

**MINUTES OF THE REGULAR BOARD MEETING
OF THE ILLINOIS SPORTS FACILITIES AUTHORITY
May 27, 2021**

A meeting of the Board of Directors of the Illinois Sports Facilities Authority was held on May 27, 2021, at 10:00 a.m. Due to the Governor's Disaster Proclamation related to COVID-19 and pursuant to Declaration of the Board Chair that an in-person meeting was not practical or prudent the meeting was held via audio and video conference.

Item 1. Call to Order

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

Item 2. Introduction of New Board Member

Chair Darling introduced new Board Member Tarrah Cooper Wright recently appointed to the Board by Governor Pritzker.

Item 3. Roll Call

Call of the Roll was taken, and the following members of the Authority all were in attendance via audio and/or video: Chair Leslie Darling, Rosemarie Andolino, Norm Bobins, Michael Forde, and Coco Soodek. Board member Trisha Rooney was in attendance at beginning of the meeting, but her audio went off and we were not able to re-establish a connection. Also, in attendance were P.J. Frayer, Dana Phillips Goodum, Maureen Gorski, Maria Saldaña and Russell Levine of the Authority's staff and John Corvino and Maacah Scott of the Chicago White Sox staff. Also, in attendance was Frank Bilecki.

Item 4. Approval of Minutes

Chair Darling called for a motion to approve the minutes of the Regular Board Meeting held on February 25, 2021. Ms. Soodek moved to approve, and Mr. Bobins seconded.

Roll call vote was taken:

Ayes: Chair Darling, Ms. Andolino, Mr. Bobins, Mr. Forde, Ms. Soodek, Ms. Wright

Nays: None

Abstentions: None

Item 5. Guaranteed Rate Field Renovations, Capital Repair & Improvements

Ms. Gorski was asked to give her report on renovations, capital repairs and improvements at Guaranteed Rate Field. Ms. Gorski first reported on the status of the FY 2021 Capital Projects. She reported that the Air Handling Project had one more component to be completed and that the Concrete and Waterproofing was ongoing. The Video Surveillance project she indicated was also in process. She stated that the LED Project had been completed and that the Security- Perimeter Upgrades Project is still in process but expected to have it completed by June 30th.

The other item in her report she stated was Resolution 21-06 which would authorize a re-direction of capital funds from the FY 2021 Capital Projects Budget into the proposed FY 2022 Capital

Projects budget. She reported that Resolution 21-06 includes an exhibit which lists the FY 2021 Projects for which full amounts budgeted for FY 2021 will not be expanded and unused amounts will be directed to FY 2022 Capital Projects. Chair Darling called for a motion to approve Resolution 21-06, A Resolution Relating to Guaranteed Rate Fiscal Year 2021 Redirection of Funds. Motion to approve Resolution 21-06 was made by Ms. Andolino and seconded by Ms. Cooper Wright.

Roll Call Vote was taken.

Ayes: Chair Darling, Ms. Andolino, Mr. Bobins, Mr. Forde, Ms. Soodek, Ms. Wright

Nays: None

Abstentions: None

Item 6. FY2021 ISFA Operating Results Through March 31, 2021

Ms. Phillips Goodum reported that Financial Operating Results for FY2021 through March 31, 2021, totaled a negative \$6.8 million and was unfavorable in comparison to the budget in the amount of \$13.5 million. In terms of revenue, she reported that net hotel taxes were \$15.6 million below budgeted amount and were trending below the comparable period for FY 2020 by \$39.8 million. She reported that as of end of May 2021, net hotel tax collections reported to the Authority totaled \$6.1 million. She stated that investment income and special events revenues were also below budgeted amounts. In terms of expenditures, she reported that there was an overall favorable variance of approximately \$2.4 million. Approximately \$1.9 million of this favorable variance was due to the timing of the start of capital projects and projects that are being deferred to FY 2022. In addition, she stated that there was also a favorable variance in operating costs of \$493,000, most of which was due to personnel vacancies and deferrals.

She reported that amounts to make the bond payments due on June 15, 2021, were already on deposit with the Trustee. She added that the Authority's net hotel taxes are not expected to be sufficient by year-end to repay the State Advance.

