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CHICAGO INFRASTRUCTURE TRUST
BOARD MEETING
CITY OF CHICAGO

BOARD MEMBERS:

- MR. JAMES BELL, Chairman
- MS. DIANA FERGUSON
- ALDERMAN JOHN POPE
- MR. DAVID HOFFMAN
- MR. JORGE RAMIREZ

August 2, 2012
8:30 a.m.
Chicago Cultural Center
75 East Washington
Garland Room, 5th Floor
Chicago, Illinois

1 CHAIRMAN BELL: Good morning. I want
2 to be respectful of everyone's time so we're
3 going to start.

4 Jorge is at a breakfast meeting with
5 Alderman Burke and I think he'll show up at some
6 point. We just don't know exactly what time.
7 We do have a quorum here so we are going to get
8 started.

9 First I'd like to welcome all of
10 you, and I would also like to welcome the Board
11 Members and also congratulate them on their
12 confirmation which I think all of you know just
13 took place last week; and, in fact, this is our
14 first meeting as the Chicago Infrastructure
15 Trust, so welcome to the Board Members and
16 welcome to all in the audience. We appreciate
17 you being here, and we hope to be able to do
18 some great things for this City.

19 I think I'll start out with an
20 introduction of the Board Members. I'll start
21 with myself. I think you might have read our
22 bios but just to give you a brief introduction
23 to each of us.

24 I'm James Bell. I'm the Chairman of

1 the Trust Board. I just retired in April from
2 Boeing after a 40-year career in finance. I
3 retired as the CFO and the corporate president,
4 so I've had a number of senior financial
5 positions and had an opportunity to run the
6 company for a short period and then to help the
7 current chairman and CEO operate the company
8 over the last 10 years.

9 So I feel pretty comfortable that I
10 can help the City try to do something innovative
11 and unusual that would help the citizens of this
12 town, and this is my adopted home, and I want to
13 be able to give back and do that.

14 With that, I'll turn it over to you,
15 David.

16 MR. HOFFMAN: Thank you, Mr. Chairman.
17 Nice to see everybody here. First of all, I
18 appreciate the welcome, and I am looking forward
19 to the opportunity to work with everyone.

20 As you heard when we were before the
21 City Council Finance Committee last week, I gave
22 a short statement setting out what I thought
23 were the principles, and maybe just for this
24 group I'll summarize what I've said publicly on

1 that at our first meeting.

2 In my view, the concept of a local
3 infrastructure trust has great potential but
4 only if it is done the right way. I look
5 forward to working with everyone here to jointly
6 create a process that is ethical, transparent,
7 inclusive and deliberate.

8 And I had four principles that I
9 talked about before the Finance Committee that
10 I'll just set out very briefly here.

11 First, the Board and the Trust must
12 be independent. Our task will be to exercise
13 our independent judgment about whether specific
14 infrastructure investment plans are truly in the
15 public interest. I take the issue of our
16 independence very seriously and I will call
17 things as I see them.

18 Second, the Trust must operate with
19 full transparency. Given the legitimate
20 concerns about transparency with the parking
21 meter deal and given that the Trust is a new
22 venture accompanied by uncertainty about how and
23 whether it will work, full transparency is
24 critical, critical to the credibility and

1 integrity of the Trust effort, critical to
2 overcome concerns that connections will trump
3 merit and the public interest, and critical to
4 achieve public involvement and gain public
5 trust.

6 Third, there must be time for full
7 public deliberation of a proposal to flush out
8 whether it is a good idea. Proposals must be
9 vetted and examined fully in the light of day
10 with adequate time to hear from relevant
11 experts, to consider alternatives and to hear
12 dissenting views. This is a key protection for
13 the public interest.

14 Fourth, the Trust must allow robust
15 oversight from the relevant bodies, including
16 the City IG. We must be open to the City IG
17 period, regardless of the type of project.
18 Besides, that office may end up having excellent
19 suggestions for the Trust.

20 I don't know whether private
21 entities will come forward with infrastructure
22 investment proposals that will be in the City's
23 best interests. They may or they may not. But
24 if the Trust operates openly, publicly and

1 deliberately and attempts to answer the key
2 questions, what the short-term and long-term
3 costs and benefits are for the City, how City
4 taxpayers are being protected by the deal and
5 whether there are better alternatives, then I
6 believe it has the potential to be viewed over
7 time as an excellent idea.

8 I went into a bit more detail in my
9 statement, which I'll spare everybody here, but
10 I wanted to set that out for folks here.

11 I'm really looking forward to this.
12 This is the first of multiple meetings obviously
13 and just getting started in something that is
14 being created. I'm excited and find it quite
15 positive that as we looked around for what
16 models should we turn to to figure out how we do
17 this, we found, as we heard before, that there
18 really aren't any clear models and that it
19 appears among cities and municipalities we're
20 going first. I look forward to that challenge,
21 and I'm looking forward to working together with
22 everybody here.

23 CHAIRMAN BELL: Thank you, David.

24 John?

1 ALDERMAN POPE: Thank you, Chairman.

2 My name is John Pope. I'm the 10th Ward
3 Alderman representing the far southeast side of
4 the City. It's also my pleasure to be here.

5 I'd like to congratulate my fellow
6 Board Members and our Chairman. I've been an
7 Alderman for three terms and a lifelong resident
8 of the City, so I think I may have a little bit
9 more insight in terms of the specific needs in
10 terms of infrastructure for our City.

11 And sitting before the City Council
12 and going through the budget hearings each and
13 every year, I recognized more and more each and
14 every year the growing needs and demands placed
15 on the City and other municipalities to meet our
16 growing infrastructure needs.

17 This is an exciting opportunity
18 taking into account what David said and I think
19 we're all in agreement to really address those
20 needs in a creative, aggressive way and not
21 necessarily just to be a leader in the country
22 but to meet the needs for our citizens here in
23 the City of Chicago and also to ensure that
24 their tax dollars, their interests are

1 represented and protected properly.

2 I take great pride in my position
3 on the Board here and am thrilled because the
4 City Council argued for representation, so I
5 seek to represent the Council and the entire
6 City proudly and look forward to working closely
7 with my colleagues.

8 CHAIRMAN BELL: Thank you, John.
9 Diana?

10 MS. FERGUSON: Thank you, Chairman
11 Bell. Good morning, everyone. I also am really
12 honored to be a member of this Trust Board and
13 look forward to working with my colleagues here
14 on the Board and doing innovative and exciting
15 things for the City of Chicago.

16 My background is in finance
17 primarily. I spent over 20 years in various
18 finance roles in both the private sector and in
19 public sector work, so I hope to bring those
20 skills to bear to help evaluate the projects
21 that we are going to be considering and making
22 sure they are in the best interests of the
23 citizens of Chicago. Thank you.

24 CHAIRMAN BELL: Thank you. Let's move

1 onto the second agenda item and we'll get a
2 little -- we'll have a little more discussion
3 among the Board as to this subject, but in
4 general the purpose of this Chicago
5 Infrastructure Trust is to develop another
6 source of financing to accelerate the
7 improvement of the City of Chicago's
8 infrastructure.

9 As stated previously by other
10 members, we want to make sure we do that in a
11 way that's transparent and really satisfies the
12 best interests of the citizens of this City, but
13 we also want to make sure we have a balanced
14 deal that will continue to attract investments
15 from third parties.

16 And so that when you think about the
17 budget challenges the City has, we need to
18 figure out if there are other sources that
19 can allow us to do some of the needed work
20 without -- and doing it in a more timely manner,
21 but we got to do that in a way that is up front,
22 transparent and definitely suits the needs of
23 our people. So that's pretty much the purpose.

24 The goal is to do it in the way that

1 David articulated and John spoke a little bit
2 to. But when you look at our bylaws, which
3 we'll talk about a little later, you know, we
4 try to incorporate all the tenants in terms of
5 the operating principles that ensure that we
6 operate in a way that always puts the public
7 interest first.

8 That is a goal of this Board. That
9 is I think a tenant that I think that you will
10 find that all the Members of this Trust feel
11 very, very strongly about.

12 Now, as a Board, we're going to have
13 to decide operationally how to put that in
14 practice. Obviously it's easy to say a lot of
15 these things, but the real key for us is going
16 to be able to do that in a way that allows us to
17 encourage investors to come forward and come up
18 with a deal structure that makes a lot of sense
19 for both them and for the people of Chicago, so
20 we're going to work very, very hard in doing
21 just that.

22 So with that, I'll open it up to the
23 other Board Members to see if you have any other
24 comments relative to that topic. John?

1 under State law. David, would you sort of give
2 us a highlight of what we're talking about here?

3 MR. NAREFSKY: Certainly. I would be
4 happy to. So I'm David Narefksy with Mayer
5 Brown. We have been working previously with
6 the City to help get the process started. We
7 worked with the City's Law Department on the
8 ordinance to establish the Trust, and so we're
9 sort of trying to help continue that role as we
10 get the Trust organized from a basic
11 organizational structure.

12 In that regard, the first thing that
13 the Trust really needs to do is have basic
14 articles of incorporation filed. You got to
15 walk before you run. The articles are pretty
16 straight forward for a not-for-profit
17 organization of this kind and a kind that would
18 expect to apply for 501(c)(3) status under the
19 Internal Revenue Code, so there's nothing
20 particularly unique about them. They are kind
21 of standard best practices for organizations
22 having a mission of this kind.

23 CHAIRMAN BELL: Thank you, David. Now,
24 the articles of incorporation were included in

1 our pre-read. Are there any comments from any
2 of the Board Members before we put this matter
3 to vote?

4 MR. HOFFMAN: I've looked at the
5 articles of incorporation. I think they are
6 noncontroversial. I don't think they say
7 anything of great significance. I agree with
8 David. It's just kind of a pro forma thing that
9 we need to do to be registered, so I think
10 they're fine and I would approve them.

11 CHAIRMAN BELL: Anyone else?

12 (No response.)

13 Do I have a motion?

14 MR. HOFFMAN: So moved.

15 MS. FERGUSON: Second.

16 CHAIRMAN BELL: All in favor?

17 (A chorus of ayes.)

