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CHICAGO INFRASTRUCTURE TRUST
BOARD MEETING
CITY OF CHICAGO

BOARD MEMBERS:

MR. JAMES BELL, Chairman
(appeared telephonically)

MS. DIANA FERGUSON
ALDERMAN JOHN POPE
MR. DAVID HOFFMAN
MR. JORGE RAMIREZ

ADVISORY BOARD MEMBERS:

ALDERMAN LATASHA THOMAS
MS. MARYSUE BARRETT
MR. TOM VILLANOVA
MR. DAMON SILVERS (appeared telephonically)

January 10, 2013
10:00 o'clock a.m.
Chicago Cultural Center
75 East Washington
Garland Room, 5th Floor
Chicago, Illinois

1 ALDERMAN POPE: Good morning, everyone.
2 It's a little bit after 10:00 o'clock so we're
3 going to call the meeting order.

4 We do have present today all the
5 Board Members. By telephone, however, we have
6 Chairman Bell present. James, can you hear us?
7 James, can you here us?

8 CHAIRMAN BELL: Yes, I can.

9 ALDERMAN POPE: I just wanted to ensure
10 that you were present. Very good.

11 CHAIRMAN BELL: I'm here.

12 ALDERMAN POPE: Welcome, everyone.
13 Happy New Year. Hope you have a very productive
14 and safe holiday.

15 The first agenda item is
16 organizational matters and approval of the
17 minutes from December 6th, 2012.

18 I believe everyone has a copy of the
19 minutes, had a chance to review those. Any
20 corrections?

21 I think I did notice the absence of
22 Board Member Ramirez's name from Page 1, so if
23 we can add that minor correction. I know you
24 were present.

1 MR. RAMIREZ: I had mentioned that.

2 ALDERMAN POPE: Any other suggested
3 changes?

4 (No response.)

5 Do I have a motion to approve?

6 MR. HOFFMAN: So moved.

7 MS. FERGUSON: Seconded.

8 ALDERMAN POPE: The ayes have it.

9 The next item on the agenda is the
10 announcement and introduction of Advisory Board
11 Members. Just as a reminder, the Board formally
12 consists of the five Members here today, in
13 addition to six other Advisory Board Members,
14 Board Members who do not have voting privileges,
15 but I think, James, you're going to speak a
16 little bit about this matter, if you would.

17 CHAIRMAN BELL: Well, I think all I'd
18 like to say is that we are delighted to have the
19 other Members from business that will augment
20 the talents that are currently on this
21 Infrastructure Board to help us to really work
22 hard on trying to figure out how to be
23 innovative and find new ways to accelerate the
24 financing of the infrastructure activities here

1 in our City.

2 And with that, I just want to
3 welcome all the Board. John, I'll turn it back
4 over to you since you're there to actually
5 introduce them.

6 ALDERMAN POPE: Well, thank you, James.
7 With us today we do have three of the Advisory
8 Board Members, Tom Villanova, Latasha Thomas and
9 Mary Sue Barrett. I would like to personally
10 thank you and welcome you for your time, your
11 effort and your ongoing commitment. You're no
12 strangers to work here in Chicago.

13 If you have any comments, you're
14 more than welcome.

15 MR. VILLANOVA: Thank you. Thank you
16 for welcoming us. Thank you for allowing me to
17 be on the Board.

18 ALDERMAN POPE: Thank you, Tom.

19 ALDERMAN THOMAS: I just look forward
20 to the hard work and getting things done for our
21 communities.

22 MS. BARRETT: I would echo those
23 comments. Mary Sue Barrett, Metropolitan
24 Planning Council.

1 Our mission includes working on
2 solutions that make this region more competitive
3 and livable so finding funding for modernization
4 of infrastructure is a top priority.

5 ALDERMAN POPE: Again I thank you and
6 thank you for your very direct comments. We
7 also have three other Members who are not with
8 us today, Damon Silvers, David Dohnalek and
9 Stephanie Neely who serves as the City
10 Treasurer. So that would comprise the six total
11 Advisory Board Members.

12 MR. RAMIREZ: Mr. Chairman, do we have
13 any of those Members participating
14 telephonically?

15 ALDERMAN POPE: No, James is the only
16 one participating telephonically today.

17 MR. SILVERS: I'm sorry, this is Damon
18 Silvers. I'm on the phone.

19 ALDERMAN POPE: Damon, I apologize.
20 Damon, welcome. Would you like to say anything?

21 MR. SILVERS: Only that I'm very
22 honored to be asked to help with this project
23 and like the other Members of the Advisory Board
24 am deeply committed to making this a great

1 success.

2 ALDERMAN POPE: Very good. Thank you,
3 Damon. Appreciate it.

4 Any other questions or comments
5 regarding that matter?

6 MS. FERGUSON: Welcome.

7 ALDERMAN POPE: Let's get to work,
8 right?

9 The next item is the status of the
10 directors and officers liability insurance. I
11 believe, Diana, you have an update for us.

12 MS. FERGUSON: I will take that. Thank
13 you, Mr. Chairman.

14 Since the last meeting we have
15 continued work with our insurance underwriter,
16 Risk Strategies. We have responded to requests
17 for information from potential underwriters and
18 believe we're in a position to move to a firm
19 quote and negotiate the actual terms and
20 conditions in the next couple of weeks.

21 So we have made good progress and
22 believe we will be in a position to implement
23 the policy in the next couple of weeks, and
24 importantly, it will include -- both the Board

1 Members and the Advisory Board Members are
2 included in our D&O policy. So that should be
3 in place in the next couple of weeks.

