

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

September 20, 2023

A meeting of the Board of Directors of the Illinois Sports Facilities Authority was held on September 20, 2023, at 10:00 a.m.

Item 1. Call to Order

Chair Darling 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: Leslie Darling, Michael Forde, Coco Soodek, Tarrah Cooper Wright, Norm Bobins attended via telephone conference. Board member Trisha Rooney was in attendance but arrived after the Roll Call. Board member Aarti Kotak was not in attendance. Also present from the Authority's staff were Frank Bilecki, P.J. Frayer, Dana Phillips Goodum, Maureen Gorski, Russell Levine, and Maria Saldaña. 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 Board Meeting held on May 15, 2023. Ms. Soodek moved to approve, and Ms. Cooper Wright seconded. The minutes were unanimously approved.

Item 4. Prevailing Wage Act Determinations

Mr. Frank Bilecki reported that under the Prevailing wage Act, the Authority is required to annually ascertain and provide public notice of the prevailing hourly wages and fringe benefits applicable to public works constructions projects the Authority performs to maintain Guaranteed Rate Field. Mr. Bilecki reported that the Authority utilizes the Cook County prevailing wages rates, as determined by the Illinois Department of Labor. He stated that Resolution 24-01 requests that the Board adopt the prevailing wage rates, established by the Illinois Department of Labor retroactively effective for the period July 15, 2023, through August 15, 2023, and as updated and established on August 16, 2023. Ms. Darling called for a motion to approve Resolution 24-01, A Resolution Approving Current Rates Under the Prevailing Wage Act. Mr. Forde moved to approve, and Ms. Soodek seconded.

Roll call vote was taken

Ayes: Chair Darling, Mr. Bobins, Mr. Forde, Ms. Soodek and Ms. Cooper Wright.

Nays: None

Abstentions: None (Ms. Rooney was not present for this vote).

Item 5. Commercial Property Insurance Endorsement

Ms. Phillips Goodum reported that the commercial property insurance that the Board approved at its May 15th meeting was for a replacement value of \$700 million which was the maximum amount that Affiliated, the Authority's property insurer could underwrite without obtaining re-insurance.

Ms. Phillips Goodum noted that at the May Board meeting she had reported that the full replacement value of the property had gone up to \$777 million and under the Management Agreement with the Chicago White Sox, the Authority was required to obtain insurance for the full replacement value. Ms. Phillips Goodum reported that she obtained the additional \$77 million in coverage for an additional \$18,986. She also noted that all Board members were notified of the additional cost before insurance was bound on May 19, 2023.

Item 6 Fiscal Year 2023 Unaudited ISFA Operating Results

Ms. Phillips Goodum presented Fiscal Year 2023 Unaudited ISFA Operating Results. She stated that the pre-audit financial results totaled \$2.2 million and were favorable by \$2.6 million compared to budget. She summarized that the favorable results were due to the recovery of hotel taxes to pre-pandemic levels, better than budgeted investment income and overall costs savings. Ms. Phillips Goodum reported that the financial pages included in the Board Book for the year-ending FY 2023 reflected hotel tax revenue on a cash basis and noted that she had not received the final year end numbers from the Illinois Department of Revenue in time to incorporate those figures into the Board materials. She reported that the audited financials will reflect hotel tax revenues on an accrual basis. She also reported that after the audit began some expense adjustments were identified internally in the construction section that will decrease net results by \$200k. She stated that barring any other audit major adjustment, all other revenue and expenditure line items reported in the Board materials would be close to the final audit results.

Ms. Phillips Goodum also noted that although net hotel taxes increased significantly the Authority's tax collections were not enough to fully repay the FY 2023 State Advance amount and the State had drawn \$8.7 million from the City's LGDF to repay the difference.

As far as FY 2024, Ms. Phillips Goodum reported that net hotel tax revenues for year-to-date FY 2024 totaled \$17.8 million which exceeded the budget amount by \$2.8 million. Ms. Soodek asked for some clarification of the Chicago White Sox Maintenance Subsidy. Ms. Phillips Goodum explained that it was a requirement under the Management Agreement and offered to send her additional information after the meeting.

Item 7. Preliminary Fiscal Year 2025 Budget

Ms. Phillips Goodum reported that the Authority is required to submit its appropriation request to the State's Office of Budget and Management for FY 2025 in October of 2023. She stated that the appropriations request is based on amount of expenditures without regard to revenue. She said the preliminary budget she was presenting anticipates expenses of \$80.723 million. She summarized that over 90% of the costs are related to bond debt service and fees and contractual obligations.

Ms. Phillips Goodum noted that without legislative changes that would permit a debt service extension and a debt restructuring the Authority's hotel taxes are not projected to cover the necessary State Advance that would be requested. She stated that the anticipated shortfall for FY 2025 that the City's LGDF would have to cover is \$15.3 million. Mr. Bilecki informed the Board that the City was aware of the projected shortfall for both FY 2024 and FY 2025 and that he had discussed proposed legislation that would allow for the extension of the debt service and restructuring with key members of the City's administration. He noted that they were in support

of the legislation. He also noted that passage of the legislation would depend on whether the City made it a priority.

Item 8. Guaranteed Rate Field Capital Repairs

Ms. Gorski presented the FY 2024 Status Report for Guaranteed Rate Field Capital Repairs. She reported that she was well underway with the process to commence the capital repairs project and anticipated that some would start on October 2nd. She highlighted that in connection with HVAC the Authority had received responses from three qualified bidders with bids that were within 4%. She said that all three had MBE/WBE above the Authority’s goals and noted participation ranged from 56% to 81%.

