

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

February 12, 2020

A meeting of the Board of Directors of the Illinois Sports Facilities Authority was held on February 15, 2020 at 10:00 a.m. at the offices of R4 Services at 1301 West 35th Street, Chicago, IL

Item 1. Call to Order

The Chairman called the meeting to order at approximately 10:00 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, Norm Bobins, Leslie Darling, Michael Forde, Trisha Rooney and Ilan Shalit. Also present were P.J. Frayer, Dana Phillips Goodum, Maureen Gorski, Maria Saldaña and Russell Levine of the Authority's staff and John Corvino, Vice President and General Counsel of the Chicago White Sox and Marty McAndrew from Soldier Field.

Item 3. Election of Officers

Chairman Sanchez called for a motion to elect the following slate of officers:

Treasurer - Rosemarie Andolino
Assistant Treasurer - Norm Bobins
Secretary - Leslie Darling
Assistant Secretary - Trisha Rooney

Motion was made by Mr. Bobins to elect the proposed slate of officers and seconded by Mr. Forde. Motion was unanimously approved.

Item 4. Committee Members

Chairman Sanchez stated that Tab 4 had a list of ISFA Board Committees and the members including Chairs for each committee.

Item 5. Approval of the Minutes

Chairman Sanchez called for motion to approve the minutes of the Regular Board Meeting held on December 4, 2019. Ms. Andolino moved to approve and Mr. Shalit seconded. The minutes were unanimously approved.

Item 6. Fiscal Year 2020 ISFA Operating Results through December 31, 2019

Ms. Phillips Goodum presented Fiscal Year 2020 ISFA Operating Results for Six Months Ended on December 31, 2019. She stated that net operating revenue and other revenues sources exceeded expenditures by approximately \$18.4 million which exceeded the budgeted amount by approximately \$3.3 million. She highlighted that actual net hotel tax revenue through December 31, 2019 was below budgeted amount by approximately \$1.5 million and was trending below the comparable FY 2019 period by \$2 million. She went on to note that as of January 2020 net hotel tax performance was 1.0% above comparable FY 2019 results. In addition, she stated that investment income and special events revenue were also lower than budgeted. In terms of expenditures, she reported there was an overall favorable variance of \$1.7 million due to a lag in construction related expenditures at Guaranteed Rate and a lag in requests for reimbursements from the Park District and overall operating costs savings of approximately \$367k a large part of which was due to personnel vacancies, along with savings in legal, audit and professional, marketing, special events and office costs. In terms of bond interest costs, Ms. Phillips Goodum reported that there was a favorable variance of \$2.3 million, as a result of the 2019 bond refinancing that closed in September 2019. Ms. Phillips Goodum concluded by stating that she will continue to monitor hotel tax revenue.

Item 7. Presentation of the FY2021 Preliminary Budget

Ms. Phillips Goodum presented the Proposed Fiscal Year 2021 Budget. She stated that the Budget Overview included in the Board Book at Tab 7 included proposed revenues and expenditures in the form that she would be presenting to the State for requested appropriation. She reported that the preliminary FY2021 budget provided for approximately \$64 million of expenditures for the year, of which approximately \$46.6 million is debt service and bond related fees. Other expenditures include operational expenditures of approximately \$2.4 million; contractual obligations related Guaranteed Rate Field and Soldier Field of approximately \$14.4 million and required reserves of approximately \$526k. Ms. Phillips Goodum stated that in terms of Hotel Revenue the proposed budget included a 3% increase over FY 2020. The other revenue items were estimated amounts that she would be reviewing, specifically revenues for Special Events and Investment Income. Ms. Phillips Goodum stated that the preliminary proposed budget has a surplus of approximately \$5.2 million.