4 ALDERMAN POPE: Very good. Any
5 questions for Diana?

6 (No response.)

7 Excellent.

8 The next agenda item is approval of
9 payment for transaction services for the
10 December 6th, 2012 meeting, I think specifically
11 the court reporting. Diana?

12 MS. FERGUSON: Mr. Chairman, I am in
13 receipt of an invoice for the court reporter
14 services from the last meeting, and with the
15 Board's approval, it is an invoice that I
16 believe is reasonable and customary, and we will
17 proceed to payment.

18 MR. RAMIREZ: Motion.

19 MR. HOFFMAN: Second.

20 ALDERMAN POPE: Motion and seconded.

21 All in favor?

22 (A chorus of ayes.)

23 The ayes have it.

24 The next item on the agenda, Item 3,

1 is Retrofit Chicago update. As most of you
2 recall at least month's meeting we had a very
3 informative presentation about the various
4 projects under consideration for the retrofit,
5 including speaking points by the Department of
6 Law, the Water Department and FFM.

7 I believe at this point we have Tom
8 Morsch, one of our advisors, from PFM to give us
9 an update on that matter.

10 MR. MORSCHE: Good morning, everyone.
11 Thank you very much.

12 ALDERMAN POPE: Good morning, Tom.

13 MR. MORSCHE: As you indicated, at the
14 December meeting the City I think provided a
15 very extensive and exhaustive review of the
16 potential project to fund energy improvement
17 projects via the Trust, if possible.

18 At the last meeting we indicated
19 that we would be proceeding forward with the
20 process to engage potential investors and
21 private parties in that process. We've been
22 working with the City of Chicago to develop some
23 solicitation documents.

24 The Advisory Board Members I don't

1 believe received those, but the Board Members
2 all received documents, draft documents back in
3 December, at least they are in draft form. We
4 welcome any of your comments on those documents.
5 I'm happy to kind of give you a quick overview
6 of what they are.

7 There's an RFQ that asks investors
8 to provide -- demonstrate the level of interest
9 in the projects, No. 1; and, No. 2, to give us
10 specific feedback with respect to the proposed
11 projects and how they might be engaged with the
12 Trust and with the City to effectively finance
13 those projects.

14 So we're doing this in a very kind
15 of open and public manner to get that input.
16 We'll be getting those -- it's our proposal if
17 you approve the RFQ that we would be posting
18 that on the Infrastructure Trust website and we
19 will -- we will also be developing a press
20 release to make sure that we can disseminate
21 this really far and wide to potential parties,
22 interested parties and investors to get their
23 feedback from the project and see what we might
24 do about moving forward with something in the

1 future.

2 With that I'm happy to field
3 questions from Board Members who have reviewed
4 documents or any questions they have about the
5 documents.

6 ALDERMAN POPE: Tom, can you remind us
7 of the partners or investors who will be part of
8 this and the diversity that we're targeting and
9 maybe not the traditional partners and other
10 type of projects, ESCOs for example?

11 MR. MORSCH: Yes, very good point,
12 Alderman.

13 Yes, traditionally these have been
14 targeted towards companies that are specifically
15 involved in the energy efficiency projects. In
16 this case, we have a very broad list developed
17 of potential investors that include everything
18 from private equity investors to foundations and
19 not-for-profits and others.

20 We also are adhering to all the
21 goals of the City with respect to diversity, and
22 we really want to go on the record here to make
23 sure that we're underscoring that as an
24 important component here and that I think is

1 built into the document as well.

2 So we're going to be looking for
3 that kind of diversity both from investor based
4 as well as talents of firms and companies to
5 respond to provide feedback.

6 Now, this isn't an official
7 solicitation that we're -- you know, we're not
8 picking somebody. What we're doing is we're at
9 the beginning of a process and we're at the
10 beginning of the process to help formulate a
11 structure that multiple parties would have an
12 interest in providing proposals to down the
13 road.

14 ALDERMAN POPE: And it's my
15 understanding that as much as we're looking to
16 solicit them to participate, we're looking to
17 gain information and knowledge about best
18 practices of how to make this Trust as effective
19 as possible; is that correct?

20 MR. MORSCH: Absolutely.

21 ALDERMAN POPE: Any other questions?

22 CHAIRMAN BELL: John, I have one
23 comment I'd like to make relative to this RFQ.

24 ALDERMAN POPE: Yes.

1 CHAIRMAN BELL: I think that the thing
2 that we all should be aware of is that
3 essentially this RFQ has in it the mandate
4 that's in the ordinance for the Trust in terms
5 of what, you know, our limitations are and
6 things that we need to comply with. That's
7 embedded in this document. So that's one piece
8 of it in terms of the deal structure.

9 The second piece of it has the
10 desires of the City which have been public --
11 the public comments on what they're looking for
12 to transfer the risk of some of these projects
13 and doing it in a way though that makes good
14 business sense.

15 And so what we've tried to do is
16 working together with the City and our advisors
17 is to prepare a document that would go out to
18 the market and really do two things.

19 One, hopefully identify those
20 investors that are really qualified to
21 participate in programs like this; and, two,
22 this is important, you know, to help us decide
23 if the definition of the deal that is embedded
24 in this document is one that would bring market

1 interest; and, if not, they will provide us
2 feedback on what we need to do to modify it as
3 we move to the next step so that it does
4 generate the kind of market interest we'd like
5 to see.

6 ALDERMAN POPE: I agree, and I'd like
7 to add, I'm sure I get compliance with Alderman
8 Latasha, or concurrence, that it's in our
9 interests to remind everyone that these assets
10 would remain with the public sector.

