

**MINUTES OF THE REGULAR BOARD MEETING  
OF THE ILLINOIS SPORTS FACILITIES AUTHORITY  
December 9, 2021**

A meeting of the Board of Directors of the Illinois Sports Facilities Authority was held on December 9, 2021 at 9:30 a.m.

**Item 1. Call to Order**

The Chair called the meeting to order at approximately 9:30 a.m.

**Item 2. Roll Call**

Call of the Roll was taken, and the following members of the Board were present: Leslie Darling, Rosemarie Andolino, Michael Forde, Trisha Rooney, Coco Soodek and Tarrah Cooper Wright. Board member Norm Bobins participated via conference call. Frank Bilecki, P.J. Frayer, Dana Phillips Goodum, Maureen Gorski, Maria Saldaña and Russell Levine of the Authority's staff were also present at the meeting. In addition, John Corvino and Maacah Scott from the Chicago White Sox staff attended the meeting.

**Item 3. Approval of the Minutes**

Chair Darling called for a motion to approve the minutes of the Regular Board Meeting held on September 15, 2021. Ms. Soodek moved to approve, and Ms. Cooper Wright seconded. The minutes were unanimously approved.

**Item 4. Office Business**

Chair Darling noted that proposed Board meeting dates for 2022 were included in Board Book under tab 4 and asked Board members to let Ms. Frayer know if any of the proposed dates presented a conflict. Ms. Frayer stated that the Board meeting dates were required to be posted by the end of the year.

**Item 5. Chicago Park District**

Marty McAndrews and Tim LeFevour, representatives from ASM Global, the management company for Soldier Field, were asked to present proposed 2022 Soldier Field Capital Budget. Also present was Steve Lux, the CFO for the Chicago Park District. Mr. LeFevour presented the proposed one-year capital plan for Soldier Field. He highlighted that the Scoreboard Replacement project was one of the biggest items included in proposed plan. He asked if there were any questions. Ms. Andolino noted that to extent that the capital projects at Soldier Field were like projects at Guaranteed Rate Field, it could be beneficial for the Authority and the Park District to partner and perhaps achieve some savings related to those projects. Mr. McAndrews stated that certainly they could compare notes with Ms. Gorski, to determine if there are some things that could be coordinated to achieve some savings.

Mr. Steve Lux stated that there was one capital item that is not currently before the Board, but that they expect to come back with and that is a project related to the replacement of the hardware and software in the control room.

Ms. Phillips Goodum noted that within the capital plan submitted there is a reserve amount that can be used for additional projects and that there may be reserves left over from other periods.

Ms. Soodek asked whether expenditures for office computers and software upgrades were for the operation by ASM of Soldier Field or were for use by the Bears. Mr. LeFevour explained that it was for the operation of Soldier Field and that the Bears are responsible for their own capital expenditures.

Ms. Soodek also asked whether the planned capital improvements have been impacted by the publicly announced interest of the Bears to move to Arlington Heights. Mr. LeFevour indicated that at this point there really has been no impact to planned capital projects related to that announced interest of the Bears.

Chair Darling asked for a motion to approve Resolution 22-05, A Resolution Approving Reimbursement for Certain Capital Improvements to be undertaken by the Chicago Park District. Ms. Andolino moved to approve, and Mr. Forde seconded. Chair Darling called for a roll call vote.

A roll call vote was taken on the passage of Resolution 22-05.

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

*Nays: None*

*Abstention: None*

#### **Item 6. 2022 Capital Repairs/Improvements**

Ms. Gorski presented the status report of the 2022 Capital Projects. She noted the HVAC Air Handling Unit Renovation project for this year has been awarded to Oakbrook Mechanical and reported that the project included MBE participation of 34% and WBE participation of 28%. She also reported that the Elevator Modernization is in process and the project this year is to replace the freight elevator. Regarding the Video Surveillance project, she reported that it is ongoing and entails replacement of cameras and includes adding access controls to certain doors.