Ms. Phillips Goodum reported that she prepared operating results projections through end of FY 2021. She stated that those projections were included in pages 3 and 4 of her report. She stated that she prepared projections based on accruals basis and on a cash basis. She stated that on a cash basis net hotel taxes for the Authority are less than on the accrual basis because of the 3-month lag between the reporting of hotel taxes to the Authority by the Illinois Department of Revenue and actual hotel stays. She reminded the Board that the State Advance amount is repaid from amounts reported to the Authority monthly from July through end of June, which means it's based on net revenue reported not on the accrual basis of accounting. Mr. Bobins asked whether Ms. Phillips Goodum had any indications of when hotel tax revenue would rebound. She stated that estimate right now of full rebound was 2025 with some recovery in the interim. She stated that it would take some time for events like conventions to ramp up again.

Item 7. Insurance Renewal for 2021-2022

Ms. Phillips Goodum stated that all the Authority's requisite types of insurance coverage expired on March 15, 2021. She reported that she had begun to gather the necessary information in January and worked with the Authority's insurance brokers to obtain insurance renewal in March to ensure continuous coverage. She reported that this year it took a lot longer and more meetings to ensure

timely renewal. She noted that page 2 of her report under Tab 7 included a summary Table that summarized types of insurance and costs and comparisons to previous year. She reported that there was an increase in property insurance premium some of it due to increase value of the property, but also an increase in premium rate because of losses that insurance companies are incurring. She stated that premium amounts for excess umbrella coverage also went up again this year.

She stated that Resolution 21-07 would be a ratification of the renewal of the insurance coverage and the premiums and brokerage fees associated with such renewal with a total cost of \$669,875. Chair Darling called for a motion to approve Resolution 21-07, A Resolution Authorizing the Renewal of the Public Officials Liability Insurance and Commercial Casualty and Liability Insurance for the Authority. Mr. Bobins moved to approve, and Ms. Soodek seconded.

Roll Call Vote was taken.

Ayes: Chair Darling, Ms. Andolino, Mr. Bobins, Mr. Forde, Ms. Soodek, Ms. Wright

Nays: None

Abstentions: None

Item 8. FY2022 ISFA Proposed Budget

Ms. Phillips Goodum stated that the Proposed FY 2022 Budget has a budgeted amount of approximately \$67.3 million of expenditures. Ms. Phillips Goodum stated that debt service, trustees' fees and contractual obligations related to Soldier Field total \$57.2 million of total expenditures and represents about 85% of the proposed budget. She reported that expenditures related to Guaranteed Rate total \$7.7 million or 11.5% of the budget for 2022 and operational costs of \$2.4 million represented 3.5% of the budget of which approximately \$700,000 related to commercial insurance costs.

In terms of revenues, she reported that hotel taxes are not expected to fully rebound, and the proposed 2022 budget includes only an estimated net hotel revenue amount of \$22.8 million. She directed the Board's attention to the Budget Overview included in her report that showed the total expenditures of \$67.3M and total projected revenues, noting that the State Advance amount in excess of net hotel taxes totaled approximately \$34.5 million.

Chair Darling called for a motion to adopt Ordinance 21-01, An Ordinance Adopting the Budget for FY2022 Making Appropriations for the Ordinary & Contingent Expense of the Authority. Ms. Andolino moved for adoption of the Ordinance and Ms. Forde seconded.

Roll Call Vote was taken.

Ayes: Chair Darling, Ms. Andolino, Mr. Bobins, Mr. Forde, Ms. Soodek, Ms. Wright

Nays: None

Abstentions: None

Item 9. FY2022 ISFA Chairman's Certificate

Ms. Phillips Goodum stated that by June 1st the Authority is required to file its request for funding for FY 2022 with State Comptroller and the State Treasurer. The request for funding is accomplished by filing the Chairman's Certificate. She stated that she recommends filing the

Chairman's Certificate in the amount of \$67.3 million for FY 2022. That amount is comprised of \$57.3 million State Advance and a City subsidy of \$5 million and a State subsidy of \$5 million. She stated that the Chairman's Certificate amount is for the full amount of total expenditures for the FY 2022 budget and does not allocate any amounts from hotel tax reserves to offset costs. She stated that is because for FY 2021 the Authority used a significant amount of hotel tax reserves to offset expenditures. She stated that for FY 2022 she was recommending full amount of expenditures in the Chairman's Certificate in order to preserve remaining hotel tax reserves. She reported that the preliminary balance of reserves is approximately \$12.8 million.