11 We're not selling off any assets.
12 They remain the asset, for example, of the City
13 of Chicago or the Chicago Public Schools.
14 Certainly I know Latasha and I are very happy to
15 hear that all the City requirements will be met
16 in terms of minority and disadvantaged
17 businesses, et cetera.

18 And, of course, we'd like to shift
19 some of the risk that the City has traditionally
20 incurred with these projects on to the private
21 sector.

22 Any other questions or comments of
23 Tom?

24 MR. HOFFMAN: I've got some questions.

1 First let me say to you and the folks at PFM and
2 the folks at Kirkland and the folks at the City
3 and Akashia (phonetic) who we know have worked
4 very hard together over the last month or so to
5 put this document together that we appreciate
6 these efforts, especially the collaboration. I
7 think that was great.

8 Let me echo a comment that John made
9 about the dual purpose of this both to seek
10 qualifications from potential investors and also
11 to seek information.

12 As you know from our conversations,
13 the seeking of information here is really
14 important to me, and I would ask that when the
15 Trust and the City issue a press release or any
16 sort of public statement that accompanies the
17 issuance of this, we should stress that.

18 In addition to the fact that it's an
19 RFQ, we should stress that we are soliciting, as
20 the document clearly sets out, information, and
21 I noted and I agreed that in one of the
22 statements here that says that that is the
23 primary purpose, the principal purpose for the
24 RFQ then is to solicit information.

1 Since this is a relatively
2 unprecedented thing we're doing, that
3 solicitation of information from a wide variety
4 of sources can only help us. It's really
5 important at this stage. So I appreciate that
6 that's in there and I ask that you stress it.

7 I just want to ask some questions
8 about the -- to clarify the qualifications
9 process and what will help next. So it's my
10 understanding that this lays out for potential
11 investors who are interested, they are going to
12 be submitting qualifications and then there's
13 going to be some sort of joint process between
14 our advisors and the City to judge those
15 qualifications; is that right?

16 MR. MORSCHE: Yes.

17 MR. HOFFMAN: Okay. And then down the
18 road we'll be issuing an RFP?

19 MR. MORSCHE: If we determine that there
20 is a transaction that could occur that could
21 meet the goals of the Trust and the City then we
22 would move to the next step.

23 MR. HOFFMAN: And that would be an
24 RFP?

1 MR. MORSCHE: That would be an RFP or
2 something similar to an RFP. Potentially it
3 would be a bid document, yes.

4 MR. HOFFMAN: And that document, an RFP
5 or something like that, would be much more
6 concrete and specific about what a transaction
7 would likely look like and it would go to
8 potential investors?

9 MR. MORSCHE: Very much so. That's the
10 purpose of this document is to see if we can
11 combine the ideas of both the -- ideas that meet
12 the Trust's objectives and the City's objective
13 as well as investor objectives to see if we can
14 bring that kind of structure together.

15 MR. HOFFMAN: And that RFP would only
16 be people who have been -- only firms who have
17 been qualified pursuant to our RFQ process at
18 some point would be able to respond to that RFP,
19 is that correct, or could anyone in the world
20 respond to the RFP?

21 MR. MORSCHE: This document does not
22 address what would be the requirements on a
23 further RFP, but I think that best practices are
24 and certainly our discussion is to be as

1 inclusive as possible here. We're not trying
2 to, you know, set rigid rules that prohibit
3 people that have good ideas to bring to bear to
4 the process.

5 So as we're conducting this process
6 in an open and transparent manner, we'll
7 continue to do future, you know -- we're not
8 going to close the door on a certain day and say
9 you can't talk to us anymore. We're just going
10 to keep that door open, but what's not going to
11 change is the requirements, so people need to
12 have minimum requirements to engage with us in
13 this dialogue.

14 They need to meet financial
15 requirements, they need to have technical
16 capability, and they need to make -- they need
17 to meet disclosure requirements with the City
18 and diversity requirements first and foremost
19 and the other things that Alderman Pope has
20 indicated.

21 MR. HOFFMAN: Let me just ask some
22 questions to make sure that the public, the
23 market and I sort of understand the process.

24 So on Page 7 there's a category of

1 establishment of pool of qualified financial
2 partners, and it says, "the Trust plans to
3 establish an open pool of qualified financial
4 partners, known as the pool. As a result of
5 this RFQ, potential financial partners included
6 within the pool will be invited to participate
7 in information sessions conducted by the Trust
8 and the City. You'll get access to a data room.

9 "Subsequent to initial establishment
10 of the pool, admission to the pool will be
11 permitted for additional qualified financial
12 partners using the same application and approval
13 process described within this RFQ. There's no
14 preestablished end date for admission to the
15 pool following its initial establishment."

16 So let me just tell you what I
17 understand. I may have misunderstood it, but I
18 just want to make sure for purposes of clarity
19 publicly I thought it would be helpful to say
20 that.

21 So what I understand is if you -- in
22 the future if you want to bid on or respond to
23 an RFP or something similar, at some point
24 you've got to get into this qualified pool.

1 One way to do that is to respond to
2 this document, this RFQ and see if your
3 qualifications are accepted, but even if you
4 don't, if you decide not to respond now, there
5 would be an opportunity in the future to go
6 through that same RFQ process, but at some point
7 you have to get into the pool in order to be
8 able to respond to the RFP; is that right?