18 Thank you.

19 Election of officers. You know, in
20 the bylaws we talk about having a vice chair and
21 a secretary and treasurer being the other two
22 officers of the Board.

23 You know, I think when I look at it,
24 it's just a best practice to have someone that

1 would help in terms of the vice chair to sit and
2 organize and run meetings in the event that I'm
3 not available, and I think in terms of the
4 secretary/treasurer, it's more of the treasurer
5 role to oversee the Trust's finances.

6 You know, I have talked to all the
7 Board Members and I'm going to recommend that we
8 elect John Pope as the vice chair and Diana
9 Ferguson as the secretary/treasurer, Diana with
10 her extensive financial background.

11 I think I want to send a strong
12 message to the City Council that John is really
13 going to be a partner in this Trust and we
14 really take seriously his input, and that I
15 think is important and that's why I recommend
16 it.

17 Now, I don't think I want to put
18 that to vote today. I think I'd like to do it
19 at the next meeting unless other Board Members
20 have different feelings, but we can discuss it,
21 and I want you to think about it, but I do want
22 to do that for those two reasons.

23 So with that I would like to open it
24 up to the rest of the Board if you have any

1 other suggestions.

2 MR. NAREFSKY: Just a technical
3 observation.

4 CHAIRMAN BELL: Yes. Go ahead.

5 MR. NAREFSKY: Beyond reasons you were
6 I think suggesting maybe taking this up at a
7 subsequent meeting, I think just as a matter of
8 good practice that would be the right way to go.

9 It's best to get the articles filed,
10 have bylaws adopted and then maybe bylaws are up
11 for adoption at a subsequent meeting as well
12 just to take things in a logical way.

13 CHAIRMAN BELL: Good to have a lawyer
14 on our side to make sure we do things
15 technically right as well as things that make
16 good common sense.

17 Jorge has just joined us. We went
18 through and did a brief introduction. I'd like
19 you do the same and welcome.

20 MR. RAMIREZ: Thank you, Mr. Chairman.
21 Jorge Ramirez. My day job is with the Chicago
22 Federation of Labor.

23 I'm happy to be here. I'm happy to
24 be working with all of the Members and

1 congratulate you on your appointments. I don't
2 know if condolences or congratulations are in
3 order. But in all seriousness, it's on the
4 congratulatory side. It is a pleasure to be
5 here and I look forward to working with
6 everybody.

7 I think this is a rare opportunity
8 in government where you can get something -- an
9 idea to come to fruition as quickly as this has,
10 and I know that there's going to be a lot of
11 other folks from other cities and other places
12 around the country, in the world looking at this
13 as a model. I'm looking forward to working with
14 it in that structure to get some things done for
15 the people that live here. Thank you.

16 CHAIRMAN BELL: Thank you and welcome.

17 MR. HOFFMAN: Jorge, you missed that
18 there's been a tentative recommendation that we
19 be at the kids table. There was a discussion --
20 We're at the nonofficer table. I certainly have
21 no objection to that.

22 CHAIRMAN BELL: Actually the table was
23 straight. We have to be able to look at each
24 other. I would have preferred a round table,

1 but it is what it is, guys.

2 Let's move on to the Advisory Board
3 Members. Now, I think we all know that as part
4 of the Trust structure we're going to have six
5 advisory, at least six Advisory Board Members,
6 three which will be appointed by the Mayor which
7 is the Class 2 Advisory Board Members and
8 Class 3 which are the three that we, the Board,
9 will select and vote on.

10 So I only want to introduce that to
11 say that that's something we need to be thinking
12 about and thinking about getting done sooner
13 rather than later. It's not something for
14 today.

15 But what I would like to see us do
16 is maybe develop a list of candidates that we
17 would want to consider as our appointees and
18 then we can work our way through that hopefully
19 in the next meeting or two.

20 Any other thoughts on that matter?

21 ALDERMAN POPE: Chairman.

22 CHAIRMAN BELL: Yes.

23 ALDERMAN POPE: Thank you, Chairman.

24 Just a comment that the City Council did pass

1 action least week as well that calls for the
2 City Treasurer position to be on the
3 nonadvisory, and I think that makes sense in
4 term of bringing that professional expertise and
5 insight to the table, so that's something that
6 we passed last week as well.

7 CHAIRMAN BELL: Okay. Good. So we
8 have one member appointed. Great.

9 MR. HOFFMAN: James, what's your
10 thought about timing and procedure both on this
11 and it sort of taps into I think generally going
12 forward. I'm not -- I don't think we
13 necessarily have to decide, for instance, you
14 know, when our next meeting is, although you
15 may announce that at the end. I don't really
16 know.

17 CHAIRMAN BELL: Well, we're going to
18 talk about that.

19 MR. HOFFMAN: But I guess one thing
20 that I have in mind just generally that probably
21 would be helpful, and I would absolutely defer
22 to you, is to come out of this meeting with both
23 a thought -- a general outline of what our
24 agenda looks like for the next meeting and a

1 general sense of timeframes of those things.

2 And so I would put this one time
3 frame for when we expect to have possible
4 candidates for the Advisory Committee Members,
5 how we want to discuss that. Again I would
6 defer to you on procedure. I just think that if
7 we get to the end of the meeting we should be as
8 firm as possible on timing and agenda items for
9 next time.

10 CHAIRMAN BELL: Yeah, I think what I
11 would like us to do is to think about
12 conceptually what should be the characteristics
13 of those Advisory Board Members. My thought is
14 we should have people that can help us, you
15 know, in this complex and financial structure,
16 so I think we should have a member that would be
17 able to provide some insight and maybe have some
18 ability to connect us with some sources.

19 So, I mean, that's a thought on one
20 member. I think we ought to think about other
21 things too that. You know, we want to make sure
22 that we fulfill the full tenants of our
23 operating principles and have Advisory Members
24 on this Board to help us do that.

1 I think in terms of thinking through
2 it, that's how we should think about it.
3 Timing, sooner is always better than later, but
4 getting it right is really the key thing. And
5 so I think we ought to develop names and then we
6 ought to air those names out, talk about them so
7 we all have a good appreciation for what they
8 would bring to the table.

9 Now I'm thinking in terms of the
10 next board meeting probably within the next
11 30 days. I'm looking at the end of August.
12 We'll talk about that when we get down to those
13 dates.

14 Any other thoughts, comments?

15 ALDERMAN POPE: Chairman, just for
16 clarification, I stated that last week the City
17 Council took action to recommend that the
18 Treasurer of the City serve as an Advisory
19 Member. That's one of appointees made by the
20 Mayor. Three by the Mayor three by this Board.
21 Just for clarification.

22 CHAIRMAN BELL: And the City Council is
23 helping the Mayor through that selection
24 process, we understand that. Okay. Any other

1 thoughts?

2 (No response.)

3 Moving to the bylaws. We all got a
4 copy of the bylaws. They're pretty extensive.
5 I've asked David to talk a little bit about the
6 concept he used in developing them. David?

7 MR. NAREFSKY: Thank you. So we tried
8 to I think achieve two purposes. One was
9 following sort of general best practices for
10 Illinois non-for-profit corporations; but,
11 second, and maybe more importantly, was trying
12 to be completely sensitive to the requirements
13 that the City Council and -- the City Council
14 imposed on the Trust by virtue of the
15 authorizing ordinance and also the Mayor's
16 expectations for the Trust and the executive
17 order that he promulgated when the ordinance was
18 being adopted.

19 So there are a series of, you know,
20 transparency and best practices and openness
21 requirements that were in the ordinance and in
22 the executive order, and we thought it very
23 important that each one of those requirements
24 show up in the bylaws.

1 And so in that regard the bylaws are
2 somewhat longer I suppose than the normal best
3 practices for non-for-profit corporations, but
4 it just seemed to us to be very important to
5 make that kind of a statement from the get go
6 about the seriousness with which the Trust is
7 taking its responsibilities pursuant to the
8 ordinance.

9 CHAIRMAN BELL: Thank you, David. So
10 with that I'll open for comments. I don't think
11 we need to vote on it. In fact, I don't want to
12 vote on it today as to the incorporation. But I
13 do want us to have a common appreciation of what
14 the intent was and that is to try to incorporate
15 in our bylaws all the things that we have in our
16 confirmation hearings and we committed to go do
17 relative to transparency, openness of our
18 meetings and the mission itself in terms of the
19 financing with the best interests of the City of
20 Chicago in mind.

21 So I think we just got them out
22 within the last couple of days and so I don't
23 think anybody has really had enough time to
24 really go through it, but anyway, that's the

1 spirit and the intent, and so if we can get
2 comments and get them done so that we can
3 consider them for our next meeting or the
4 meeting thereafter. I think the sooner we get
5 them done and we have a strong operating set of
6 framework, I think the better off we would be.

7 Clearly we want to take the time to
8 make sure everyone is comfortable with them and
9 that they indeed do what we intend them to do.
10 Any other thoughts or comments? Yes?

11 MR. HOFFMAN: Thank you, Mr. Chairman.
12 I agree with you a hundred percent about the
13 timing. This is I think a fairly long and
14 impressive document. I appreciate, David, the
15 work of you and others in putting it together,
16 and I agree about taking the time to look at it
17 and ask questions and figure out -- make sure we
18 get it right.

19 Just a couple of maybe preliminary
20 comments/questions. First, I really -- I mean,
21 you know, I really appreciate that we have David
22 Narefsky to do things like this at the beginning
23 for us because if we don't have that kind of
24 assistance to put together bylaws by someone who

1 knows what they're doing and is highly
2 experienced then we can't move forward, so I
3 really appreciate that and that shouldn't go
4 unnoted.

5 I think that going forward it will
6 be important for us in the right time frame to
7 ensure that whatever our -- whoever our counsel
8 is meets our independence standard and
9 that's without making any decisions in advance
10 about who that would be, I think that's
11 important, and we need to make sure that we're
12 receiving counsel that fits our independent
13 standard.