In connection with the Security Perimeter Upgrades she stated that for this year this work is around Gate 5 and includes installation of bollards and noted that WBE participation for this project was 6%. She noted it had been difficult to retain MBE concrete construction contractors for this phase of the work. She noted that Phase V, which is planned for July of 2022, will make up some of the MBE participation numbers. She reported that in terms of security, completing the security perimeter projects in phases was a sound practice and entire perimeter security would be completed by Phase VI.

Ms. Cooper Wright thanked Ms. Gorski for her report especially for the information regarding MBE/WBE participation related to each project. She also offered to make a connection with an organization called Hire 360 that is focused on investing and growing MBE/WBE firms and could assist in identifying MBE/WBE companies for some of the roles that the general contractors working on the Authority's projects are looking to fill.

Ms. Gorski generally discussed doing additional outreach to organizations representing MBE/WBE contractors which could include attendance at some of those organizations' meetings and she noted that in the past the Authority also hosted a meeting in the conference center for interested MBE/WBE firms and organizations representing such firms.

**Item 7. ISFA Audited Financials as of June 30, 2021**

Ms. Phillips Goodum reported that Mueller & Co., LLP, and Prado & Renteria performed the FY 2021 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 because of this, 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.

Mr. John Fedus introduced himself and Mr. Kevin Bissell from PKF Mueller & Co and Ms. Hilda Renteria from Prado & Renteria. Mr. Bissell briefly reviewed pages 1-3 of the audit report which described Management's Responsibilities and the Auditor's responsibilities and the opinions of the Auditors.

Mr. Bissell then reviewed the next section of the financials which included the schedule of the assets of the Authority as of June 30<sup>th</sup>. He highlighted that cash and cash equivalents were down approximately \$21.8 million due to COVID. He noted that hotel tax revenue receivable increased at year end from \$1.6 million in FY 2020 to \$5.6 million in FY 2021. He also noted that long-term assets are up from the prior year primarily due to stadium improvements.

Mr. Bissell then on went on to review schedule of liabilities. He indicated that accounts payable were up from last year primarily in the Comiskey Park Capital Improvement Fund. He noted that long term liabilities were up by \$10.8 million from year before and reported that the increase related primarily to debt issued in 2021. He highlighted that the fund deficit increased by \$14.6 million in total.

Mr. Bissell then went on to review the schedule of revenue and expenses noting that hotel tax revenues were down approximately \$27.6 million, due to the pandemic. As far as expenditures, he noted that FY 2021 expenditures were down \$22.4 from year before primarily related to the 2021 bond refunding, which reduced debt service.

Mr. Bissell then reviewed the schedule of Other Financing Sources noting that this is where issuance of the 2021 new debt is reflected and the related transfer of funds to pay-off refunded debt service.

Mr. Bissell then commented on the Notes section of the Financials which he explained provide information related to the organization of the Authority, establishment of funds and accounting policies. He noted that the Notes section includes discussion of some of the impacts of COVID-19. He stated that remainder of the Financial Statements included fund analysis that provide additional detail for information already covered.

Ms. Renteria then reviewed the letter from the dated October 25, 2021, 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.

Mr. Fedus then reported that as part of the audit the firm does consider the Authority's overall internal control over financial reporting, and if an issue related to internal control comes up the firm will document that in the internal control letter as a finding. He reported that there was one finding that they noted which is documented in the internal control letter dated October 25, 2021.

Chairman Darling asked for a motion to accept the Audited Financials, Mr. Forde moved to accept, and Ms. Cooper Wright seconded. Chair Darling called for a roll call vote to accept the Audited Financials.

A roll call vote was taken.

*Ayes: Chair Darling, Ms. Andolino, Mr. Bobins, Mr. Forde, s. Rooney, Ms. Soodek, Ms. Cooper Wright*

*Nays: None*

*Abstention: None*

#### **Item 8. Fiscal Year 2022 ISFA Operating Results through September 30, 2021**

Ms. Phillips Goodum stated the net financial results for the 1<sup>st</sup> quarter of fiscal year 2022 totaled \$14.6 million and were below budget by \$108.6k. Net results through September 30<sup>th</sup>, 2021, were mainly on par with budget with the exception of \$119.3k in bond refunding costs that resulted from the timing of the completion of the Series 2021 bond reoffering memorandum in fiscal year 2022, which were not anticipated in the budget. However, those costs were paid from the remaining bond cost of issuance dollars.