9 MR. MORSCHE: Yes.

10 MR. HOFFMAN: Okay. Great.

11 MR. MORSCHE: You described it very
12 well.

13 MR. HOFFMAN: Okay. Good.

14 MR. MORSCHE: And that's the intent.

15 MR. HOFFMAN: Thank you.

16 MR. MORSCHE: You're welcome.

17 Any other questions by the Board
18 Members?

19 (No response.)

20 I think it's safe to say, I mean,
21 Kirkland and -- both Kirkland & Ellis and
22 yourselves have reviewed the documents. They
23 are in draft form and what you got is draft
24 form, so I would encourage any of you in your

1 fine reading of the document, if there are any
2 comments that you want to make, you still have
3 an opportunity to make that as Board Members.

4 I would suggest though that the
5 material terms of the document are probably
6 pretty well good, not hearing any other
7 objections or discussion from Members.

8 We'll be moving over the next day
9 or so to finalize this document, develop the
10 press documents that I talked about, and move
11 forward with getting this out into the
12 marketplace.

13 We're excited to be anticipating
14 responses and being able to come back and chat
15 with you about what it is, in fact, the
16 marketplace is saying about this and how we're
17 positioned.

18 MR. HOFFMAN: Should we --
19 Mr. Chairman, should we move to accept this?
20 You know, this has been provided to us in
21 advance. I've had the chance to review it and
22 as clarified by Tom, I'm certainly comfortable
23 with it being sent out.

24 Obviously they'll have the

1 opportunity to fine tune it as they see fit
2 before it gets out publically, but would it be
3 helpful for them to have our approval to go
4 forward with it as long as it doesn't change in
5 any material way?

6 ALDERMAN POPE: I think so. That
7 sounds like that's a motion to accept the RFQ as
8 it's written along with the term sheet and allow
9 it to be moved forward with our partners.

10 MS. FERGUSON: I'll second it.

11 ALDERMAN POPE: Seconded. All in favor
12 say aye.

13 (A chorus of ayes.)

14 Against?

15 (No response.)

16 Motion carries.

17 Tom, one last question regarding
18 that. I'll hold that question. Thanks.

19 MR. MORSCH: Okay. Thank you very
20 much.

21 ALDERMAN POPE: Thank you, Tom.

22 The next item on the agenda is the
23 opportunity for public comment.

24 MR. HOFFMAN: Before we move to that, I

1 didn't -- is there -- are we hearing from the
2 City at all today on retrofit?

3 ALDERMAN POPE: I don't believe so.

4 MR. HOFFMAN: Let me -- Before we get
5 off this agenda item though let me have a
6 little quick colloquy with Lois and David on
7 something.

8 So the last time one of the City
9 agencies that appeared before us was CPS, and
10 one of the things that both Diana and I asked
11 them about was any information that had been
12 provided to potential bond investors or to
13 ratings agencies relating to this, and Pat
14 Taylor said yeah, we'll send you anything that's
15 been provided.

16 I don't think we've been -- we've
17 received anything from them, and if that means
18 that the answer is that nothing has been
19 provided to rating agencies at all or to
20 potential bond investors, great, but if --

21 MR. WINTERS: We'll verify that one way
22 or the other.

23 MR. HOFFMAN: I'm sorry?

24 MR. WINTERS: We will verify that or

1 we'll get you the information that you have
2 requested.

3 MR. HOFFMAN: Would you? If you
4 wouldn't mind giving us a response by the end of
5 next week.

6 MR. WINTERS: Absolutely.

7 MR. HOFFMAN: If there's a need for
8 more time, let us know.

9 Similarly let me just state that you
10 may recall I asked her some questions about
11 whether there were any statements, assumptions,
12 promises in their budget about whether
13 infrastructure funds were going to be used and
14 she said they were not.

15 Shortly after I got an email from a
16 reporter saying that wasn't the case and their
17 budget did, in fact, contain that information.
18 I was a bit dismayed to have to get that from a
19 reporter.

20 In the spirit of just being
21 productive, constructive, if you could pass on,
22 since they're not in front of us today, that we
23 would like them to correct whatever information
24 they need to regarding what's been put in their

1 budget, and then in the future if they're asked
2 questions about their budget that we expect them
3 to be ready to answer those questions about what
4 they have said about the Trust, the Trust
5 financing in their budget.

6 MR. WINTERS: Absolutely.

7 MR. HOFFMAN: If you can tell them
8 that's a related question to the information
9 provided to the rating agencies and the
10 potential bond investors.

11 I want to make sure we're informed
12 about what statements the agencies who come
13 before us have previously made about us and our
14 financing.

15 MR. WINTERS: Understood.

16 MR. HOFFMAN: Thank you very much.

17 Thank you, Mr. Chairman.

18 ALDERMAN POPE: Thank you.

19 Again any other questions before we
20 move to the opportunity for public comment?

21 (No response.)

22 There's one individual who has
23 signed on for public comment. I believe Tom
24 Tresser. Tom, are you here? Do you wish to

1 speak?

2 MR. TRESSER: Yes.

3 ALDERMAN POPE: Please approach the
4 microphone. Again if you can for the record
5 introduce yourself, your name and any
6 organization that you're with for the court
7 reporter.

8 MR. TRESSER: Good morning. My name is
9 Tom Tresser. I'm a volunteer with the Civic
10 Lab, and I'm an organizer and educator in
11 Chicago. Good morning to the Members of the
12 Trust and whoever is on the phone.

13 So one question I have about this
14 public process is the record that's being
15 created here by the stenographer, is that
16 something that's available online for free as a
17 pdf?

18 ALDERMAN POPE: Yes, it is, Tom. The
19 Trust has a website, ChicagoInfrastructure.org
20 and on that are the minutes, the agendas, a
21 variety of information. Approved minutes, I'm
22 sorry.