14 I had one -- I read this last night,
15 and without comparing it side by side with the
16 ordinance, I noted that it was going on at great
17 length to make sure, it seemed to me, that it
18 was following the provisions of the ordinance
19 and the executive orders, so I saw that,
20 including the parts that we were bound by the
21 Open Meetings Act and FOIA and so on. So I
22 appreciated that.

23 I appreciate the opportunity to sort
24 of think about it and consult with folks about

1 other provisions, but I think maybe just one
2 question. It referred to a conflict of interest
3 policy which was attached, and I think that if
4 it's correct that we can also agree on a
5 conflict of interest policy at the next meeting,
6 that would be great.

7 So then I read the conflict of
8 interest policy. And, you know, I thought part
9 of it was a bit confusing frankly, especially
10 that there are two different definitions of
11 financial interest here, one in the policy and
12 then one with a reference to the City's ethics
13 ordinance. I think that even if you have one,
14 often those can be confusing enough.

15 But the other thing I was confused
16 about that I thought was worthy of maybe of a
17 little bit of discussion and question for you,
18 David, is there's an article at the end that's
19 bracketed so maybe it's a draft that says
20 conflicts of fiduciary duties. You know,
21 there's two parts to that. The first one I
22 think understandably says that the Board
23 Members --

24 ALDERMAN POPE: Excuse me, Dave. Can

1 you reference specifically what page you're
2 looking at?

3 MR. HOFFMAN: Sure. I'm on Pages 4 and
4 5 of the draft, conflicts of interest policy,
5 Article 10.

6 There's two parts. One says, you
7 know, the directors may have other roles where
8 they are serving as directors and other things
9 or other positions, and if those two positions
10 come into conflict, they will have to decide
11 whether there's a conflict and deal with that
12 accordingly.

13 Then there's a special section for
14 when a voting director is an alderman, and it
15 says "and such director's fiduciary duties to
16 the Trust and to the City and/or his
17 constituents present a conflict of interest",
18 and then it talks about -- I'm sorry, John, I'm
19 on Section 10.2. There's a discussion of how to
20 resolve this.

21 My question, David, is this. And I
22 really ask this without thinking that there's
23 some clear resolution, but since we're just
24 getting started, I thought it was a good thing

1 to talk about.

2 My reaction to that was I'm
3 thinking about the Trust and our duties where
4 our key duty is to think about whether in the
5 future a project is in the City's best
6 interests, whether it is in the public interest.
7 So I was confused as to when the Trust and the
8 City's interests would be "in conflict".

9 And I understand this was in
10 reference to a section regarding the alderman,
11 but the way I was -- I think, again, John, your
12 thoughts would be, of course, more than welcome
13 if you want to say something at this point, but
14 I'm thinking if we expect the alderman who's on
15 the Board to have two different hats, one for
16 the Trust and one as an alderman and decide
17 whether those two hats are in conflict, first,
18 that's a really difficult thing for him to do;
19 and, second, it seems inconsistent with the
20 vision of this as although we are a separate,
21 independent, non-for-profit corporation, our job
22 is to determine whether something -- to ensure
23 that something in our independent judgment is in
24 the public interest.

1 So again very preliminarily I
2 thought it was worthy of discussion as we just
3 get started. I wanted to ask you that question.

4 MR. NAREFSKY: That's a fair question.
5 The initial thought process was at a much more
6 modest level I suppose, David. You know, the
7 Trust is expecting to receive some initial
8 funding from the City pursuant to grants that
9 were contemplated in the authorizing ordinance
10 so it does -- you've got the alderman in a
11 situation where he's both a City official as an
12 alderman providing moneys to the Trust as a
13 separate enterprise, and so we really were just
14 trying to think about how best to handle that
15 kind of a situation and do it -- and nothing --
16 it's all transparent. I think we know what's
17 intended. We're trying to do it in a way that
18 would be consistent with everyone's expectations
19 about conflict of interest considerations.

20 Given that we've all got a little
21 bit of time to think some more about some I
22 think higher level issues that maybe you were
23 raising, I'm not -- we have to think about that
24 some more. I'm not sure I have sort of an easy

1 answer off the top of my head.

2 CHAIRMAN BELL: Another circumstance
3 could be where the City is authorizing or
4 approving a project separate and above from the
5 funding structure would come to us. And John
6 could be in a situation there where he has to
7 decide how he wants to deal with it.

8 So I think we should think through
9 it. I think it's a good point, David. I can
10 see it happening, you know, where we're only
11 interested in -- not only interested but our
12 responsibility is the alternative funding
13 source. It will usually be the City or other
14 agencies that develop the project and go through
15 their approval process. If that's something
16 that those agencies really want to prioritize,
17 it's something that they'll get done.

18 I mean, we're going to have some
19 circumstances -- We're going to have to learn as
20 we go. I think one of the things this Board has
21 talked about, I think all of us up here are
22 going to be in a circumstance at some point in
23 time where we have to recuse ourselves because
24 of our prior lives and our prior -- our current

1 interests in some cases.

2 I'm on the board of a bank, for
3 instance, so if JP Morgan Chase chose to want to
4 make an infrastructure investment, I would
5 recuse myself for the whole deal. I just would
6 not -- I don't want to have the perception of,
7 you know, conflict. And I think you would do
8 the same if it was your law firm involved.

9 I think we just got to work our way
10 through it. I think the key point here is our
11 intent is to be completely transparent and to be
12 completely independent, and this Board is going
13 to act and do what we have to do to make that
14 happen. I think that's what our commitment is
15 to the City.

16 Any other comments? Any other
17 thoughts?

18 MR. HOFFMAN: Thank you, Mr. Chairman.

19 CHAIRMAN BELL: Okay. Responsibilities
20 of the Board Members. You know, I think some of
21 what we just said is part and parcel of that. I
22 think now that we have been confirmed and we are
23 operating as a Board, we now have to think about
24 how we act going forward as it relates to the

1 Trust.

2 I mean, we're no longer individuals
3 in terms of that concept. I mean, we have to be
4 sure as Board Members we always think about, you
5 know, what the Board has decided and what the
6 Board has come to a consensus on in terms of how
7 we're going to operate or how we're going to
8 view the business of this Board, and that
9 obviously has to always be in the context of our
10 overarching tenants, transparency, openness and
11 doing what is right for the City and for its
12 constituencies.

13 But the fact of the matter is that
14 the Board Members have to act as a Board, not as
15 individuals, as we conduct this business, and
16 that's going to be our intent. Now, having said
17 that, that's sounds easy, but as you can see,
18 we're going to have differences of opinion as to
19 how to do what's right.

20 We're not going to have a difference
21 on the fact that our intent is to do the right
22 thing and do what's best for the City, but how
23 to get to that point there's usually going to be
24 more than one way and there's going to be

1 different views on the best ways to get there,
2 and this Board and the individuals on the Board,
3 the Board Members, are going to have to decide
4 through a process which is we'll vote on things
5 and we'll come to a consensus, and then that's
6 got to be how we move forward, that we're all
7 going to support what the Board action is.

8 And so I wanted to have this on
9 there because I think our bylaws have a pretty
10 detailed discussion of all the things we need to
11 do and do right, but the devil is always in the
12 detail.

13 As you get the individual
14 transactions, as we talk about certain topics,
15 we obviously are going to have different views.
16 I want those different views aired out in this
17 forum. I mean, we absolutely have to have those
18 discussions. We absolutely have to know what
19 all of us are thinking as it relates to any of
20 the issues that are put in front of us, and we
21 got to have a candid, honest discussion, and we
22 move on after the Board decides which direction
23 to go. We can manage information. We can't
24 manage secrets and so I want everybody to feel

1 comfortable to speak out.

2 The other thing is every Board
3 Member has one vote. I'm the Chairman but I
4 only have one vote. It's not like I can dictate
5 what happens here, nor would I want to, and so
6 that's why it's even more important that all
7 Board Members feel very, very comfortable in
8 this forum to speak their minds and put issues
9 or concerns on the table so they can be
10 addressed at the Board level.

11 That's all I wanted to say about
12 that, but I did want to get any input from the
13 Board Members as to their thoughts about those
14 roles and responsibilities.

15 MR. RAMIREZ: I think it's an important
16 agenda item, Mr. Chairman, and, you know, I
17 think it's important that we think about how we
18 handle the public, not just at these forums, but
19 I know that I have already received some calls
20 as well from different folks, and once we start
21 to make decisions, get involved in the
22 decision-making process, it's going to be
23 important that we understand, you know, how to
24 lay that out and how to move forward when it

1 comes to dealing with the community, dealing
2 with the press, dealing with the financial
3 institutions.

4 CHAIRMAN BELL: Well, I think it's
5 extremely important as a Board that we have
6 commonality of message. I mean, this Board has
7 got to decide what we're going to do and then
8 that has got to be the message we take forward
9 regardless if you have a different view during
10 the discussion.

11 Once we decide as a Board that
12 we're going to go in this direction or this is
13 how we're going to operate then that should be
14 the message we take forth as individuals as we
15 talk to the external stakeholders in this
16 process.

17 We just have to operate that way,
18 otherwise it just causes dissension and it
19 causes us to not be cohesive as a Board, and we
20 won't be able to move this process forward.

21 So hopefully we all are in
22 agreement with that. If not, I'd like to hear
23 what a different approach ought to be for us.

24 Okay. Let's see. Applications to

1 the IRS for the 501 status. Was that in the
2 package or something we need to talk about?

3 MR. NAREFSKY: No. It's information on
4 something --

5 CHAIRMAN BELL: We got to do?

6 MR. NAREFSKY: Once the Trust is
7 incorporated I think the vision of the
8 organization was that it would be --

9 CHAIRMAN BELL: Non-for-profit.

10 MR. NAREFSKY: -- important to do that
11 or good reasons obviously to achieve that.
12 It's just to note for everyone's benefit that
13 it's a useful next step, one of the useful next
14 steps.

15 CHAIRMAN BELL: Absolutely important.
16 We got to do that. Second to crossing your
17 wife, you surely don't want to cross the IRS.
18 So clearly that's something we got to get done.

19 Okay. Any other comments or
20 discussion?

21 (No response.)

