

**MINUTES OF THE REGULAR BOARD MEETING  
OF THE ILLINOIS SPORTS FACILITIES AUTHORITY  
May 15, 2023**

A meeting of the Board of Directors of the Illinois Sports Facilities Authority was held on May 15, 2023, at 2:30 p.m.

**Item 1. Call to Order**

The Chair called the meeting to order.

**Item 2. Roll Call**

Call of the Roll was taken, and the following members of the Authority were in attendance: Chair Leslie Darling, Aarti Kotak, Trisha Rooney and Coco Soodek. Board members Norm Bobins and Michael Forde attended via conference call and Board member Tarrah Cooper Wright was not in attendance. Also, in attendance were Frank Bilecki, 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.

**Item 3. Approval of Minutes**

Chair Darling called for a motion to approve the minutes of the Regular Board Meeting held on February 22, 2023. Ms. Soodek moved to approve, and Ms. Kotak seconded.

***Roll call vote was taken:***

*Ayes: Chair Darling, Mr. Bobins, Mr. Forde, Ms. Kotak, Ms. Rooney, Ms. Soodek*

*Nays: None*

*Abstentions: None*

**Item 4. Guaranteed Rate Field Renovations, Capital Repair & Improvements**

Ms. Gorski reported that the capital projects for FY 2023 had been completed. She also reported that the MBE/WBE report for calendar year 2022 had been submitted to the State. She stated that MBE/WBE participation for the calendar year was 28 percent participation for MBE's and 15 percent for WBE's. Ms. Gorski then gave an update on the status of rebates and incentives related to the LED Project. She reported that the project so far had resulted in \$728,000 worth of rebates and incentives.

Ms. Gorski reviewed the proposed FY 2024 Capital Projects budget. She stated that the proposed budget had not changed from the preliminary budget that she submitted to the Board at the February Board meeting. She indicated that the actual capital budget was part of the Authority's FY 2024 Proposed Budget under item 7 of the Board Book. Ms. Gorski reported that she was already in the process of getting some bids together to start work in July on those projects. Ms. Kotak asked about possible concerns related to price increases for any of the projects. Ms. Gorski indicated that costs had stabilized for the most part.

**Item 5. FY2023 ISFA Operating Results Through March 31, 2023**

Ms. Phillips Goodum reported the net financial operating results for FY2023 through March 31, 2023, totaled \$35.5 million with favorable variance of \$2.9 million, and noted that \$43 million in debt service was due in June. Ms. Phillips Goodum stated that she projected to end FY 2023 with \$1.8 million in net results and a favorable variance of \$2.1 million. In terms of revenue, she reported that net hotel taxes were performing well and within 3% of pre-pandemic numbers. In terms of expenditures, she reported that there was a favorable variance and noted that some of that favorable variance was due to the timing of capital projects at Guaranteed Rate Field.

In addition, she reported that the Authority's net hotel taxes were not expected to be sufficient by year-end to repay the FY 2023 State Advance and that the projected shortfall of approximately \$9.4 million would have to be covered by the City's LGDF. Ms. Phillips Goodum noted that the FY 2024 budget also included a projected shortfall and that going forward, without exponential hotel tax growth there could continue to be a shortfall due to the increase in annual debt service payments related to Soldier Field which made a debt term extension critical to maximize the anticipated restructuring benefits. Mr. Bilecki reported that he had some conversations with members of the new City administration and that they are aware of projected shortfalls. He stated that they are generally in support of legislation that would enable the Authority to extend the term of its bonds to reduce annual debt service payments and possibly eliminate projected shortfalls.

**Item 6. Insurance Renewal for 2023-2024**

Ms. Phillips Goodum stated that all the Authority's requisite types of commercial insurance coverage expire on March 15<sup>th</sup> of every year. She reported that she began gathering the necessary information in December and January and worked with the Authority's insurance brokers to ensure timely renewal and continuous coverage in March. She reported that the costs to renew all the types of insurance totaled \$1,068,148. She noted that page 2 of her report under Tab 6 included a Table that included a list of the insurance carriers, the types of insurance, costs for each and a cost comparison to the previous year. She highlighted that there was MBE/WBE participation in connection with the insurance brokerage services of 25 percent and 5 percent respectively.

Ms. Phillips Goodum noted that under the Management Agreement between the Authority and the White Sox the Authority was required to provide property insurance coverage for the full replacement value of Guaranteed Rate Field. She noted that for 2023/2024 that value had gone up to \$777 million. Ms. Phillips Goodum reported that currently the insured replacement value that was obtained from Affiliated FM Insurance was \$700 million. She stated that the broker was working to obtain a quote for the balance of the replacement value to comply with the Management Agreement.

She then introduced Jonathan Arnold and Rob Liss from Willis Tower Watson, PLC, the primary insurance brokerage company for the Authority. Mr. Arnold reported that the \$700 million in coverage was more than adequate coverage based on their internal modeling of different potential catastrophic events. He explained that Affiliated FM Insurance could only provide a maximum of \$700 million in coverage and that it would have to buy re-insurance for anything over that amount. Mr. Arnold reported that their internal decision was made to submit the insurance at the capped amount, but that Affiliated FM has no problem going back and increasing the coverage amount

once it was able to obtain the requisite re-insurance which will increase the overall costs to the Authority.

Chair Darling expressed that even if the \$700 million was adequate coverage, if the Management Agreement required coverage in the full replacement amount of \$777 million the Authority should get that amount of coverage. Ms. Phillips Goodum stated that it was her intention to obtain coverage for the full replacement value, but that for now she was asking that the Board approve renewal of insurance coverage which includes property insurance for the \$700 million. She noted that we needed time to get Affiliated FM to get re-insurance quotes for the amount in excess of the \$700 million.

