

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

May10, 2018

A meeting of the Board of Directors of the Illinois Sports Facilities Authority was held on May 10, 2018 at 2:00 p.m. at the offices of Loop Capital at 111 West Jackson Suite 1900, Chicago, IL.

Item 1. Call to Order

The Chairman called the meeting to order at approximately 2:00 p.m.

Item 2. Roll Call

Call of the Roll was taken and the following members of the Authority were present: Timothy Rand, Jeff Yordon. Norm Bobins, Jim Reynolds and Richard Price. Chairman Manuel Sanchez participated via telephone conference. Rosemarie Andolino arrived at approximately 2:15 p.m. 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 attended the meeting.

Item 3. Election of Officers

Chairman Sanchez called for motion to re-elect following slate of officers;

Secretary: Jeff Yordon
Assistant Secretary: Richard Price
Treasurer: Rosemarie Andolino
Assistant Treasurer: Norm Bobins

Motion was made by Mr. Bobins and seconded by Mr. Price. Motion to re-elect officers was unanimously approved.

Item 4. Approval of Minutes

Mr. Sanchez called for a motion to approve the minutes of the Regular Board Meeting held on February 15, 2018. Mr. Rand moved to approve and Mr. Bobins seconded. Motion to approve was unanimously approved.

Item 5. CEO Report

Mr. Bedalov delivered prepared remarks stating generally that his first five weeks on the job have been very busy and his intent at this point was to give a brief description of the next steps and plans moving forward. He stated that he had met with each board member individually and is pleased to report that vision for the organization seems to be unified and clear; that vision was to maximize revenue and maintain fiscal responsibility while investigating alternative sources of

revenue, in addition to fostering and enhancing relationship with the White Sox. Mr. Bedalov also reported that he, Ms. Phillips Goodum and Ms. Saldaña had appeared before the House and Senate appropriations committee in connection with ISFA's proposed funding for FY 2019. He stated that he thought presentations went well and all questions had been answered and expected that ISFA's funding request would be approved as presented. Mr. Bedalov then went on to summarize other meetings he had with various stakeholders within ISFA's sphere of influence. Regarding staffing at ISFA, he reported that Maureen Garanzini had left to pursue other opportunities and he would be working to determine how to best fill her position. Mr. Bedalov also reported that from an operational perspective the Employee Handbook which amended and restated personnel policies had been completed and was being presented for Board approval. In addition, he reported that a resolution proposing amendments to ISFA policies regarding financial transaction and contract approval was being presented to Board to assure checks and balances are in place moving forward. Mr. Bedalov concluded that at the next board meeting he hoped to provide a framework for a strategic plan outlining the immediate needs of the organization along with an overview of immediate, short-term and long-term goals for the organization.

Item 6. Employee Handbook

Ms. Phillips Goodum reported that the personnel policies of the Authority had been reviewed and revised and have been incorporated into the Employee Handbook. Ms. Phillips Goodum proceeded to give some examples of items that had been added and some things that had been clarified. She indicated that a number of issues that were not addressed in previous personnel policies were now addressed in the Handbook. Mr. Sanchez called for a motion to approve Resolution 18-09, A Resolution Approving Amended and Restated Personnel Policies contained in the Employee Handbook. Mr. Rand moved to approve and Mr. Bobins seconded motion to approve. Ms. Andolino then brought up a number of questions and issues that she wanted to discuss prior to voting for the Resolution. After further discussion, the Board decided to amend motion to adopt Resolution 18-09 with provision that Employee Handbook would be adopted, but with amendment that paid time-off for voting would be removed as an employee benefit. Additionally, it was stipulated that Mr. Bedalov would meet with Ms. Andolino to discuss additional issues and comments that she had related to the Handbook and he would come back to the next board meeting with any recommended changes based on his discussions with Ms. Andolino. Motion was then unanimously approved.