22 Lois, you're going to give us an
23 overview of the first project?

24 CHIEF FINANCIAL OFFICER SCOTT: Thank

1 overview of that project. It is still very much
2 under development and very fluid as we speak,
3 but what we want to give you, the Board, the
4 earliest possible look at what we're thinking
5 about from the Retrofit Chicago Project.

6 Retrofit Chicago is about energy
7 savings, reducing our cost of financing and risk
8 transfer to private parties, and importantly we
9 hope to do that with job creation for our
10 community.

11 We expect that the project will be
12 approximately \$200 million. That won't happen
13 all in one moment in time, but approximately
14 \$200 million investment program to drive energy
15 efficiencies not just for the City but also for
16 our sister agencies.

17 For those of you who are not
18 familiar with how the City itself works, the
19 sister agencies include the Chicago Park
20 District, Chicago Public Schools, CHA, CTA and
21 the City Colleges, among some other
22 organizations.

23 The energy savings themselves are
24 intended to finance the capital improvements.

1 These may include things like improved lighting
2 systems, energy dashboards, HVAC systems,
3 windows, et cetera.

4 The facilities to be improved will
5 include a number of City of Chicago buildings
6 throughout our City, many of our Chicago Public
7 Schools and certain water pumping stations. We
8 expect the energy savings to be approximately
9 20 percent of the energy costs associated with
10 those improvements.

11 Because we're aggregating so many
12 different projects, we expect that we'll be
13 staging what we bring in front of the Chicago
14 Infrastructure Trust. We're putting them --
15 from our working group, we're putting them into
16 different project cohorts.

17 Retrofit 1 maybe approximately 25 to
18 50 million, largely for projects identified by
19 the City of Chicago's Fleet and Facility
20 Management Office to include things like
21 retrofitting lightings in certain buildings,
22 programs improving windows, et cetera.

23 We also know that we have a number
24 of City of Chicago Public School projects that

1 are ready to move. These include putting energy
2 dashboards into schools so they can monitor the
3 use of energy in real time. That project
4 appears to be coming together quite nicely and
5 will form the first cohort.

6 The second cohort would likely look
7 at the Department of Water Management. They
8 have a number of very sizeable pumping stations
9 that are going to be converted from steam power
10 to electricity. The cost savings associated
11 with those are very significant, and the savings
12 would be sufficient to finance the necessary
13 conversion costs.

14 Because they're very sizeable and
15 unique to the Department of Water Management, we
16 believe we'll bring them separately in their own
17 cohort to the trust.

18 Retrofit 3 will be projects that are
19 not quite ready but are being developed by our
20 various City departments, including Fleet and
21 Facility Management and the Department of
22 Aviation as well as further CPA projects.

23 And finally is the fourth bucket of
24 retrofit projects that we expect will be

1 developed over the coming 18 to 24 months.

2 In developing our finance plans that
3 we would like to bring to the Trust for
4 consideration, there are a number of proof
5 points that we are working to make sure we
6 satisfy. The first is financing and the second
7 is more operational.

8 I'll speak first to the financing
9 goals. The first is can we attract funding from
10 multiple sources of capital, many of which we as
11 a City do not presently benefit from. These
12 include public pension fund -- excuse me,
13 pension funds, labor friendly investment funds,
14 community reinvestment act dollars from banks,
15 charitable organizations and foundations both
16 interested in making grants and making program
17 related investments, alternative investment
18 programs and, of course, infrastructure
19 investors.

20 The second proof point is can we
21 aggregate the needs of our City in a somewhat
22 different way than we have done before. When
23 the City has a project, the City finances. When
24 schools have a project, schools finance. One of

1 the proof points we would like to show to the
2 Trust and to the public is that we can get
3 savings and efficiency by consolidating some of
4 these needs.

5 The third, as Alderman Pope spoke
6 about, which I fully support, is the ability can
7 we really transfer risk off the back of our
8 taxpayers in a real genuine risk transfer
9 device.

10 The fourth financial proof point we
11 would like to bring to the Trust is can we
12 achieve a diversified and efficient capital
13 structure that may include senior debt,
14 subordinated debt and forms of equity. Those
15 are the four elements that we are hoping to put
16 from a financial perspective in front of the
17 Trust.

18 In terms of energy savings, we also
19 have proof points that we would like to bring to
20 the Trust, and that is that we can expand beyond
21 the traditional ways of financing infrastructure
22 through the Retrofit Chicago Program. We want
23 to demonstrate tangible savings among our
24 different entities and achieve energy savings of

1 approximately 20 percent. Those will also be
2 proof points that we'll bring to the Trust.

3 And with that I'll take any
4 questions that you may have and I just want to
5 reiterate that this is a very fluid process. We
6 expect there to be lots of changes along the way
7 as certain projects come into or out of focus
8 depending on what savings we can generate on
9 them, and we look forward to working with the
10 Trust on a process that really fulfills your
11 desires for transparency, openness and real
12 savings for our community.

13 CHAIRMAN BELL: Thank you, Lois. Any
14 comments, questions?

15 MR. HOFFMAN: I've got a few questions.
16 I really appreciate your presentation. It's
17 very helpful. Maybe the first thing I'd say is
18 your last comment about it being fluid, I
19 really appreciate that. I think that's so
20 important.

21 I think one of the mistakes arguably
22 in the past was the instinct to want to develop
23 everything behind closed doors, wrap it up
24 really nicely with a bow and then just be done

1 as opposed to what I think we're doing now which
2 is developing something gradually in a more open
3 process and not be afraid to say, you know, it's
4 going to change along the way, which is just
5 what you said and I think that's important. So
6 just a comment on that.

7 CHAIRMAN BELL: Lois, I have a couple
8 of things. Obviously we got to get staffed
9 before we can really address this project. I'm
10 assuming in the interim it's going through the
11 normal City approval and transparency.

12 CHIEF FINANCIAL OFFICER SCOTT: Yes,
13 everything will be normal City approval process
14 and Board of Ed or any of the sister agencies
15 that are involved.

16 CHAIRMAN BELL: Yeah, because I want to
17 keep -- make sure that we keep clear on what
18 this Trust responsibility is and what remains
19 with the City and the other agencies which is
20 the process of getting projects approved.

21 You know, they do that and then once
22 that's done then it could come to us. Remember,
23 we're not eliminating the other sources of
24 funding these projects. We're trying to expand

1 them by having this alternative and seeing if
2 some of these projects that would be otherwise
3 approved by their agencies or by the City, to
4 see if there's another way to do it, to
5 accelerate it and to relieve some of the
6 pressure on the budget.

7 I want us to make sure we stay
8 mindful of that. You know, hopefully that, you
9 know, just because we're not acting yet, you're
10 still going through that process and you're
11 still getting the amount of transparency and
12 openness in the right forums.

13 So I'm going to assume, John, you've
14 seen some of this or you will see it before it
15 comes to us and the City Council will have a
16 chance to weigh in and that the project itself
17 will be conducted using the City's processes and
18 the City's due diligence.

19 CHIEF FINANCIAL OFFICER SCOTT: Right.

20 MR. HOFFMAN: A couple of substantive
21 questions.

22 CHAIRMAN BELL: I'm sorry.

23 MR. HOFFMAN: No. No. I'm sorry. I
24 didn't want to cut you off.

1 CHAIRMAN BELL: No. Go ahead.

2 MR. HOFFMAN: And then I want to go
3 back and maybe have a discussion among ourselves
4 if you're amenable about the process for
5 selection.

6 But to jump in on a couple -- first
7 of all, the two proof points, the first page of
8 the proof points that had the four bullets, I'm
9 not really diving into it, and I think that my
10 reaction is simply that I appreciate the
11 framework and I know this will -- I will
12 continue to have questions going forward once we
13 get into the nitty gritty based on this
14 framework, but I think it feels to me as someone
15 who doesn't know as much as you do on this that
16 it's a good framework.

17 The only question I have now for
18 your reaction is on the first one, attract
19 multiple sources of capital. When we hear the
20 question from people, and it's quite
21 hypothetical at this point, but why is this
22 likely to be better than just the generic
23 traditional process of issuing bonds?

24 I see this first bullet point as a

1 significant part of the answer. I wanted your
2 view about whether I'm thinking about that the
3 right way. I know you talked about this. I
4 know you've thought about that. When we get
5 that question, is this one of the important
6 points?

7 CHIEF FINANCIAL OFFICER SCOTT: It's a
8 very important point.

9 MR. HOFFMAN: Can you explain that a
10 little bit?

11 CHIEF FINANCIAL OFFICER SCOTT: One of
12 the key areas for the Trust is basically
13 expanding the universe of investors who will
14 take a look at projects.

15 So typically the City of Chicago or
16 any government looks to the tax exempt bond
17 marketplace, and the tax exempt bond marketplace
18 prefers projects where the taxpayer remains on
19 the hook.

20 The reason that they are low
21 interest rates in tax exempt bonds are really
22 two things. One because of the federal tax
23 exemption but also because it is backed up by
24 the communities taxing ability. So the risk is

1 borne by the taxpayers on these projects.

2 But the tax exempt market is a very
3 small subset of investable dollars in the world,
4 a very small subset, and probably with the
5 continuing economic crisis a smaller and
6 smaller percentage of folks are in a tax paying
7 concern.

8 You know, increasingly the amount of
9 people who have a demand for tax exempt income
10 is shrinking so we want to tap into the much,
11 much broader world of investment capital to
12 bring that to our doorstep and actually take a
13 look at what they can offer as well.

14 MR. HOFFMAN: Thank you for the
15 explanation. You know, when I read -- I just
16 don't know enough about the details and you know
17 much more so I really appreciate the educational
18 comments on it.

19 When I read what President Clinton
20 has written about this generally in the past,
21 this is one of the main points he makes. This
22 is something that Jorge has stressed to me in
23 talking about this, and it seems like a good
24 point. I think the question will be whether it

1 comes to fruition, but I think it seems like a
2 very good point.

3 The second question on the next page
4 is in your third bullet point about energy
5 savings. Again with the understanding all this
6 is tentative and fluid, a question to sort of
7 help us think about this.