Ms. Soodek wanted to know whether Affiliated FM was the best choice given it's \$700 million cap before re-insurance. Mr. (Arnold) reassured Board members that Affiliated is in a unique position in this market and that other insurers have lower amounts of coverage that they can insure before obtaining re-insurance.

Chair Darling stated that the Authority needed to be in compliance with the coverage required under the Management Agreement and the only question at this point was what the cost would be to get that additional coverage. She asked if there was a ballpark estimate of the costs. Mr. Arnold indicated that he did not have an estimate at this time but could get a quote within a month. Ms. Phillips Goodum stated that it was her intention to get the coverage for the full replacement value as early possible.

Mr. Arnold reviewed drivers of the increased costs in insurance premium, which he noted was due mainly to an increase in the premium for general liability and property insurance. He noted that the increase in property insurance premium was partially due to the open claim with Affiliated FM as result of the frozen fire sprinkler from last year and that the increase in general liability insurance premium was also due to claim activity.

Chair Darling called for a motion to approve Resolution 23-07, A Resolution Authorizing the Renewal of the Public Officials Liability Insurance and Commercial Casualty and Liability Insurance for the Authority. Ms. Kotak moved to approve, and Ms. Soodek seconded.

***Roll Call Vote was taken:***

*Ayes: Chair Darling, Mr. Bobins, Mr. Forde, Ms. Kotak, Ms. Rooney Ms. Soodek,*

*Nays: None*

*Abstentions: None*

In connection with approving expenditure for the additional premium to obtain property insurance coverage over the \$700 million, Chair Darling asked if there was a range. Mr. Arnold indicated that he thought it would be between \$50,000-\$100,000. Ms. Phillips Goodum indicated that there would be room in the budget to cover an amount up to \$100,000 and some of it would be covered by the hotel tax reserve. Chair Darling recommended that the Board authorize expenditure of up to \$100,000 to obtain the additional coverage and that Ms. Phillips Goodum report back to Board members the actual costs before obtaining the coverage. Ms. Kotak requested that information

regarding the cost be included in the September Board package. Chair Darling moved the adoption of her recommendation and Ms. Soodek seconded.

***Roll Call Vote was taken:***

*Ayes: Chair Darling, Mr. Bobins, Mr. Forde, Ms. Kotak, Ms. Rooney Ms. Soodek,*

*Nays: None*

*Abstentions: None*

**Item 7. FY2024 ISFA Proposed Budget**

Ms. Phillips Goodum stated that the Proposed FY 2024 Budget has a budgeted amount of \$76.6 million in expenditures. Ms. Phillips Goodum stated that debt service, trustees' fees and contractual obligations related to Soldier Field total \$65.1 million of total expenditures and represents about 85% of the proposed budget. She reported that expenditures related to Guaranteed Rate Field total \$8.5 million or 11.2% of the budget. She stated that budgeted operational costs were \$2.9 million representing 3.8% of the budget of which approximately \$1.1 million is related to commercial insurance costs.

In terms of revenues, Ms. Phillips Goodum reported that the budgeted amount of the Authority's hotel taxes was \$51.9 million and that the proposed State Advance of \$66.5 million was not projected to be paid back by the Authority's hotel taxes. She stated that there was a budgeted deficiency amount of \$14.5 million that would have to be covered by the City's LGDF. Ms. Phillips Goodum stated that Ordinance 23-01 includes approval of the operating and capital budget.

Chair Darling called for a motion to adopt Ordinance 23-01, An Ordinance Adopting the Budget for FY2024 Making Appropriations for the Ordinary & Contingent Expense of the Authority. Ms. Rooney moved for adoption of the Ordinance and Ms. Soodek seconded.

***Roll Call Vote was taken:***

*Ayes: Chair Darling, Mr. Bobins, Mr. Forde, Ms. Kotak, Ms. Rooney Ms. Soodek,*

*Nays: None*

*Abstentions: None*

**Item 8. FY2024 ISFA Chairman's Certificate**

Ms. Phillips Goodum stated that by June 1<sup>st</sup> the Authority is required to file its request for funding for FY 2024 with the State Comptroller and the State Treasurer. The request for funding is accomplished by filing the Chairman's Certificate. She stated that she recommended filing the Chairman's Certificate in the amount of \$76.515 million for FY 2024. She explained that the amount is comprised of a \$66.515 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 a little under the budgeted expenditure amount and that the balance of the budgeted amount of \$90.7k would be made up from the Authority's Hotel Tax Reserve.

Chair Darling called for a motion to approve Resolution 23-08, A Resolution Regarding the Filing of the Chairman's Certificate for FY 2024. Ms. Kotak moved to approve, and the motion was seconded by Ms. Soodek. Ms. Kotak wanted to understand why the Certificate amount was below

the expenditure amount. Ms. Phillips Goodum explained that she had to prepare and submit the Authority's budget annually to the State in October and estimate expenditures at that time. The estimate she submitted to the State in October of 2022 for FY 2024 was a little under the current amount in the FY 2024 budget.

Mr. Forde signed off from the meeting.

***Roll Call Vote was taken:***

*Ayes: Chair Darling, Mr. Bobins, Ms. Kotak, Ms. Rooney, Ms. Soodek,*

*Nays: None*

*Abstentions: None*

**Item 9. Other Business**

**Item 10. Public Comment**

None

**Item 11. Executive Session (if necessary)**

Motion was made to go into Executive Session to discuss personnel matters pursuant to Section 2 (c)(1) of the Illinois Open Meetings Act

**Item 12. Matters Arising Out of Executive Session**

None

**Item 13. Adjournment**

Chair Darling adjourned at approximately 4:00 p.m.

  
Chair, Leslie Darling

**ATTEST:**

  
Secretary, Michael Forde

*Minutes 5-15-23*