Item 7. Guaranteed Rate Field Capital Repair & Improvements

Ms. Gorski gave a status report on the FY 2018 Projects stating that they were all substantially completed. She stated that there are just two very small projects that remain to be completed and that we were within approved budget for all FY 2018 Capital Projects. She then moved on to the FY 2019 Capital Budget stating that the proposed FY 2019 Capital Budget remains the same as it was presented at the February Board meeting. She stated that the FY 2019 Projects included general maintenance projects including a phased upgrade of the Scoreboard Control Room. Ms. Gorski briefly discussed that the budget also included initial phase of a Way Finding Signage project. She explained that current signs were installed in 1991. She then addressed Resolution 18-10, which is Resolution requesting that funds from one project be allocated to another project in the FY 2018 Capital Budget with no overall increase in the capital Budget. Mr. Sanchez called

for a motion to approve Resolution 18-10, A Resolution Relating to Guaranteed Rate Fiscal Year 2018 Redirection of Funds. Motion to approve Resolution 18-10 was made by Ms. Andolino and seconded by Mr. Bobins. Resolution was approved unanimously.

Item 8. FY2018 ISFA Operating Results

Ms. Phillips Goodum summarized FY 2018 Financial Operating Results for the FY2018 for the nine months ending March 31, 2018. She reported that the Authority had excess revenues over expenditures of \$24.7 million. This net revenue amount was above budgeted amount by \$1.4 million. Ms. Phillips Goodum stated that investments earning were above budgeted amounts as result of having worked with JP Morgan Chase to increase earnings on funds that Authority has on deposit. Ms. Phillips Goodum pointed out that even though we ended March with \$24.7 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 2018 will be approximately \$1 million. The Board then had a general discussion regarding hotel tax revenues and expectations going forward.

Item 9. FY2018 Transfers

Ms. Phillips Goodum reported that the AFI Committee approved an increase to the amount in Hotel Tax Variation Reserve Account to \$26 million and approved funding the increase by transferring the necessary amount from fiscal year-end surplus amounts in the general revenue fund. In addition, the AFI Committee approved transferring any remaining surplus amounts to the Comiskey Capital Improvement Fund. Mr. Bobins stated that proposed Resolution 18-11 and the recommended transfers were discussed in the AFI Committee and that the Committee had recommended that Resolution be approved. Mr. Bobins then moved that Resolution 18-11, A Resolution Authorizing End of Fiscal Year 2018 Transfers be approved. Motion was seconded by Mr. Reynolds. The motion was unanimously approved.

Item 10. Insurance Renewal for 2018-2019

Ms. Phillips Goodum stated all of the Authority's requisite types of insurance coverage expired in March 15, 2018 and had been renewed to ensure continuous coverage. She explained that the premium for property insurance was the largest portion of the total insurance premium costs. Ms. Phillips Goodum indicated that the AFI Committee had discussed the renewal of all the insurance types and renewal premium amounts and had recommended approval and ratification of the renewal of the insurance coverage. Ms. Phillips Goodum also reported that the AFI Committee had also recommended that for the upcoming year an RFP be issued for insurance brokerage services. Mr. Sanchez called for a motion to approve Resolution 18-12, 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 Mr. Yordon seconded. The motion was unanimously approved.

Item 11. FY2019 ISFA Proposed Budget

Ms. Phillips Goodum stated that the Proposed FY2019 Budget had been reviewed at the AFI Committee and that the Committee had recommended that the proposed budget be approved. She went on to summarize that the Proposed FY2019 Budget included \$59.7 million worth of expenditures of which the largest expenditure amount was for debt service. In terms of revenues she said the proposed budget included approximately \$52.5 million in hotel tax revenue which is a small increase over what was budgeted for FY2018. She stated that the proposed budget had a surplus of \$3.1 million of expenditures over revenue. Mr. Sanchez called for a motion to adopt Ordinance 18-01, An Ordinance Adopting the Budget for FY2019 & Making Appropriations for the Ordinary & Contingent Expense of the Authority. Mr. Reynold moved for adoption of the Ordinance and Ms. Andolino seconded. The motion was unanimously approved.