8 So my understanding about what the
9 City is tentatively thinking about this is that
10 the reason that investors -- the way that
11 investors will get a return from this would be
12 that they would share in the energy savings that
13 are anticipated.

14 In other words, the savings that the
15 City expects from the energy -- lower energy
16 costs is how the City will pay some rate of
17 return to the investors. It's sort of a
18 tentative thought as I understand it.

19 And if I'm right about that, what is
20 the initial tentative thought about what if
21 we're wrong. What if the energy are less than
22 we believe and how do you think about the risk
23 to the City and/or the Trust if the energy
24 savings aren't as achieved, you know, as

1 expected?

2 CHIEF FINANCIAL OFFICER SCOTT: Well, I
3 think implicit in your question is that there's
4 only one type of investment return, and if you
5 look at the preceding page, the last bullet
6 point is that we want to see if we can package
7 something with a diversified capital structure.

8 So some investors will be paid and
9 have an economic win or loss based on the
10 savings, but there might also be a level of debt
11 that is debt that is based on a cash flow and a
12 coverage level and less risk transfer.

13 But at the bottom, a small
14 percentage on the equity side will have the risk
15 transfer whether the savings have actually been
16 achieved or not.

17 But one of the important pieces
18 here is that we want to see if we can transfer
19 that risk to the private sector so if it's a win
20 or loss that they're picking up that risk.

21 It would be our hope that at some
22 point the Trust would entertain whether it
23 should also retain an ownership interest in that
24 gain or loss as well.

1 MR. HOFFMAN: Well, I would say that
2 that makes sort of logical sense and we'll see
3 how it plays out. I appreciate the early
4 conversation and I know the proof will be in the
5 details and how it's applied and I'll look
6 forward to having further versions of this
7 conversation when more details arrive.

8 The last thing on this,
9 Mr. Chairman, and this is really about our
10 process, sort of a question about our process.
11 As you have heard me say before the Finance
12 Committee, my early thinking about our
13 organizational processes is that there's only
14 three things we're going to be doing.

15 One is selecting the project
16 generally. Second would be deciding what the
17 terms or parameters would be of a potential deal
18 and, therefore, the document that we want to
19 send out to the world and say is anyone
20 interested in bidding on this. And then the
21 third is the process for assessing bids or
22 proposals that come in.

23 So the question about the first
24 stage, which is really probably the easiest one,

1 is what should be our process for selecting
2 projects. Arguably this may end up being easy
3 at the beginning because this one, you know, I'd
4 like to hear if, you know, we'll have a chance
5 to flush out whether there are dissenting views
6 and reasons why the Trust shouldn't take this as
7 a first project.

8 But just hearing from Lois and
9 thinking about it and looking at this, looking
10 at presentation, it certainly seems like a good
11 project and very different from one where the
12 City, for instance, is contemplating leasing a
13 significant amount of its assets for many years.
14 That's not what this project appears to be
15 doing.

16 So it seems fairly straight forward
17 and noncontroversial to adopt it as the first
18 project, but I note that her first point was
19 that it's anticipated to be the first project,
20 and my expectation is that it would be normal
21 for the City, the administration to propose a
22 project and then the Trust to decide we agree.

23 So I thought it might be helpful --
24 I think it would be useful for us to create a

1 document, that may be a very short document,
2 that sets out our procedures for selection of
3 projects. So with that --

4 CHAIRMAN BELL: I think we ought to
5 talk about it, but clearly I think the project
6 has to create some kind of revenue service to
7 debt. I mean, I think to go beyond that
8 initially is going to be very tough for us to
9 figure out a structure that is, you know,
10 external money involved.

11 Maybe there are investors that just
12 want to invest in infrastructure in cities and
13 they just think it's good reputationally for
14 their organization. I don't know.

15 But I think if you look at a return
16 and having to be serviced and it's not on the
17 backs of the taxpayers, then the individual
18 project has to create a revenue source that
19 we're comfortable with and would allow us to
20 service the debt.

21 And then also you have to look at it
22 from the standpoint that there's not a windfall
23 in the way that the deal is structured to the
24 person that makes the investment so that they

1 get obviously a huge return, a much higher
2 return on it than what the risks would support,
3 the risk posture would support.

4 But I think we got to flush it out,
5 David. I think that we're not going to go out
6 seeking projects. The City and the other
7 agencies are going to bring things to the table,
8 and we got to sort through does it make sense to
9 structure a deal -- does the project have the
10 tenants that make sense to structure a deal that
11 you can take to an external financing source.

12 So I think we're going to figure
13 that out. This one seems to have some of it,
14 but you raised the point. I mean, the
15 20 percent savings, you got to be sure that that
16 exists, and more importantly the investor has
17 got to be sure it exists because there will be
18 no recourse to the City of Chicago.

19 I mean, it's got to be -- it's going
20 to be on that deal and they are going to have it
21 take the risk of that. The devil will be in the
22 the detail. I think you are absolutely right
23 there. We got to work our way through it.

24 MR. RAMIREZ: Mr. Chairman, I think

1 it's important for folks to understand as well
2 that for the folks that are going to be playing
3 with this on the investment side, this is no
4 different than any other investment they engage
5 in.

6 We're not asking them to do
7 something riskier than they have done in the
8 past. They're going to value this investment,
9 kick the tires on this investment, gather due
10 diligence like they would any other investment
11 on it.

12 I think one of the things that we do
13 is we take a hundred percent of the burden of
14 the project away from the taxpayer and spread
15 that risk with these folks that are going to
16 determine whether or not it's a healthy
17 investment for them as well.

18 So it's going to be interesting for
19 me as part of this process to see how they kind
20 of evaluate this and kick the tires. Are they
21 going to engage in common due diligence
22 amongst -- if there's more than one or how will
23 it work? I don't know. I think we're going to
24 find out shortly.

1 MR. HOFFMAN: Going back to this issue
2 of creating procedures for our selection of
3 projects. I was anticipating that at some point
4 we would be taking a vote or making a decision
5 about whether X is a project that we're going to
6 do.

7 CHAIRMAN BELL: We will.

8 MR. HOFFMAN: And so a question about
9 sort of the timing of that. And then, second,
10 is there agreement that we should create some
11 documents that I think can be quite broad but
12 something that sets out procedures for
13 selection?

14 And to add to that, I agree with
15 you that it would be normal and expected that
16 most of the projects will probably come to us
17 as suggestions from the administration. I
18 think that's the point of this and consistent
19 with it.

20 I also think that it would make
21 sense to provide some sort of vehicle for
22 suggestions from outside the administration
23 because people are likely to have very good
24 ideas about possible projects.

1 I think if the administration thinks
2 that something is a bad idea, it's not going to
3 have any legs because basically -- you know, at
4 the end of day when we're done, it's got to be a
5 City project.

6 But I think it would be a useful
7 tool -- the Trust can serve as a useful vehicle
8 to provide for the receipt of ideas outside of
9 the administration. I think in that regard we
10 would probably just be passing them along to the
11 administration for their consideration. That's
12 a very --

13 CHAIRMAN BELL: I guess from me, from
14 my perspective I think that would be
15 overwhelming for the Trust at this stage. So it
16 could be something we could do downstream, but,
17 you know, again I think the project has to have
18 a supporter, and it's the City's infrastructure
19 we're talking about, so it's going to come from
20 the City or one of the other agencies.

21 I mean, coming directly to us
22 without getting vetted through those other
23 processes, I'm not sure what we do other than to
24 send it to them. I mean, that's my point. I

1 think they should be -- we should encourage them
2 to bring them up through the normal processes
3 that they would have, either as an agency or the
4 City in terms of getting that project vetted or
5 getting it aired out and having the due
6 diligence.

7 And then once that's done then they
8 got to look at what are the sources of
9 financing, and in some cases some of those
10 projects may have enough in them, and I firmly
11 believe they got to have some ability to create
12 revenue to service the debt or get third party
13 financing and then they would come to us.

14 I mean, I think it won't be that
15 many. I really do believe the devil is in the
16 detail and that's why you don't see one of these
17 trusts in every city in the country because
18 everybody is having budget pressures and
19 everybody has the same challenge.

20 So I don't envision that we're going
21 to see a lot of things that is going to say
22 automatically this thing will work.

23 MR. HOFFMAN: Yeah, I guess what I
24 was -- I mean --

1 CHAIRMAN BELL: And to your other point
2 about should we have a document. If we do, it
3 has to be high level. I think every one of
4 these things is going to be so different.

5 I think the whole point is, yeah, as
6 a Board we're going to have to vote on whether
7 it makes sense for us to even try to take this
8 thing out to the market. That's what we've got
9 to do with every project.

10 I'm open to a process or document.
11 I just don't know how detailed it could be. It
12 has to be pretty much what we've already said.
13 We got to look at everything on the value and
14 say does it meet some of the fundamental
15 requirements that you can package and get a
16 deal, and particularly since, you know, as part
17 of our -- the way the ordinance reads, we can't
18 structure a deal that has some impact back to
19 the citizens of the City. We just can't do it.

20 MR. HOFFMAN: I guess I was thinking
21 that, and maybe it's combined with the document
22 that sets our procedures for setting the terms
23 of a potential deal, but I think it would useful
24 for clarity that we know whether topic one is on

1 our docket for development either by us or by
2 the staff, future staff, of what the terms will
3 be.

4 And I think that it would be useful
5 for us to make that decision, have something
6 which I think, as you said, is what is
7 contemplated and have something that says that
8 once that decision is made yes, we agree as a
9 Trust that retrofit is something that should be
10 examined and we ask someone to start developing
11 the potential terms that then we go forward.

12 A question for Lois on my thought
13 about -- you know, what I'm imagining is once
14 the Trust later has a website and actually has
15 someone to look at this stuff that it might be
16 useful to be a vehicle to receive public
17 proposals -- I agree with James. I'm not sure
18 we serve much role at the beginning other than
19 to just pass them along, but in a way if it's a
20 useful vehicle to attract ideas, why not? But
21 really you're maybe the best person to react to
22 that. What's your thought on that?