Ms. Phillips Goodum noted that Special Events had a negative revenue variance as a result of budgeting optimistically for an outdoor event which did not occur. However, she pointed out that this negative variance was partially offset by parking lot events and concession revenue from the annual Chicago Police versus Fire Department charity game.

Ms. Phillips Goodum noted that there had been operational savings of \$77.1K which was due to an open position as well as timing of office and professional fees.

In terms of hotel tax revenue, she reported and had exceeded the full prior year's net hotel taxes. She, however, stated that compared to pre-covid for similar periods, current hotel taxes are only at 43% of those prior year amounts. She reported that she had done some new FY 2022 hotel tax projections and the range of projected hotel taxes is now between \$27.9 million and that COVID remains an issue and hotel taxes have not yet recovered. As of November 30<sup>th</sup>, she reported that ISFA had net hotel taxes of \$11.9 million on a cash basis \$34.1 million, which she concluded is

not going to be enough to cover the \$57.3 million State Advance. She stated that she included in the financials a report of the Full FY 2022 Projection versus Budget. She noted the Appropriation Income line item is the amount that reflects the total projected difference between the Authority's Hotel taxes and the State Advance. Mr. Bilecki reported that the Authority staff has had conversations with the City's CFO and her staff related to these projections and potential shortfall. Mr. Bobins and other Board members stressed the importance of keeping the City informed of the projected shortfall.

Mr. Forde asked about the CWS fees and why they were coming in below budget and regarding professional fees wanted to know why those fees were above budget. Ms. Phillips Goodum explained that fees from the CWS were impacted by the subsidy calculation, which is based on using the CPI Index that had to be estimated at the time of the budget. She reported that actual CPI varied from estimated CPI and therefor impacted the calculation of actual fees from CWS. In terms of the professional fees, she stated that the cause of the budget overage was primarily related to the timing of construction- related professional fees.

Ms. Soodek initiated a discussion related to special events and marketing of Guaranteed Rate Field. Mr. Bilecki reported that he had started some outreach to organizations like Choose Chicago to promote not just Guaranteed Rate Field, but also CWS games which he reported were not listed on Choose Chicago website. Ms. Frayer reported that there are already some potential parking lot events in addition to the usual use of parking lots by the film industry. Board members generally discussed potential ways to market Guaranteed Rate Field and to do outreach to business executives and government officials.

Chair Darling asked Mr. Corvino and Ms. Scott to comment on end of season and perhaps to report on recently developments related to talks between the Baseball Players Association and management and the recently announced lock-out. Mr. Corvino noted that there was not much he could comment on related to the lock-out. He generally commented that there is some uncertainty related to Covid for the upcoming season.

#### **Item 9. Executive Session**


Chair Darling asked for a motion to go into an Executive Session to discuss the following matters that are allowed to be discussed in executive session under the following sections of the Open Meeting Act: litigation matters pursuant to Section 2(c)(11); Audit Matters pursuant Section 2(c)(29); Real Estate Matters pursuant to Section 2(c) (5) and review of Minutes of Closed Meetings pursuant to Section 2(c) (21). Mr. Forde moved to go into executive session, and it was seconded by Ms. Cooper Wright. Motion was unanimously approved.

#### **Item 10. Matters Arising out of Executive Session**


Chair Darling asked for motion to keep executive session minutes reviewed in executive session confidential. Mr. Forde moved, and Ms. Cooper Wright seconded. Motion was unanimously approved.

**Item 11. Adjournment**

Chair Darling adjourned the meeting at approximately 11:30 a.m.

  
Chair, Leslie Darling

**ATTEST:**

  
Secretary, Michael Forde