Item 12. FY2019 ISFA Chairman's Certificate

Ms. Phillips Goodum reported that the AFI Committee had discussed the Certificate of the Chairman that is to be filed with the State for FY2019. She reported that at the AFI Committee decided that the amount requested should be increased from \$54 million which was requested in FY2018 to \$57 million for FY2019. Mr. Reynolds moved to approve Resolution 18-13, A Resolution Regarding the Filing of the Chairman's Certificate and motion was seconded by Mr. Bobins. The motion was unanimously approved.

Item 13. ISFA Policy Regarding Financial Transactions

Ms. Saldaña reported that Resolution 18-14, A Resolution Regarding the Execution of Financial Transactions, had been discussed at the AFI Committee and that Committee had voted to recommend the Resolution for approval to the whole Board. Ms. Saldana stated that the resolution amends the policies and procedures for check writing and wire transfers. She reported that the amendment addresses issues that arose last year in connection with expenditures related to the cancelled concert. A key change that the resolution makes is to require approval by either the Board Chair or the Chair of the AFI Committee for any expenditure over the CEO threshold amount for which there has not been approval by the Board of a related contract. Mr. Sanchez called for a motion to adopt Resolution 18-14; motion to approve was made by Mr. Yordon and seconded by Ms. Andolino. The motion was unanimously approved.

Item 14. Continuing Disclosure Policy

Ms. Phillips Goodum reported that a prior Board had adopted a policy requiring that the Authority create a formal process to meet the federally required continuing disclosure requirements related to the Authority's outstanding bonds. This Continuing Disclosure Policy before the Board creates a process for complying with disclosure requirements. She reported that the policy was discussed at the AFI Committee. Mr. Reynolds moved to accept the Continuing Disclosure Policy and motion was seconded by Mr. Rand. The motion was unanimously approved.

Item 15. Extension of Contract Current Auditors

Ms. Phillips Goodum reported that she was requesting that we extend contract with the current auditors for one-more year. She reported that the current auditors were selected pursuant to an RFP process and were approved to perform audit for 3-years starting with FY 2015 audit. This extension would be for a one-year contract to perform the 2018 audit. Board members generally agreed that extension should be approved but recommended that RFP be issued for next year’s audit. Mr. Sanchez called for a motion to approve Resolution 18-15, A Resolution Authorizing a One Year Extension of the Contract for the Current Auditors. Motion to approve was made by Ms. Andolino and seconded by Mr. Reynolds. The motion was unanimously approved.

Item 16. Executive Session

Mr. Sanchez asked for an Executive Session to discuss Litigation Matters Pursuant to Section 2 (c)(11) of the Illinois Open Meetings Act, to discuss Personnel Matters Pursuant to Section 2 (c)(1) of the Illinois Open Meetings Act, and to review the Minutes of closed Meetings Pursuant to Section 2.06 (2) (d) of the Illinois Open Meetings Act. Roll call was taken for the Executive Session.

Item 17. Matters Arising Out of Executive Session

Mr. Sanchez asked for a motion to approve Resolution 18-16, A Resolution Ratifying Appointment of Executive Director and Execution of Employment Agreement. Mr. Yordon moved to approve and Mr. Rand seconded. Resolution was unanimously approved.

Mr. Sanchez then reported that Board members had reviewed the Executive Session minutes from May 26, 2106, December 12, 2016, April 18, 2017, May 18, 2017, September 21, 2017 and December 7, 2017 in executive session and he asked for a motion to keep those executive session minutes confidential. Ms. Andolino so moved and Mr. Bobins seconded. The motion was unanimously approved.

Item 18. Other Business


None

Item 19. Adjournment

Mr. Sanchez adjourned the meeting at approximately 3:36 p.m.



Chairman, Manuel Sanchez

ATTEST 

Secretary, Jeffrey Yordon