23 CHIEF FINANCIAL OFFICER SCOTT: I think
24 the public has many ideas and I think if we can

1 create a place where those ideas can be
2 presented, and we can collectively move the City
3 and the agencies as well as us to try to work
4 through how to prioritize the ideas that the
5 public want to be.

6 CHAIRMAN BELL: I do think that the
7 public is going to view us as a receptacle for
8 those ideas, David, so I think the thought about
9 how we deal with that is something we need to
10 address.

11 I don't think they will fully
12 understand, you know, how finite our role is in
13 this overall process so we do need a way to
14 capture them and then get them to the
15 appropriate channels. So I think it's something
16 we got to take under consideration.

17 Any other thoughts or any other
18 questions for Lois?

19 MS. FERGUSON: Just in terms of
20 prioritization maybe, can you just remind us,
21 Lois, given the enormous list of potential
22 infrastructure projects that the City would
23 contemplate, how did Retrofit come to the top
24 of the list as your initial proposal for the

1 Trust? Why was it prioritized by the City? Can
2 you just remind us?

3 CHIEF FINANCIAL OFFICER SCOTT: I think
4 because it has the best opportunity to really
5 demonstrate what the Trust can offer in terms of
6 (unintelligible) capital because we see a very
7 specific savings stream for the taxpayers
8 because we are not doing these projects today.
9 We need -- additionally, they are too small to
10 to do.

11 I think the goals is to aggregate to
12 really attract capital. All of those things are
13 without having an increase in revenues. It's
14 really all about taking -- getting savings we
15 are currently not capitalizing on and using that
16 to strengthen and rebuild our infrastructure and
17 to produce jobs.

18 When we have this number of
19 buildings that we need to be touched throughout
20 our City, we have the opportunity to have
21 workers in all of these communities really
22 helping build our City and moving forward.

23 It seems to meet the goals and
24 criteria that we were talking about prior to the

1 creation of the Board as a way of trying to do
2 something very different in transforming the
3 community.

4 MR. HOFFMAN: Have you looked into
5 issuing bonds for this project now?

6 CHIEF FINANCIAL OFFICER SCOTT: We
7 have. So as part of the process, one of the
8 things the Trust is required to do under the
9 executive order is to evaluate alternative
10 financing structures and strategies to make sure
11 the Trust is additive and important.

12 You know, it's difficult to do a
13 \$500,000 retrofit project for one school because
14 the contractors would like that work and we
15 would be happy to finance the cost with bonds,
16 but we believe there are better and stronger
17 ways of doing that.

18 CHAIRMAN BELL: I guess, Lois, the real
19 question to get down to is would you just be
20 looking for projects that have the possibility
21 of being financed other than through the
22 traditional sources to bring to the Trust? I
23 mean, is that sort of the mind set of this City
24 and the other agencies?

1 CHIEF FINANCIAL OFFICER SCOTT: That is
2 the mind set. I think it's important to
3 remember that the overall capital plan on the
4 City that's been announced by the administration
5 is a \$7.2 billion program. Of that 200 million
6 that's being proposed for the Trust -- proposed
7 to the Trust.

8 The 7 billion itself we intend to
9 proceed with, whether that is Aviation, CTA,
10 school, et cetera. The Trust's role in all of
11 that right now is to focus on that \$200 million
12 piece which is somewhat different than
13 traditional capital needs and ongoing needs of
14 our City.

15 CHAIRMAN BELL: And the reason I ask
16 that for the other Board Members is that I think
17 the bulk of what the City is going to do and the
18 other agencies in terms of improving their
19 infrastructure won't have a ghost of a chance of
20 going through an alternative source of
21 financing. They just won't.

22 There's no way to structure a deal
23 that they would want to take the risk on and
24 there's probably no way for us to pay for it out

1 of the project either, and so I think it will be
2 very limited. It will be very obvious as we get
3 into what there is a possibility for us to do
4 and what there isn't, and it will be a very
5 small percentage of the overall effort I would
6 think. Anyway we'll see.

7 MR. HOFFMAN: Mr. Chairman, do you
8 anticipate -- what is your thinking about the
9 timing of when the Board would decide about
10 whether this project is going to be our first
11 project?

12 CHAIRMAN BELL: Well, we got to get
13 staffed first so we can have our people --
14 getting back to the independence, we've got to
15 have an executive director that we'll talk
16 about later or a financial advisor that can look
17 at this and advise us as to whether or not this
18 is something that really makes sense for us to
19 do.

20 Because I think the key is sorting
21 through this savings, how do you ensure and
22 guarantee it, and then we can somehow rely on a
23 portion of that being used as the revenue to
24 fund it.

1 So I don't know what the timing of
2 that is, David. First and foremost we got to
3 get the staff up and running. I'd like to do
4 that sooner rather than later but we got to get
5 the right people. It's going to be dependent on
6 that. I don't think we start taking a project
7 before we're staffed.

8 MR. HOFFMAN: I agree.

9 CHAIRMAN BELL: Okay. Moving onto the
10 financial report. I mean, this is just for
11 information only. We have an initial budget and
12 seed money in the budget of \$200,000 for the
13 rest of this year and that we'll obviously use
14 to try to get staffed. We probably won't need
15 all of it with the timing of it.

16 And then we have 2 million in seed
17 money that we have investors interested in
18 putting up. All of that will have to ultimately
19 be granted to us by a grant from the City which
20 we don't have yet.

21 That's something just to be sure
22 we're aware of is coming and then we'll have to
23 work our way through, but that's what's expected
24 initially both in operating budget and for seed

1 money.

2 Staff support, you know, we sent out
3 the job description for the executive director.
4 We have also talked about -- I talked with Lois
5 and David about the idea of in the interim
6 having a financial advisor or if the Board chose
7 to always use a financial advisor as opposed to
8 have permanent staff, and I think that's
9 something we should decide on now, how we want
10 to approach that.

11 Obviously we need to get the job
12 description posted in a manner that's public,
13 that is consistent with the best practices that
14 the City has in their hiring, and we obviously
15 don't have just obvious ways to go do that, and
16 we've talked about that.

17 But I'm really interested from the
18 Board's perspective on how do we ensure that
19 once we decide that we want to go with an
20 inhouse executive director, how do we get that
21 posted so that it gets as much public exposure
22 as possible and then we can start figuring out
23 how to sort through and screen those candidates.

24 And also I'd like to flush out the

1 concept of do we want to consider in the interim
2 having a financial advisor until we can go out
3 and find somebody either to do it pro bono or
4 someone from the City's preapproved list of
5 advisors that we can get up on speed sooner
6 rather than later. So I would throw that out
7 for discussion.

8 MR. HOFFMAN: The job description, I
9 haven't had a chance to take a look at it. I
10 know we received it as a draft, but I'd like to
11 take a look at it today or tomorrow, but I would
12 think that subject to everyone's comments on the
13 Board, my guess is that that is likely to be
14 ready to get out the door in a few days.

15 I'm no expert in where we would post
16 it. I had mentioned to you that I thought that
17 from a combination of HR experts at the City,
18 finance experts of the City and other people who
19 we could consult with outside of the City on
20 both those things, there's going to be a finite
21 set of either trade or subject related places to
22 post it both online and in publications, and
23 that would be -- it seems to me that once you
24 hit the sort of core group of those places to

1 publish that word gets out and that's about the
2 best you can do and that we'll need to set a
3 deadline for when applications are due and then
4 probably set -- you know, I think probably best
5 case scenario is that the person is starting 30
6 to 60 days after that depending on who we pick
7 and their schedule. Those are my thoughts.

8 I think on the financial advisor as
9 a matter of -- when you mentioned the City's
10 preapproved list, was that a -- because that
11 would be a legal requirement or just an easy
12 list to go from?

13 CHAIRMAN BELL: Well, one or two
14 things. For timing purposes if you don't go to
15 that list then you have to open it up to a
16 permit process that you go out and it will run
17 as long as probably it takes to hire the
18 executive director, and so again the interim
19 solution is either that preapproved list or
20 someone that would be willing to do it pro bono
21 temporarily and then we go with the permanent
22 executive going through the normal process which
23 is going to take a while. That was the only
24 reason we considered that.

1 MR. HOFFMAN: I think it's fair that at
2 the beginning we're going to need some interim
3 short-term solutions, and there's no rush, but
4 on the other hand just as a matter of being
5 practical, what you're saying makes sense,
6 especially if it's clear at the beginning that
7 it's just an interim solution then I agree.

8 MR. RAMIREZ: Starting in reverse
9 order, I think the financial advisor is probably
10 a prudent thing to do so we can start getting
11 our brain around this project and others.

12 But on the Health and Hospital
13 Systems Board, which I serve on, under similar
14 pressures at the beginning to get things done
15 and to get positions hired and management, we
16 were very successful in using a search firm to
17 do that. It's an option that's out there that I
18 don't think we should overlook. They do a lot
19 of vetting as well, and if you get somebody
20 who's an expert in this area or in these areas,
21 they'll know where to go to get a lot of the
22 candidates.

23 CHAIRMAN BELL: Do they do it pro
24 bono?

1 MR. RAMIREZ: No, we paid a fee for it,
2 but either way I think it would cut through
3 some of the red tape and might be worth looking
4 at.

5 MS. FERGUSON: Mr. Chairman, just to
6 echo what Mr. Ramirez has highlighted, I think
7 we would be well served to potentially have a
8 search firm to help vet some of the candidates
9 and potential applicants and help us screen them
10 versus our job description and the competencies
11 that we're looking for.

12 I also think that referencing and
13 picking from the pool of preapproved financial
14 advisors is practical from an expediency
15 standpoint, and they are no doubt well
16 recognized and reputable firms that have been
17 vetted for this type of work, so it would be
18 credible in lending their expertise, so I would
19 be strongly in favor of that.

20 CHAIRMAN BELL: John?

21 ALDERMAN POPE: I'm in full agreement
22 understanding that that advisory firm would
23 possibly recuse themselves from any votes or
24 action immediately for the Board.

1 MR. HOFFMAN: Just to state an obvious
2 point, I mean, I think it's not inherently
3 inconsistent to choose someone off the list,
4 but, you know, as we've -- this is echoing a
5 comment that we've all made, that an independent
6 financial advisor, you know, the underlying
7 adjective there is going to be independent, and
8 as long as we're assessing that when we make the
9 choice, then I'm comfortable with that.