23 MR. TRESSER: Awesome.

24 One of the things that seems to have

1 come up in the creation of this Body is the
2 question of what services are going to be
3 rendered by the investors depending on the
4 project.

5 So whatever it's going to be, if
6 it's the retrofit or the rapid transit bus line,
7 I guess what I'm looking for at some point is an
8 articulation of what exactly the public is going
9 to get for this exchange.

10 We're potentially giving monopoly
11 rights to some set of vendors or owners for
12 providing services to us, whether it's the rapid
13 transit bus line or some other project down the
14 line.

15 In return, those investors
16 presumably are going to be making profit, and
17 what I'm looking for is some kind of an easy to
18 understand understanding of what it is being
19 given to us and what it is these investors are
20 going to be making, what are they getting
21 guaranteed.

22 I have heard a lot about risk, that
23 we're transferring risk, but the recent
24 financial collapse has shown us that the private

1 sector doesn't seem to be bearing much risk.
2 When they need help, we, the public, bail them
3 out.

4 There's a lot of I think uneasiness
5 or I don't want to say distrust of this process,
6 and I'm hoping that as you guys deliberate and,
7 you know, figure this stuff out and put it on
8 the web, it will be easily understood by
9 citizens who, after all, we're going to have to
10 pick up the tab down the line as you make your
11 decisions. So that's what I'm hoping.

12 MR. HOFFMAN: I appreciate the comment.
13 I'm sure we all do. I would say, Tom, that
14 you'll see on the website, once it's finalized,
15 the document that we were just discussing, the
16 RFQ.

17 And while you individually and
18 others may not be a qualified firm that might be
19 an investor, it's certainly open for anyone to
20 provide comment, information, expertise about
21 potential pitfalls, about good ideas and things
22 of that sort.

23 But as you heard from Tom, I mean,
24 one of the things I think that's beneficial of

1 this process is we're moving in a proper,
2 deliberate fashion to figure it out. One good
3 step in this RFQ process is we're going to get
4 information.

5 Once we issue an RFP or something
6 similar, if we do, that will be probably the
7 first concrete point at which the public and
8 others see our thought process about what a
9 potential deal might look like, but then there
10 will be flushing out, there will be hearings and
11 so on relating to who responds to that.

12 So this is going to develop over
13 time, but I know for one I appreciate, and I'm
14 sure we all do, the notes of caution, and it's
15 something I think we all share and we're looking
16 forward to trying to get to a point where the
17 articulation of how it's in the public interest,
18 if such a deal exists, is clear.

19 ALDERMAN POPE: Any other responses by
20 Board Members?

21 (No response.)

22 Any other comments from the public?
23 Scott Falk, would you like to speak?

24 MR. HOFFMAN: You're not a member of

1 the public.

2 ALDERMAN POPE: You are beyond the
3 public.

4 ALDERMAN POPE: Scott Falk from
5 Kirkland & Ellis.

6 MR. FALK: The only thing I wanted to
7 add, I guess two things. Number one, with
8 respect to the RFQ, as you just -- as you
9 authorized your advisor to finalize the
10 document, one thing that needs to get buttoned
11 down is the response date for the RFQ, and the
12 staff working together with the City might be
13 consulting with you to agree on that final
14 date.

15 We want to make sure that whatever
16 the data response is feathers nicely in with
17 other responses that the City is getting and
18 analyzing in connection with other projects that
19 are out there. We want to make sure that we
20 don't have a cavitated, you know, colliding
21 responses all at one time.

22 So we need to work on the right time
23 frame and give people enough time to understand
24 the RFQ and respond adequately but not have it

1 drag out so long that we are delaying a process
2 unnecessarily. So we'll come back to you with
3 recommendations on the duration that the RFQ is
4 staying out there waiting for responses.

5 The second point in response to
6 Mr. Tresser's comment that I think is worth
7 noting is that the executive order adopted in
8 connection with the Chicago Infrastructure Trust
9 requires an independent review of every project
10 before it gets recommended to City Council for
11 funding and finalization.

12 And so there will be engaged by the
13 Trust Board an independent advisor to look at
14 each project and confirm its financial adequacy
15 and the protection of the taxpayers prior to its
16 being approved by the City Council.

17 MR. HOFFMAN: Thank you. Scott, one
18 question about the first part, about the
19 deadline. It makes perfect sense, there should
20 be a response period and there should be end
21 date.

22 On the other hand, as the
23 questioning with Tom shows, it's not a deadline
24 that means that people can't therefore seek to

1 be qualified after that.

2 So since the document is going to be
3 tweaked to put a response date in, I would
4 suggest that there maybe a sentence or two
5 that's added that makes that -- it says it now,
6 but since there's going to be an end date, there
7 will need to be some explanation that this is an
8 end date but yet you can do it after that.

9 You know, we don't want to -- I
10 understand that that could mean that the end
11 date is not respected, so people can be
12 encouraged to do it before the close date, but I
13 also think you'll need to make it clear that
14 there will be an opportunity for people who
15 either once they see the RFP or at a later date
16 if they want to come forward and seek to be
17 qualified, they will be able do that.

18 MR. FALK: Okay. We'll take a look at
19 the text of the instructions and make sure it's
20 clear.

21 MR. HOFFMAN: Thanks.

22 MR. RAMIREZ: Yeah, I'm just curious as
23 to how that would play out. I mean, I would
24 hate it if somebody waited to see what comes in

1 and then puts their stuff together. I don't
2 know --

3 MR. HOFFMAN: Well, you know --

4 MR. RAMIREZ: I mean, end dates are
5 good sometimes because then they give finality
6 to that. At some point this stage has to be
7 closed so we can proceed with the next one.