Chair Darling called for a motion to approve Resolution 21-08, A Resolution Regarding the Filing of the Chairman's Certificate for FY 2022. Ms. Soodek moved to approve, and motion was seconded by Mr. Forde.

Roll Call Vote was taken.

Ayes: Chair Darling, Ms. Andolino, Mr. Bobins, Mr. Forde, Ms. Soodek, Ms. Wright

Nays: None

Abstentions: None

Item 10. Personnel Matters

Chair Darling stated that she would like to welcome Frank Bilecki who was in attendance and stated that she was proposing the appointment of Mr. Bilecki as the new Chief Executive Officer for the Authority. She reported that Mr. Bilecki has had a long career in public service and is a seasoned executive, a proven administrator, and a leader. Chair Darling cited the many areas that Mr. Bilecki has worked in his long career in government. She indicated that he is currently the Chief of Policy at the Chicago Public Schools where he manages a team of 40 people and serves as a trusted advisor to many public officials in our community. In addition, she pointed out that Mr. Bilecki comes from a passionate baseball family and is lifelong Sox fan. She reported that he has the support of the Governor, the Mayor and White Sox leadership.

Chair Darling asked Board members to support Mr. Bilecki's appointment to the CEO position and stated that before the Board was the Resolution appointing Mr. Bilecki and authorizing his hiring. She asked Board members if they wished to go into executive to session to discuss the appointment; Board members did not think executive session was necessary. She asked for a motion to approve Resolution 21-09, A Resolution Relating to the Appointment of Chief Executive Officer and Execution of an Employment Agreement. Ms. Andolino moved to approve, and Ms. Wright seconded.

Board members welcomed Mr. Bilecki and commented that they agreed with Chair Darling that Mr. Bilecki is an excellent choice for CEO position.

Roll Call vote was taken:

Ayes: Chair Darling, Ms. Andolino, Mr. Bobins, Mr. Forde, Ms. Soodek, Ms. Wright

Nays: None

Abstention: None

Mr. Bilecki thanked the Board members for their support. He expressed that he considered the CEO position at the Authority as the best job in the State of Illinois. He indicated that he thought there was a great deal of opportunity at Guaranteed Rate Field in terms of events, concerts and just in terms of evaluating real estate portfolio opportunities around the stadium. He went on to express that he looked forward to engaging with all the Board members and other stakeholders.

Mr. Bilecki also briefly reviewed his family history and talked about why he and his family were so passionate about baseball. He indicated that his father had been a lifelong White Sox fan and had worked security at Comiskey Park. Mr. Bilecki stated that his father died when he was in high school and that after his death the community worked with the Park District to name a vacant field after him because he had coached every kid in the neighborhood how to play baseball in that vacant field. Mr. Bilecki reported that although his father never made it to the majors, he at one point had a contract to play baseball with the Washington Senators. Mr. Bilecki also indicated that now his son, who is a senior in high school has committed to play baseball in college.

Item 11. Other Business

Chair Darling reported that the Authority is still in active discussions related to a refinancing that would reduce debt service for the Authority and would assist the City. She stated that she may have to call a Special board meeting to approve any such refinancing.

Chair Darling asked Mr. Corvino to comment on the re-opening of stadium. Mr. Corvino noted that the stadium was going from a 25% capacity limit to 60% for the next homestand series. He indicated that the stadium would go into 100% capacity once City and State move to Phase 5.

Item 12. Public Comment

None

Item 13. Executive Session (if necessary)

Board did not go into Executive Session.

Item 14. Matters Arising Out of Executive Session

None

Item 15. Adjournment

Chair Darling adjourned at approximately 10:40 a.m.



Chair, Leslie Darling

ATTEST:



Secretary, Michael Forde