10 CHAIRMAN BELL: Yeah, I was just going
11 to make that point. I am sensitive to the
12 independence issue. I am also balancing that
13 with the practicality of, you know, we can't do
14 it ourselves and we need to get someone up and
15 running as quickly as possible.

16 The recuse part, that is part of the
17 issue. Some won't want to do it because of that
18 exact point because they would rather
19 participate in some of the deals and provide the
20 advisory services and we will not let them do
21 both. There's no question about that.

22 We've asked one firm to do it pro
23 bono. I think they told us no. We'll ask some
24 more. I'm not ashamed to ask them for free

1 work, you know. I mean, since they make their
2 living in this City, some of them should feel
3 some conscience in helping us to do this. So we
4 just need to figure out how to go forward.

5 So I want to make sure I got the
6 right census here. So search firm for the
7 permanent director, is that pretty much what I'm
8 hearing?

9 MR. HOFFMAN: I think it makes sense.
10 I would like to hear what ultimately that's
11 going to cost.

12 CHAIRMAN BELL: We're going to ask for
13 it for free first.

14 MR. HOFFMAN: I am with that.

15 MS. FERGUSON: A civic minded firm.

16 CHAIRMAN BELL: I've got to be sure I'm
17 not creating a conflict of interest. Some of
18 these people owe me from my prior life, you
19 know, and I want to be sure that I separate
20 that. But I think it's reasonable that this
21 Board goes out and given what we're trying to do
22 for the City in which they reside that, you
23 know, they can provide us some services. This
24 is not going to be a huge search. It shouldn't

1 be a huge amount of effort on their part.

2 Now, the financial advisory services
3 I think they may be a little different because
4 they are a lot smaller, I think, and it may tax
5 their resources and we may not have as much
6 success on asking pro bono.

7 But anyway, let's go out and look at
8 the search firms for the permanent director and
9 let's look at the list and see if there's
10 somebody on there that maybe one of us knows and
11 and could contact and then let's see if we can
12 get them to do it pro bono, and, if not, if they
13 can do it at a discounted rate and, if not, a
14 good deal.

15 ALDERMAN POPE: I agree, Chairman.
16 Just a clarification, this person would not be a
17 City employee and thus not subject to City
18 residency requirements, am I correct, or maybe
19 some of our counsel can add some advice.

20 MR. NAREFSKY: That's correct.

21 MR. RAMIREZ: What is?

22 MR. NAREFSKY: City residency
23 requirements do not apply to employees of the
24 Trust. You can make a policy obviously.

1 ALDERMAN POPE: We have plenty of
2 talent in Chicago. I'm sure some of those names
3 on the short list will be from the City.

4 CHAIRMAN BELL: Okay. Do we need to
5 have a motion on that or can we just operate
6 based on general consensus?

7 MR. NAREFSKY: I think consensus.

8 MR. HOFFMAN: I think that's fine.

9 CHAIRMAN BELL: I will work with Lois
10 and we'll figure out how to go get that done.

11 Okay. The next is let's establish
12 the next board meeting. I had jotted down and
13 talked to the three that were here earlier about
14 Tuesday, August the 28th. Does that work for
15 the other two? I'm thinking about 10:00
16 o'clock. 9:00 is o'clock a little early.

17 MR. HOFFMAN: Give me one second here,
18 James.

19 MR. RAMIREZ: Yes.

20 MR. HOFFMAN: Tuesday the 28th?

21 CHAIRMAN BELL: Yes.

22 MR. HOFFMAN: It's fine.

23 CHAIRMAN BELL: Good. So that's what
24 we'll are set as our next meeting at 10:00

1 o'clock. So make sure we get that in the
2 record.

3 MR. HOFFMAN: What's the -- Let's go
4 back to the staff and sort of support for us. I
5 know we're all enthusiastic about having a
6 website at some point that requires -- I
7 certainly can't build a website. I thought
8 maybe the Chairman might, that might be within
9 your --

10 CHAIRMAN BELL: Airplanes, not
11 websites.

12 MR. HOFFMAN: Do we -- Is there a plan
13 for who and how to do that and when that might
14 be operational even in a very basic way?

15 CHAIRMAN BELL: Yeah, I think we have
16 started working on that. I'm not sure if it's
17 done or not. We're linked into the City's
18 website and will be so -- people don't even know
19 where we are or how to find us yet. But that
20 was my thinking that we would set it up and have
21 a link from the City's website to us initially
22 and then we can decide if we want to really
23 separate that.

24 MR. HOFFMAN: Obviously whatever --

1 there needs to be sometime to develop it so
2 whatever is reasonable for that, but then I do
3 think it would be very useful to -- even if it's
4 just a one pager, a one page website where we
5 can -- where the information would be posted,
6 that there's maximum transparency about, you
7 know, what we've talked about, we can get the
8 transcript uploaded of the meeting, just, you
9 know, maximum transparency quickly, and then,
10 you know, the dates there, the times, the
11 meeting locations there, all the things that I
12 know we all want to do, but I think that should
13 be very easy to establish.

14 And then it might again be a nice
15 vehicle, very easy just to create something for
16 public comment, and those then very early we'll
17 have been able to achieve some of the core
18 things that we want to accomplish with
19 transparency.

20 CHAIRMAN BELL: I actually think we
21 have an obligation to do that. Don't we have
22 to -- we have to publicly post these minutes.
23 We got to get a website up. I'm going to be
24 working with Lois and Scott to get that done.

1 MR. HOFFMAN: Great. Thank you.

2 CHAIRMAN BELL: But again the
3 framework, I think we have to then decide how we
4 want to expand the content. I think that's
5 something we got to call like the public comment
6 piece I think is good, we need to have that, but
7 we need to think our way through, what do we
8 want to do with that website.

9 The only thing I've said is because
10 people won't know where to go find us yet, let's
11 have a link to us on the City's website.

12 MR. HOFFMAN: As Jorge said, we need to
13 get the executive director.

14 CHAIRMAN BELL: That's right. But I
15 did make an executive decision. We do have a
16 logo.

17 MR. HOFFMAN: You know, I saw that. Do
18 you want to explain that?

19 CHAIRMAN BELL: No. It was the top one
20 of a list of six and it was late and I said take
21 that one, let's do it, but it does have the -- I
22 wanted one that sort of exemplifies the closed
23 loop process, getting into transparency, making
24 sure that we're going to have all stakeholders

1 involved in something that looks like a pyramid
2 which is foundational.

3 MS. FERGUSON: Would you like
4 (unintelligible) on your executive decision?

5 CHAIRMAN BELL: No, I don't think I
6 want to spend any more time on that unless
7 somebody really wants to.

8 MR. HOFFMAN: Good explanation.

9 CHAIRMAN BELL: I gave it some thought,
10 but it was late. So we got the meeting done.

11 MR. HOFFMAN: Did you say 9:30?

12 CHAIRMAN BELL: I said 10:00.

13 MR. HOFFMAN: Thank you.

14 CHAIRMAN BELL: 9:00 is a little early.

15 Now let's move to the public comment
16 section. Now, if you have public comments, wait
17 until I recognize you and stand up and give your
18 name and spell it so the reporter can get it
19 down correctly. She doesn't want to find you
20 later. Let's try to limit it to two minutes,
21 your comments. Raise your hand if you have
22 comments.

23 MR. MELLIS: Thank you, Mr. Chairman
24 and Board Members. My name is Allan Mellis and,

1 first of all, I'd like to say I'm very much
2 impressed with the backgrounds of all the
3 Members of the Committee so I feel much more
4 comfortable.

5 And you covered a lot of these so
6 I'm going to summarize my comments very briefly.
7 I guess my basic comment, and this is derived
8 from your conversation, it's very difficult for
9 a citizen to suggest projects to the City.

10 I mean, you go through the alderman.
11 I've been active in the community as people here
12 know for 40 years. This seems to me an
13 opportunity for the public to provide projects,
14 not necessarily good or bad, that you could
15 consider.

16 So when you're looking at -- I know
17 initially that getting projects that are vetted
18 I really think on this website, which was one of
19 my items too, is that you solicit projects and
20 maybe you do as you pass them along, I
21 understand that, but I really think this
22 Infrastructure Trust is a way for the public to
23 provide input to the structure of what projects
24 they think are important, and also, as I think

1 Mr. Hoffman said, a way to get some feedback
2 from them too. So that was my first point.

3 The other thing is there are -- I
4 gave you a list of my testimony but there's some
5 things that -- projects that might be considered
6 and I put on here things like the Lincoln Park
7 Zoo. That's free. Well, I don't want to see
8 you doing that.

9 So I think you also have to look at
10 what criteria you set up that projects you don't
11 want to consider because they're not in the
12 public interest.

13 On the other hand, a new public
14 school. Now, right now my understanding from
15 the head of the Public Building Commission, all
16 the funding for new public schools is coming
17 from TIF funds. Well, maybe we need some other
18 funding source and maybe the Board of Education
19 provides the return, that there's some other
20 source other than TIF funds to build new
21 schools.

22 Some things that may be considered
23 are CTA railcars and buses that are selling and
24 leasing back. Midway Airport obviously has been

1 discussed. I'd also just from a PR point of
2 view like to see the parking meter contract
3 come back so we have more control to maybe
4 expand it -- you buy it back and expand the time
5 that the investment has to come back.

6 And then things like private
7 entities. You know, I read in the paper this
8 morning that there's some more talk about
9 Wrigley Field. Wrigley Field is private. All
10 the funding we see for stadiums seems to be
11 public stadiums. Well, maybe something that
12 could be considered is that it should become a
13 public facility and maybe there is funding
14 through it.

15 So that's pretty much my comments.
16 I just want to reemphasize how important your
17 website is. It doesn't have to be pretty.
18 People have to know about it.

19 You know, as to bylaws, the meeting
20 dates, the presentation we saw, I think it's
21 important to have project solicitation from the
22 community, and I think, you know, that's
23 something where you have the press here can help
24 you not only publicize the website but have

1 people give you projects.