8 MR. HOFFMAN: I agree, although I think
9 the advisor's decision jointly in terms of
10 leaving it open was in part because it's still
11 relatively open ended about what a potential
12 deal might look like, and it may turn out that
13 our best potential financial partner may be
14 someone who looks at the current document and
15 says I can't tell and then looks at the RFP and
16 says now I can see that this is something that
17 I'd like to do and they may be -- you know, they
18 may have to do two steps at the same time. They
19 may have to seek to get qualified and also be
20 bidding, but it's probably in our interest and
21 the public interest to make sure that we're not
22 closing off that possibility.

23 MR. RAMIREZ: Well, I think it would --
24 I could see a scenario where they might do that,

1 but they should at least come to us and say
2 look, here's what going on, we're thinking about
3 jumping in. That's fine. What you don't want
4 is somebody just comes out of nowhere at the
5 last minute and says hey, boom.

6 MR. HOFFMAN: Why?

7 MR. RAMIREZ: Well, you delay. You
8 know what I mean? It's not to say that -- I
9 mean, the whole point isn't just to rush it
10 through. You're giving everybody adequate
11 notice and time like you would in any other
12 thing.

13 You should leave it open. You
14 should have the ability for somebody to come in
15 and put it together, but at least give notice to
16 us that that's what you're trying to do.

17 MR. HOFFMAN: At the time you mean?

18 MR. RAMIREZ: Yeah.

19 MR. HOFFMAN: I agree.

20 MR. RAMIREZ: I mean, I think that's
21 fair to us and it's fair to everybody else
22 because then you just don't have somebody come
23 riding in at the last minute.

24 MR. HOFFMAN: I think the procedural

1 protection on that is that it's going to be more
2 burdensome for them to do then because they will
3 still have to, as I understand it, it's still a
4 two step -- to get through you've got to do a
5 two step process.

6 You got to get through the
7 qualification process, and then you have to
8 explain what your response to the RFP is. If
9 you want to do both of those at once, that's
10 going to be burdensome for the firm, and so
11 they have an incentive I think to do that
12 earlier.

13 MR. RAMIREZ: Right.

14 MR. HOFFMAN: And so I think we'll
15 most likely flush out people early rather than
16 later, but I think we want to -- and I'm guided
17 in part by what our advisors are saying.

18 MR. RAMIREZ: Okay.

19 MR. HOFFMAN: You know, it's in our
20 interest to make sure that if as it turns out
21 the best answer is for us is someone who comes
22 in late then we should make sure we consider
23 it.

24 MR. RAMIREZ: We should get the best

1 deal or try to, but I would say no matter what,
2 we got to have some -- I don't want the process
3 to be delayed just for the sake of, you know,
4 somebody coming in and saying hey, we think we
5 can do this and we're going to put it together
6 and now we're going to -- it's going to matter
7 how we do it and when we do it.

8 You know, if it's something, maybe
9 not with this project but with future projects,
10 construction seasons matters when you get things
11 started, and the delay of a couple months could
12 actually delay you for a year.

13 MR. HOFFMAN: Well, maybe one -- This
14 is way down the road, but it seems to me in
15 talking to our advisors that, you know, what
16 this delay point goes to is at some point if an
17 RFP is issued, it will have a response due date,
18 and it could be that for anyone who wants to be
19 a respondent to that --

20 MR. RAMIREZ: That I'm comfortable
21 with.

22 MR. HOFFMAN: -- who is not yet
23 qualified, so they will have to now goes through
24 both phases, they may have an earlier response

1 date of a week or two in advance because they
2 will be requiring us to do more work in advance
3 of that.

4 I would make sure that we both hear
5 from whoever might be qualified but yet nothing
6 is delayed. I know that we don't have to decide
7 now, but I think that's a thought for the
8 future.

9 MR. RAMIREZ: Okay. I'm going with
10 that.

11 ALDERMAN THOMAS: Mr. Chairman.

12 ALDERMAN POPE: Alderman Thomas.

13 ALDERMAN THOMAS: When Mr. Tresser was
14 speaking something that came to mind that I
15 wanted to make sure that the public is reminded
16 of is that the Trust has no power to pledge the
17 full faith and credit of the City, nor can any
18 project have the general obligation of the City,
19 and I think that the public needs to be reminded
20 of that because I got the feeling that he felt
21 that anything we're doing here will obligate the
22 taxpayers for the G.O. on the full, faith and
23 credit of the City.

24 ALDERMAN POPE: Good point. Very good

1 point.

2 And as a reminder, as I know you're
3 well aware, Latasha, matters will have to come
4 back before the City Council, those dealing with
5 the City of Chicago in particular. So there
6 will be a very public forum through committee
7 and Council meetings to have public input in
8 that as well.

9 Tom, just one other question. We
10 were talking about the RFQ process. How are you
11 ensuring that we're going to get the most -- the
12 widest range of respondents available? In what
13 fashion are we going to alert the public and
14 potentially interested parties about how to
15 respond to this?

16 We've got our website which we
17 mentioned earlier. The press has been here
18 periodically so we certainly look forward to
19 their participation, but what other venues or
20 mediums are we using to get the word out?

21 MR. MORSE: Well, in addition to the
22 press release that I referred to, I mean, we
23 have developed a list for the course of -- since
24 the Trust was established, there's been

1 interested parties reaching out to the City and
2 others.