The Board discussed whether the Authority would have to increase amounts due to the Park District as a result of the Chicago Fire Soccer team now starting to play their home games at Soldier Field. Ms. Saldana stated that under the Authority's agreement with the Park District, the amount required to be paid to the Park District goes up by a fixed amount and would not be impacted by the agreement that the Park District has with the Chicago Fire, nevertheless she stated that she had reviewed the agreement with the Chicago Fire and would provide a written summary to the Board. In addition, Mr. Marty McAndrew, a representative from SMG, the manager of Soldier Field, who was in attendance summarized the agreement with Chicago Fire and answered questions from Board members.

Ms. Rosie Andolino raised a question regarding a recent lawsuit she had read about that involved the fraudulent sale of tickets by Chicago White Sox employees to a broker. The sale involved selling of false complimentary tickets. She asked whether the number of fraudulent tickets sold impacted the calculation of fees owed to the Authority for those years involved. Mr. Corvino explained the details of the scheme to the Board members and stated that he thought that even if all the fraudulent tickets were taken into account in determining paid attendance he did not think it would exceed the threshold that must be met to generate net ticket sales payable to the Authority. He reported that he would confirm that for the Board.

Item 8. Guaranteed Rate Field Capital Repairs

Ms. Gorski gave a report on the status of overall capital repairs. Ms. Gorski reported that all of the projects are on schedule and she directed the Board's attention to the written report included in the Board Book at Tab 8. She stated that she is asking for a re-direction of funds related to this year's Capital Budget. The re-direction of funds would increase budget amounts for certain projects and reduce amounts for others so that overall the Capital Budget would not be increased. Chairman Sanchez then asked for a motion to approve Resolution 20-09, Relating to Guaranteed Rated Field Fiscal Year 2020 Redirection of Funds. Motion to approve was made by Ms. Andolino and seconded by Mr. Bobins. Resolution passed unanimously.

Ms. Gorski reported that included in Tab 8 was the FY 2021 Preliminary Capital Budget. She stated that one of the larger projects includes perimeter upgrades related to security. Other items include parking lot repaving related to moving entrance for Parking Lot D. Another big item includes the Scoreboard Control Room. Ms. Gorski reported that some of the larger projects would be done over a number of years. Ms. Gorski also reported on the benefits of the LED lighting project which is also a multi-year project. Ms. Gorski stated that the Authority was getting rebates from Com Ed related to installation of LED lighting. Ms. Darling asked that Ms. Gorski provide written report regarding rebate amounts.

Item 9. Executive Session

Chairman Sanchez then stated that he would like to make a motion to go into Executive Session to discuss litigation matters which under Section 2(c) 11 of the Open Meetings Act may be discussed in executive session and to discuss Personnel Matters which under Section 2(c) 1 of the Open Meetings Act may be discussed in executive session and to review the minutes of the closed meetings which pursuant to Section 2.06(2) (d) may also be discussed in Executive Session. On the motion to go into executive session roll call was Ayes: Mr. Sanchez, Ms. Andolino, Mr. Bobins, Ms., Darling, Mr. Forde, Mr. Shalit; Nays: None.

Item 10. Matters Arising Out of Executive Session

Chairman Sanchez reported that after reviewing the minutes of the Executive Sessions from Regular Board meetings on May 26, 2016; December 12, 2016; April 18, 2017; May 18, 2017; September 17, 2017; December 7, 2017; February 15, 2018; May 10, 2018; September 20, 2018; and September 19, 2019 the Board members decided to keep minutes confidential.

Item 11. Other Business


Ms. Phillips Goodum reported that recently enacted legislation requires that all employers provide annual sexual harassment training to all employees. She reported that she would be researching training courses to provide the requisite training to Authority's employees and said she could include Board members that do not otherwise have that training provided through their respective companies. The Board members generally discussed training and agreed that all Board members should be notified of training that would be provided to employees.

Item 12. Adjournment

Chairman Sanchez adjourned the meeting at approximately 11:30 a.m.


Chairman, Manuel Sanchez

ATTEST:


Secretary, Leslie Darling