2 It will also be nice for the
3 citizens to know what projects you're
4 considering, and then also the job descriptions
5 that you're going out.

6 So just those few comments. Again I
7 think you're -- I'm just very much impressed by
8 not only the Members and your background but the
9 thoughtfulness you're doing in realizing this is
10 a fluid situation. You didn't come up here and
11 say this is the way we're going to do it.
12 You're listening and I appreciate it. Thank you
13 very much.

14 CHAIRMAN BELL: Thank you, Mr. Mellis.

15 MR. HOFFMAN: Thank you, Mr. Mellis.
16 You know, let me just say while you're there, I
17 know all of us appreciate you and other members
18 of the public who take time from your private
19 lives to come up here and give your comments
20 through this. It's very much appreciated.

21 You heard me talk about the website.
22 I think, you know, soliciting ideas from the
23 public is really important. The expectation
24 should be that, you know, depending on who the

1 executive director is and what their thoughts
2 are, it may be all that we're doing is passing
3 it on to the administration.

4 But it may give the executive
5 director an excellent idea. It may prompt
6 discussion with the City officials that wouldn't
7 have happened but for that public suggestion.
8 So I completely agree.

9 I think that, you know, as to
10 Wrigley Field, I know that -- I thought we had a
11 Cubs fan in the Mayor's Office. I think that's
12 maybe sort of ambiguous now. Maybe he's
13 thinking more about the south side. I'm not
14 really sure. I'm joking obviously.

15 But I appreciate the comments and
16 we'll look forward to hearing from you in the
17 future.

18 MR. MELLIS: Thank you.

19 CHAIRMAN BELL: Yes?

20 MS. PATEL: Good morning. Thank you,
21 Chairman, and thank you to the rest of the Board
22 for getting a chance to be able to talk.

23 My name is Amisha Patel. I am
24 Executive Director of Grassroots Collaborative.

1 We're a community labor coalition that works on
2 economic and racial justice issues in the City
3 and statewide.

4 When the Infrastructure Trust was
5 first proposed, we had some serious concerns
6 about it and they have boiled down to two
7 essential points.

8 One is a question around
9 accountability. We were really pushing to have
10 City Council approval of every single deal. So,
11 yes, the sister agencies have the ability to
12 approve the deals but those, of course, are
13 appointed and they're not elected by these like
14 Alderman Pope and his colleagues.

15 But the other question is around
16 equity, and so, you know, for us the question is
17 how will projects actually benefit working
18 families in Chicago. Will it benefit
19 neighborhoods in the City that are low income?

20 And there is two angles on it, so
21 one is in terms of having -- folks being able to
22 have jobs actually, you know, for these
23 projects. Like how do we make sure that local
24 residents have access to these jobs created by

1 the projects.

2 But the other piece is how do we
3 decide what projects actually get selected and
4 it goes back to this question around selection,
5 and so will projects actually benefit low income
6 neighborhoods and address the historic and
7 present inequities that exist in low income
8 communities and communities of color.

9 So, for example, when we talk about
10 the schools that are going to retrofitted, how
11 do we decide -- as a Board are you going to be
12 looking to see where are these schools, what
13 communities do these schools serve, is it
14 actually addressing inequity?

15 You know, partly to me this is a
16 core question. I'd like to hear from you,
17 Chairman, and anyone else who wants to answer
18 how are you looking at the question of equity in
19 your decision around which projects to address,
20 right, because we know that in terms of
21 infrastructure the higher -- you know, a lot of
22 the projects that are possible, you know, that
23 are more attractive or more lucrative for
24 investors aren't necessarily going to be in low

1 income neighborhoods.

2 So how are you going to make sure
3 that there's equity involved in any decision
4 that gets approved by this board and any other
5 principles that you're going to be looking at
6 initially at this point in terms of how you
7 decide selection of projects.

8 CHAIRMAN BELL: Well, obviously we
9 haven't completely worked that out, but clearly
10 we're going to be looking at what does make
11 sense to be packaged for an external financing.

12 Obviously we're interested in the
13 whole City benefiting from this process so we'll
14 take that into consideration, but we surely
15 haven't figured out in terms of exactly how
16 we're going make that happen, but we will be
17 looking at it. John?

18 ALDERMAN POPE: Thank you, Chairman.
19 One of the things that I thought about and
20 haven't discussed publicly is the need to
21 package these. As the Chairman said, if there's
22 an interest by a company and there's a very
23 lucrative deal, it maybe encouraging them,
24 requiring them to do less attractive deals so

1 You know, another reason why I think these
2 public comment periods are very helpful is
3 because it allows us to discuss that might not
4 come out.

5 Frankly my reaction on the equity
6 point is in part -- you know, when you see the
7 City come over and say hey, let's do Retrofit
8 Chicago and it says schools and new windows for
9 schools, you know, the immediate thought is if
10 this process allows us to fund that in a way
11 that it ordinarily wouldn't, and if those
12 windows are going in schools that have been
13 neglected over the years, what a wonderful
14 project and what a thing that does answer
15 precisely this issue of equity.

16 My second point though is that it
17 really depends on the details. Are we going
18 to -- is the project that we approve going to be
19 as detailed as listing the specific schools or
20 will it just say generally there shall be X
21 number of schools.

22 Frankly we don't know. We don't
23 know whether it's going to be that granular or
24 not. I think that question of what schools get

1 it will be -- is the only way to respond to your
2 concern, which is an important, obviously valid
3 concern.

4 And whether that process is here or
5 it ends up being at some future City process
6 that says it's going to be ten schools but then
7 they decide, you know, we don't know. But that
8 question should remain with us. It will remain
9 with us. It should be continue to be asked, and
10 then I think the point at which we'll -- you
11 know, someone will be called upon to answer is
12 what schools would get it if this succeeds.

13 Very quick comment on
14 accountability. I had made some comments at the
15 City Council meeting that really echoed those
16 not really concerns but said that my view was
17 that we should always ask the City Council to
18 weigh in and give it the opportunity to weigh in
19 on every proposed infrastructure project, even
20 if it involved City agencies. We couldn't
21 control whether the City Council would want to
22 do that.

23 I think as a legal matter after the
24 ordinance, if it's a sister agency project, it's

1 the sister agency board that has the final
2 decision-making process, but, you know, the City
3 Council is the only legislature that the City
4 has that's elected. And therefore the
5 accountability points that you and others have
6 raised I agree with, and I think that it
7 therefore would be beneficial for us to give
8 them the opportunity as part of the process to
9 weigh in, and how they do that and whether they
10 do that will be up to them. So I'm glad you
11 raised that point.

12 CHAIRMAN BELL: Any other --

13 MR. RAMIREZ: I think most of it's been
14 said already, but I just want to thank you,
15 Amisha, for coming and giving testimony. It's
16 important that those perspectives be heard and
17 that we as a Board be reminded as well and that
18 folks understand that they can come and say
19 these things that -- especially as a
20 representative of their communities that are of
21 great concern and something that we should be
22 looking at.

23 MR. HOFFMAN: Mr. Chairman, as a
24 process point, I think that the question raises

1 the issue of how will we be addressing the
2 selection of topics.

3 Take Retrofit, which, you know, I'm
4 struggling to think of what the critiques would
5 be and why we shouldn't take on that topic.
6 Frankly, I would like maybe an agenda item for
7 the next meeting would be public comment on
8 Retrofit Chicago, and it seems to me that would
9 likely be the last step in the Board saying
10 okay, we feel comfortable saying this will be a
11 topic, and it doesn't mean that these are the
12 terms, but I sure would like to give the public
13 the opportunity to say we shouldn't do Retrofit
14 Chicago.

15 Frankly, you know, I haven't heard
16 what those points would be, and I think that
17 given how straight forward the project is, you
18 know, I don't want to prejudge what may be said
19 against it, but it would helpful to give the
20 public the opportunity to say those things.

21 CHAIRMAN BELL: I'm not even sure
22 we're far enough along. I don't even know what
23 it is. I mean, I just heard the concept. The
24 devil is in the detail. And so I'm not sure

1 what the public would be at this time commenting
2 on to be honest with you.

3 MR. HOFFMAN: We've got a power point
4 presentation.

5 CHAIRMAN BELL: I got it. That's a
6 power point. That's my point. You know, I
7 think we need to be careful that, you know, they
8 said this might be the first project. It hasn't
9 been brought to us yet. You know, so we can
10 decide that we want to go out and get public
11 input on what comes to us, but this hasn't been
12 brought to us yet. Nothing has been brought to
13 us.

14 We wanted an overview for ourselves
15 to get some thought on what the City is
16 thinking, but I don't want to get too far ahead
17 of ourselves here that we have a lot -- that we
18 can do a lot with a lot of information that's
19 not specific to projects and that we don't -- I
20 don't know what we would do with it. What would
21 we do with it?

22 MR. HOFFMAN: Yeah, well, the point is
23 fair that if nothing really is going to happen
24 until we have an executive director and that

1 person is getting settled and at that point the
2 process will really start and at that point
3 there will be time to hear public comment about
4 whether Retrofit is a good idea, then I
5 completely agree that this is premature and we
6 should -- I want to make sure.

7 I actually think I know that we're
8 all in agreement on that. It's just a timing
9 issue. If we're just sort of waiting for that,
10 which makes a lot of sense, executive director
11 to be in place and then we'll start considering
12 the selection of projects then I think the
13 timing makes sense.

14 CHAIRMAN BELL: That's exactly what I'd
15 like to see. All right? Any other public
16 comment?

17 (No response.)

18 Thank you.

19 Any other business that we should
20 conduct today that we have not conducted that
21 was on the agenda?

22 (No response.)

23 Thank you then. I think this
24 meeting is adjourned. Thank you very much for

1 your time.

2 (Which were all the proceedings
3 in the above-entitled 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 meeting aforesaid, and
8 that the foregoing is a true, complete and
9 correct transcript of the proceedings of said
10 meeting 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 15th day of
15 August, 2012.

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MARI BETH KAWULIA

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C.S.R. No. 084-2873

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