3 We've been keeping a list, a
4 database of interested parties. We are also
5 going to target some very specific
6 infrastructure related publications. We're
7 going to inform those parties that this is out
8 there and going.

9 You know, it's really, as you
10 indicated, it's really in our interest to create
11 as much activity as possible and as much
12 interest level as possible.

13 Jorge, your point about
14 qualifications. The quicker people are going to
15 get in, the better it's going to be for them.
16 They're going to get more bites at the apple.
17 The quicker they get in, the quicker they engage
18 in the process, the more informed investors and
19 others are going to be. So we're really
20 encouraging that very much.

21 That's what we're doing. If anybody
22 has any additional ideas, we are certainly open
23 to those ideas to make sure because that's the
24 objective.

1 ALDERMAN POPE: And those publications
2 would not be limited to the locale or region, it
3 will be national?

4 MR. MORSCH: They will be global
5 publications. Many of these infrastructure
6 related publications are global, and this has
7 been hotly, you know, looked at by a number of
8 media and other persons. They're calling. They
9 call us. They call the City and they say what's
10 going on. So we're encouraged by that.

11 ALDERMAN POPE: Very good. Any other
12 comments or questions from the Board?

13 (No response.)

14 From the public?

15 (No response.)

16 This will end the public comment
17 period at this point.

18 The next agenda item, Item No. 5, is
19 the executive director search, and this actually
20 calls for a closed meeting, so in the spirit of
21 transparency and following the letter of the
22 law, pursuant to Section 2(c)(1) of the Open
23 Meetings Act, we will now go to a closed
24 meeting. I ask that all non Board Members exit

1 the room. We'll reconvene following that.

2 MR. HOFFMAN: I'm sorry. Let's do two
3 quick things in advance of that. One is a brief
4 discussion of what we're going to discuss, and
5 the second is I do think we need to take a vote
6 on that just so it's clear what we're going to
7 discuss is that, as has been publically said,
8 we have hired an executive search firm who's
9 been -- the position that was posted on the
10 website.

11 We've received applications for an
12 executive director. We're close to the end of
13 that process of choosing the executive director.
14 There have been second round interviews, and
15 this closed meeting is for the purpose of
16 discussing the applicants.

17 MR. YONOVER: Before you get to that, I
18 would suggest that you discuss the next meeting
19 date while the group is here and then go into
20 closed session.

21 ALDERMAN POPE: Do we have a next
22 meeting date?

23 MR. HOFFMAN: Has it been set?

24 MR. YONOVER: It has not been set.

1 MR. MORSCHE: Do we have a suggestion?

2 MR. YONOVER: Since we're looking at a
3 return date of middle of February or early
4 February for the RFQ, tentatively we might
5 suggest a meeting date for the Trust in 30 days
6 from now, middle of February.

7 MR. HOFFMAN: It seems a little soon.
8 Scott?

9 MR. FALK: I think we need to discuss
10 it further, but my sense is we're going to need
11 a couple days to button down the RFQ and get it
12 final before it's even ready for mailing and
13 distribution, and then, you know, we need advice
14 from both advisory firms as to how long we're
15 going to let it circulate before people can
16 realistically be expected to provide us with
17 meaningful responses. My sense is early
18 February frankly is too soon.

19 MR. YONOVER: Middle of February.

20 MR. FALK: I don't think there's any
21 particular connection between the date of the
22 RFQ response and the date of your next meeting.

23 MR. HOFFMAN: I would suggest if it's
24 going -- let's say it goes out the door Monday,

1 which would be pretty quick because that's two
2 business days. That would be January 14th.
3 Even if it's 30 days which will also be pretty
4 quick, and I'm not sure that's the right period,
5 it's February 14th, I think if we go a couple
6 weeks -- This isn't pulling up right away.

7 Maybe the week right after the
8 President's Day weekend which is around the
9 20th, so that's probably around the Thursday,
10 22nd, 23rd.

11 ALDERMAN POPE: 21st.

12 MS. FERGUSON: 21st is Thursday.

13 MR. MORSCH: That might be a good time.

14 MR. HOFFMAN: That's the Thursday after
15 the President's Day weekend?

16 MR. MORSCH: It is.

17 ALDERMAN POPE: Any discussion by the
18 Board?

19 MR. HOFFMAN: I suggest that as a
20 possibility.

21 MR. RAMIREZ: The 21st --

22 MS. FERGUSON: Thursday, the 21st of
23 February.

24 MR. RAMIREZ: That's a bad day for me.

1 I can't do that.

2 MS. FERGUSON: The 28th?

3 MR. HOFFMAN: Are we locked into
4 Thursdays? Is that tradition?

5 ALDERMAN POPE: It's just been
6 historically. Wednesday the 20th?

7 ALDERMAN THOMAS: City Council.

8 ALDERMAN POPE: Tuesday the 19th.

9 MR. HOFFMAN: Are you guys in all day
10 on that Wednesday or at least in the morning,
11 right?

12 ALDERMAN THOMAS: We're not even sure
13 if there's City Council that day but if we -- if
14 it's a hot day, it will go until about 2:00.

15 MR. RAMIREZ: How about the 15th? Is
16 that too soon?

17 MR. HOFFMAN: You know, it might be too
18 soon. I'm just thinking we want to make sure
19 that the next meeting is productive. If we have
20 a meeting in 30 days or less --

21 MR. FALK: My thinking is you might
22 want to hear at your next meeting the initial
23 reaction to the input that's been analyzed from
24 the RFQ responses, and so, you know, unless you

1 have urgent business that needs to get resolved
2 in the next four weeks, why wouldn't you
3 schedule your meeting with enough cushion to
4 allow your advisors to at least give you a
5 preliminary response?

