

Date: July 12, 2022

To: William Hobert, Chair
Peter Amaro
Drew L. Beres
James J. Fuentes
Arlene A. Juracek
Roxanne Nava
George Obernagel

Roger Poole
Timothy Ryan
Michael Strautmanis
Eduardo Tobon
Jennifer Watson
Randal Wexler
Bradley A. Zeller

From: Christopher B. Meister, Executive Director

Subject: *Message from the Executive Director*

Dear Member of the Authority:

Partnership with the Office of the State Fire Marshal to Benefit Local Property Taxpayers

Under State law and an existing intergovernmental agreement, the Authority and the ***Office of the State Fire Marshal*** (“OSFM”) have long partnered to administer the Fire Truck Revolving Loan Program, the Fire Station Revolving Loan Program¹ and the Ambulance Revolving Loan Program (collectively, the “Programs”).

Through low- and zero-interest loans to support essential life safety investments by local governments across Illinois, OSFM and the Authority have helped to relieve the burden of hard-pressed local property taxpayers. Since 2005, OSFM and the Authority have underwritten, administered, and funded 254 loans for fire trucks and ambulances under the Programs in an aggregate amount of approximately \$44.7 million. The Authority also invests funds available, but yet to be deployed, on behalf of the Programs. In fact, the Authority has currently invested approximately \$29 million of funds that are otherwise available for funding loans under the Programs, and such amount represents approximately 23% of the Authority’s \$124 million net position. While OSFM and the Authority have partnered to improve the Programs from time to time, both OSFM and the Authority agree there is more work to do. For example, recent changes to State law have inadvertently challenged the revenue supporting origination of new loans under the Programs. Moreover, both OSFM and the Authority recognize that the Authority has long subsidized the administration and servicing of loans funded under the Programs – a commitment that is challenging to maintain during austere times for the Authority.

Nonetheless, life safety issues are always a priority for our Illinois communities, and accordingly, both OSFM and the Authority anticipate opening the application process to fund new loans under the Programs in the near future. In advance of accepting new applications, today the Members will consider a Resolution authorizing and approving the execution and delivery of an additional Intergovernmental Agreement under which OSFM will make a one-time payment of \$150,000 to the Authority to cover the Authority’s operational expenses pertaining to administering and servicing the Programs for the

¹ To date, no loans have been made under the Fire Station Program.



fiscal year ending June 30, 2023. The additional Intergovernmental Agreement on today's agenda was made possible by the work of recently retired Illinois State Fire Marshal Matt Perez, who both understood the importance of the Programs to life safety in our State's diverse communities and the Authority's revenue challenges during these difficult times. Governor Pritzker best described Matt Perez's service to the people of Illinois as:

“an outstanding Fire Marshal for all of Illinois, serving through administrations on both sides of the aisle and championing districts urban and rural alike. . . His decades in service offer an example of excellent for public servants across government . . . his mark on the Fire Marshal's office will long outlast his time in office thanks to his leadership and mentorship.”

The Authority thanks Matt Perez for his contribution to the future success of the Programs and we look forward to continuing our partnership with OSFM on the Programs.

Beginning Farmer Bonds

Today's agenda features a bank-purchased bond issue in the amount of \$575,400 that will enable a beginning farmer to acquire approximately 48 acres of farmland in Livingston County.

Amendments

The Authority will also consider amendment resolutions for *American College of Chest Physicians* and *Nazareth Academy*. Such amendments will provide the Borrowers the flexibility to switch the interest rate borne on the bonds from LIBOR to the Secured Overnight Financing Rate published by the Federal Reserve Bank of New York.

Election of a Vice Chair of the Illinois Finance Authority

On the agenda for Member consideration is a resolution approving the election of a Member to the office of Vice Chair of the Authority. The elected Member will serve for a one-year term.

Thank You for Your Service, Jeffrey Wright

Effective June 30, 2022, Jeffrey Wright resigned as a Member of the Authority. We appreciate that Jeffrey dedicated more than three years of his time to serving the Authority, the State, and the People of Illinois. We will miss Jeffrey and wish him well as he pursues his next chapter.

Respectfully,

Christopher B. Meister
Executive Director