Ms. Gorski reported that there were two resolutions before the Board. Resolution 24-02 authorizes carryover of FY 2023 projects and budget amounts to FY 2024. Resolution 24-03, she stated authorizes a redirection of funds within the FY 2024 Capital Budget.

Chair Darling asked for a motion to approve Resolution 24-02, a Resolution Relating to Guaranteed Rate Field Fiscal Year 2023 Redirection of Funds and Resolution 24-03, a Resolution Relating to Guaranteed Rate Field Fiscal Year 2024 Redirection of Funds. Mr. Forde moved to approve, and Ms. Rooney seconded.

Roll call vote was taken

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

Nays: None

Abstention: None

Item 9. Other Business

Chair Darling noted that at the last Board meeting, the Board discussed extension of Mr. Bilecki’s employment contract and the Board had agreed to extend Mr. Bilecki’s appointment as its Chief Executive Officer. Chair Darling stated that Resolution 24-04 authorizes extension of Mr. Bilecki’s employment contract along the lines discussed by the Board. Chair Darling asked for a motion to approve Resolution 24-04, a Resolution Approving and ratifying Execution of an Employment Agreement for Chief Executive Officer. Ms. Soodek moved to approve, and Ms. Cooper Wright seconded.

Roll call vote was taken

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

Nays: None

Abstention: None

Ms. Phillips Goodum reminded the Board members of the annual Sexual Harassment training required by both the State and the City and stated that they would be getting an email from Kantola with links for the online training. She noted that the deadline for complying with State requirement was December 31st and for the City was July 31st, but that training for both would be provided at this time.

Mr. Corvino reported that this season has been very disappointing, and that Chairman Reinsdorf has acknowledged as much and had made some well publicized personnel changes. Mr. Corvino noted that there had been some other events at the ballpark like the shooting incident and the reckless car driver incident on 35th Street, earlier this year. He said that that they had reviewed both incidents and staff at the Chicago White Sox had reacted appropriately.

Mr. Bilecki reported that thanks to some of the decisions that were made by the Board and the hard work of Ms. Dana Phillips Goodum, S&P had announced a two-notch upgrade to the Authority's credit rating. The ratings went from a BBB minus to a BBB plus. He noted that among the reasons given by S&P for the upgrade was the decision to request the full amount of the Chairman's Certificate and preserve the Authority's reserves.

Mr. Bilecki reported that the Authority hosted its first concert in several years on September 7th and 8th. The performer was a group known as RBD and its promoter was Live Nation. He stated that there was great attendance and although he did not have the final numbers yet, it no doubt was going to be a financial success for the Authority. He noted that key individuals that we worked with at Live Nation had emailed to thank the staff of the Authority and the Chicago White Sox and expressed an interest in working together in the future. Mr. Bilecki also highlighted that he had already been in touch with another promoter representing a well-known band for a potential future opportunity to perform at Guaranteed Rate Field.

Chair Darling thanked staff and Mr. Bilecki for bringing a concert to the stadium. She emphasized that the relationship with Live Nation would no doubt be important for future opportunities.

In terms of other events, Mr. Bilecki reported the Authority had hosted the Annual Chicago Police Department vs. the Chicago Fire Department Charity Baseball Game, the CPS All-Star game and events in the parking lots including a Canine event. Mr. Bilecki also reported that the Hollywood writer's strike had a negative impact on revenue from the parking lots since the Authority annually leases out the lots in connection with production of some TV shows. He noted that it was not a huge amount, but still reduced overall revenue.

Mr. Bilecki reported he and staff were working on potentially hosting a holiday drive through in the parking lots this year and that there were other events involving lot rentals in initial planning stages.

Mr. Bobins mentioned an article in the Sun Times related to potential development of the parking lots and asked whether anyone knew where that was coming from. Mr. Bilecki stated that he saw the article and said that it was a result of something that Mr. Cox, the outgoing Commissioner of the City's Planning Development, mentioned. He also noted that there had been some recent article in the news that mentioned that the lease with Chicago White Sox was up in six years and some speculation regarding what is next for the ballpark is bound to happen.

Item 10. Public Meeting

No Public Comment

Item 11. Executive Session

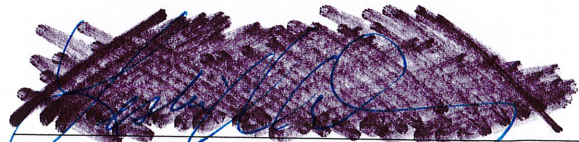
Chair Darling asked for a motion to go into Executive Session to discuss litigations matters which under the Open Meetings Act Section 2(c)(11) maybe discussed in executive session and to discuss security matters which under Section 2 (c)(8) of the Open Meetings Act may be discussed in executive session. Motion was made by Ms. Cooper Wright and Ms. Soodek seconded. Motion was unanimously approved. Chair Darling stated that staff was welcome to stay for executive session.

Item 12. Matters Arising out of Executive Session

None

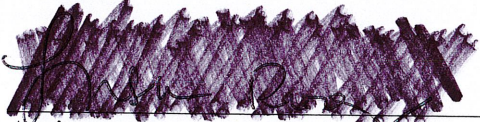
Item 13. Adjournment

Chair Darling adjourned the meeting at approximately 11:15 a.m.



Chair, Leslie Darling

ATTEST:



Assistant Secretary, Trisha Rooney