

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

May 26, 2016

A meeting of the Board of Directors of the Illinois Sports Facilities Authority was held on May 26, 2016, at 10:00 a.m. in the Board Room of the Illinois Sports Facilities Authority located at 333 West 35th Street, Chicago, Illinois.

Item 1. Call to Order

The Chairman called the meeting to order at approximately 10:08 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, Norman Bobins, Timothy Rand, Jim Reynolds, and Jeffrey Yordon. Richard Price did not attend. Also present were Lou Bertuca, P.J. Frayer, Dana Phillips Goodum, Maureen Gorski, Michael Orr, and Anthony O'Neill of the Authority's staff were also present. Danny Ecker of Crain's Chicago Business, John Corvino of the Chicago White Sox, Mike Alvarez, and a representative from J.P. Morgan Chase.

Item 3. Election of Officers

Upon motion by Mr. Bobins and seconded by Mr. Rand, Mr. Yordon as Board Secretary and Mr. Price as Assistant Secretary and Ms. Andolino as Board Treasurer and Mr. Bobins as Assistant Treasurer for Fiscal Year 2017 was unanimously approved.

Item 4. Approval of Minutes

Upon motion by Mr. Reynolds and seconded by Mr. Rand, the minutes of the February 9, 2016 meeting were unanimously approved as submitted.

Item 5. U.S. Cellular Field Renovations Capital Repair & Improvements

Ms. Andolino stated that Ms. Gorski and Mr. Orr are overseeing all of the work being performed at U.S. Cellular Field and she is proud of their budget management and maintenance oversight. Mr. Orr also stated that the ongoing Capital Repair and Capital Improvement Projects for Fiscal Year 2016 have either been completed or a punch list is being finalized. Upon motion made by Ms. Andolino and seconded by Mr. Bobins, Resolution 16-06, a Resolution Relating to U.S. Cellular Field Fiscal Year 2016 Redirection of Funds, was unanimously approved as submitted.

Item 6. Insurance Renewal for 2016-17

Ms. Phillips Goodum stated that every year the Authority's insurance expires on March 15. The Authority renewed its insurance coverages for the policy period of March 16, 2016 through March 15, 2017 and experienced a 2.2% reduction in premium costs. The total insured value of the U.S.

Cellular property is \$544,782,707. The type of insurance coverages renewed for the current term include property; general liability, liquor and automobile; employee dishonesty/crime; workers' compensation; public officials; and lead and excess umbrella. Upon motion made by Mr. Yordon and seconded by Ms. Andolino, Resolution 16-07, a Resolution Authorizing the Renewal of the Public Officials Liability Insurance and Commercial Casualty and Liability Insurance for the Authority, was unanimously approved as submitted.

Item 7. FY2016 ISFA Operating Results

Ms. Phillips Goodum stated that the operating results through March 2016 are looking good with the exception of the non-appropriated subsidies. Hotel tax revenue is performing as of March, with the Authority recognizing a 9.4% increase in revenue compared to the previous fiscal year. Hotel tax revenue is projected to be \$45.5 million for the entire fiscal year. Ms. Phillips Goodum reported that the Authority's operations overall are doing well despite the non-appropriation of subsidies with the Authority realizing savings in administrative costs.

Item 8. FY2016 Transfers

Ms. Phillips Goodum stated that there are no remaining funds to rebate to the State.

Item 9. FY2017 ISFA Proposed Budget

Ms. Phillips Goodum stated that the Authority's fiscal year 2017 proposed expenditure budget is \$57.3 million, of which approximately 96.4% are contractual obligations. The proposed budget also includes commercial property insurance costs (approximately 1% of the proposed expenditures) and operating costs of approximately 2.9%. Debt service and bond trustee fees are \$38.5 million, of which \$36.5 million is Soldier Field-related bond costs. The Authority estimates \$46.1 million in hotel tax revenue for fiscal year 2017.

Upon motion made by Mr. Bobins and seconded by Mr. Reynolds, Ordinance 16-01, An Ordinance Adopting the Budget for Fiscal Year 2017 and Making Appropriations for the Ordinary and Contingent Expense of the Authority as adjusted by Mr. Bobins's suggested amount for special events revenue, was unanimously approved as submitted.

Chairman Sanchez remarked that the reduction in budgeted expenses of approximately \$8.0 million over the past two years coupled with increases in revenue, the Authority has performed well during challenging times.

Item 10. FY2017 ISFA Chairman's Certificate

Ms. Phillips Goodum stated that the suggestion for the fiscal year 2017 Chairman's certificate is to include the financial need for 2017 as well as the unappropriated amount in fiscal year 2016. The Chairman's certificate typically is comprised of three components: (1) the advance amount of the Authority's hotel tax revenue; (2) \$5 million State subsidy; and (3) \$5 million City subsidy. The fiscal year 2017 Chairman's certificate will add a fourth component, which is the unappropriated amount of \$10 million from fiscal year 2016. The total amount of the Chairman's

certificate for fiscal year 2017 is \$64 million, which reflects \$54 million for fiscal year 2017, and \$10 million for the unappropriated amount in fiscal year 2016.

Upon motion made by Mr. Yordon and seconded by Mr. Reynolds, Resolution 16-08, A Resolution Directing the Filing of the Chairman's Certificate, was unanimously approved as submitted.

Item 11. Executive Session

Upon motion made by Chairman Sanchez to close the open meeting to discuss litigation matters pursuant to Section 2(c)(11) of the Open Meetings Act in Executive Session earlier in the meeting, the motion was unanimously approved as submitted.

The Board held Executive Session.

Upon motion by Mr. Reynolds to return from Executive Session to open session and seconded by Ms. Andolino, the motion was unanimously approved.

Item 12. Matter Arising Out of Executive Session

None.

Item 13. Other Business

Chairman Sanchez stated that the Authority will be hosting the Northern Illinois Football game in November and he is hopeful that the Authority will also host a concert later in the year. Mr. Bertuca discussed the work Authority staff performed with concert promoters to have future events at the facility.

Item 14. Adjournment

Upon motion duly made by Mr. Reynolds and seconded by Ms. Andolino, the Board meeting was adjourned at approximately 11:15 am.


Chairman, Manuel Sanchez

ATTEST:


Secretary, Jeffrey Yordon