6 MR. HOFFMAN: How about Thursday, the
7 28th?

8 MR. RAMIREZ: You can do it. I'll be
9 out of town but that's fine.

10 MR. HOFFMAN: How about March -- What's
11 the week after that, March 5th?

12 MS. FERGUSON: That's a Tuesday.

13 MR. HOFFMAN: March 7th?

14 MR. RAMIREZ: It would have to be
15 afternoon for me.

16 MS. BARRETT: Is the 5th possible for
17 you?

18 ALDERMAN POPE: Friday the 8th?

19 MR. RAMIREZ: Friday the 8th is wide
20 open. Does that work for you?

21 MR. HOFFMAN: I know I'll be in town.
22 Friday the 8th? Scott? Tom? Lois?

23 MR. RAMIREZ: Friday the 8th,
24 March 8th? Any knowledge about people being

1 unavailable? Is that okay with everybody?

2 MR. VILLANOVA: Same time, 10:00
3 o'clock?

4 ALDERMAN POPE: Same time. Same
5 location here. March 8th, 10:00 o'clock same
6 location here.

7 MR. HOFFMAN: James, does that work for
8 you?

9 CHAIRMAN BELL: Absolutely.

10 ALDERMAN POPE: Very good. Then as
11 David reminded us -- I'm sorry. Any other
12 comments or questions?

13 MR. HOFFMAN: Scott, was there
14 anything else you thought we should do before we
15 closed?

16 MR. YONOVER: No.

17 ALDERMAN POPE: We're again going to
18 suggest or I'll make a motion that we move to a
19 closed meeting pursuant to Section 2(c)(1) of
20 the Open Meetings Act, and at that point we
21 would ask that the public leave the room and
22 only the Board Members and Advisors and court
23 reporter remain in the room. Do I have a motion
24 on that?

1 MR. HOFFMAN: I so move.

2 ALDERMAN POPE: Seconded.

3 MS. FERGUSON: Seconded.

4 ALDERMAN POPE: All those in favor?

5 (A chorus of ayes.)

6 MR. RAMIREZ: I think you're supposed
7 to do a roll call vote.

8 MS. FERGUSON: Go ahead. We can do it
9 individually.

10 ALDERMAN POPE: We'll do a roll call
11 vote for the consideration of going to closed
12 session.

13 James, can I get a vote from you,
14 please? Chairman Bell?

15 CHAIRMAN BELL: Yes.

16 ALDERMAN POPE: Member Ramirez?

17 MR. RAMIREZ: Yes.

18 ALDERMAN POPE: Member Hoffman?

19 MR. HOFFMAN: Yes.

20 ALDERMAN POPE: Member Ferguson?

21 MS. FERGUSON: Yes.

22 ALDERMAN POPE: Member Pope? Yes. The
23 ayes have. We are now in closed session.

24

1 (Whereupon, proceedings were
2 had that are confidential and
3 transcribed under separate
4 cover.)

5 ALDERMAN POPE: It's approximately
6 12:00 noon. The Infrastructure Trust will come
7 back to open session.

8 The last matter that we were
9 discussing during the closed portion was the
10 executive director search, and I think as a
11 result of that we have come to the conclusion
12 that we've done extensive work, we worked
13 diligently to identify the best candidates,
14 relied on some of the support systems in place
15 in terms of a search firm, and there are several
16 outstanding issues, but we think we're getting
17 comfortable and close to selecting the actual
18 executive director.

19 We would like to have a quick
20 turnaround on this matter, and I'm suggesting or
21 looking for a motion to authorize Chairman Bell
22 to go ahead and authorize the selection of that
23 executive director subject to the Members
24 providing to you, James, additional information

1 and input to allow that selection to be
2 complete.

3 MR. HOFFMAN: I would so move. And
4 what that means to me is that we will be giving
5 you, James, in short order our approval to go
6 forward, and once you receive that -- once you
7 receive it then we're giving you the authority
8 to proceed and you're simply waiting to hear
9 from us pending the final steps that need to be
10 taken.

11 With that understanding, I make a
12 motion for the Board to do so.

13 ALDERMAN POPE: Do I have a second?

14 MS. FERGUSON: Second.

15 ALDERMAN POPE: Seconded. All in
16 favor?

17 (A chorus of ayes.)

18 Opposed?

19 (No response.)

20 The ayes have it. The motion
21 carries.

22 Is there any other business?

23 (No response.)

24 Again I would like to thank everyone

1 and remind us the next meeting has been
2 scheduled for March 8th, 2013, 10:00 a.m. at
3 this location.

4 At this point the meeting is
5 adjourned.

6 (Which were all the proceedings
7 had in the above-entitled
8 cause.)

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1 STATE OF ILLINOIS)
) SS:
2 COUNTY OF COOK)
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4 I, MARI BETH KAWULIA, a Certified
5 Shorthand Reporter of the State of Illinois, do
6 hereby certify that I reported in shorthand the
7 proceedings had at the hearing aforesaid, and
8 that the foregoing is a true, complete and
9 correct transcript of the proceedings of said
10 hearing as appears from my stenographic notes so
11 taken and transcribed under my personal
12 direction.

13 IN WITNESS WHEREOF, I do hereunto set my
14 hand at Chicago, Illinois, this 24th day of
15 January, 2013.

16
17
18

MARI BETH KAWULIA

19 C.S.R. No. 084-2873

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