficulties in dealing with management in performing and completing the audit. She also noted that there was no consultation like obtaining a second opinion about the audit or accounting matters. She stated that discussions with management occurred in the normal course of auditor's professional relationship and responses were not a condition to retention of the auditors. She noted that the last section of the letter related to supplementary information.

Chairman Sanchez asked for a motion to accept the Audited Financials, Mr. Bobins moved to accept, and Ms. Soodek seconded. Ms. Trish Rooney had at this time joined the meeting.

A roll call vote was taken.

*Ayes: Chairman Sanchez, Ms. Darling, Mr. Bobins, Ms. Andolino, Mr. Forde, Ms. Soodek, Ms. Rooney*

*Nays: None*

*Abstention: None*

#### **Item 9. Fiscal Year 2021 ISFA Operating Results through September 30, 2020**

Ms. Phillips Goodum stated that the pandemic and the efforts to mitigate the spread of the disease have devastated the tourism industry and the Authority's hotel revenues have been severely impacted. She stated that on a budget versus actual basis the Authority is doing relatively well, but that hotel revenue in comparison to the previous fiscal year is down by a little over 90.7%. She stated that this will impact the Authority's ability to pay back the State advance amount at the end of the year. She stated that based on hotel tax receipts to date and the fact that it is not anticipated that hotel taxes will recover sufficiently by end of FY 2021, the Authority would not be able to pay back the State Advance amount of \$28.5 million that was requested pursuant to the Chairman's Certificate. In addition, she reported that the State Advance amount has not been made available in the 1/8<sup>th</sup> increments that is required to make debt service payments. She said this has not created an issued because the Authority has used its ample hotel tax reserves to make up the difference. She stated the Authority would continue to have enough reserves that together with the City and State Subsidy amounts and advance amounts there would be enough to meet all obligations through end of FY 2021. She went on to report that on the expense side the Authority had in its budget taken steps to contain expenses. She stated that the bigger issue for the Authority would be in FY 2022 that commences July 1. She stated that the Authority needed to preserve enough hotel tax reserves for debt service payments starting in July. She concluded that although the Authority will be able to meet obligations for FY 2021, the need to preserve remaining reserves will result in the City having to pay back a larger portion of State Advance amount. She stated that mitigation of the impact on the City is not something the Authority can address on its own.

#### **Item 10. Continuing Disclosure Policy**

Ms. Saldana explained that Resolution 21-05 was a resolution to amend the Authority's Continuing Disclosure Policy to address recent SEC regulatory amendments made to the continuing disclosure

requirements that the Authority must comply with in relation to its outstanding bonds. Chairman Sanchez asked for a motion to approve Resolution 21-05, A resolution to amend the Continuing Disclosure Policy. Ms. Soodek moved to approved and Ms. Darling seconded. Chairman Sanchez then asked if there was any discussion. Ms. Soodek wanted to know if the Authority ever had a problem under the old policy. Ms. Saldana stated that there had been no problem under the old policy.

A roll call vote was taken on the motion to approve.

*Ayes: Chairman Sanchez, Ms. Darling, Mr. Bobins, Ms. Andolino, Mr. Forde, Ms. Soodek, Ms. Rooney*

*Nays: None*

*Abstentions: None*

**Item 11. Other Business**

None

**Item 12. Public Comment**

None

**Item 13. Adjournment**

Chairman Sanchez announced that he would be resigning as Chairman of the Board after the meeting. He thanked all the Board members and staff. Board members and staff thanked Chairman Sanchez for his service.

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

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Chair, Leslie Darling

**ATTEST:**

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Secretary Michael Forde