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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 28, 2012  
 10:00 o'clock a.m.  
 Chicago Cultural Center  
 75 East Washington  
 Garland Room, 5th Floor  
 Chicago, Illinois

1                   CHAIRMAN BELL: Good morning and  
2 welcome. I would like to call the meeting to  
3 order. We have a pretty full agenda today and  
4 we'd like to try to get through it and be  
5 mindful of everyone's time and attendance today,  
6 and thank you all for participating with us on  
7 this Board and in this activity.

8                   So I think I'll just get right into  
9 the agenda. First we're going to have an  
10 update on our articles of incorporation. It  
11 will be brief. David, why don't you just let  
12 them know what's happened subsequent to the last  
13 meeting?

14                  MR. NAREFSKY: It will be brief. The  
15 articles have been filed. Congratulations. The  
16 Trust is a not-for-profit under Illinois law.

17                  CHAIRMAN BELL: Great. Thank you very  
18 much for your help on that.

19                  Update on our bylaws. Since the  
20 last meeting, the only major revision we've had  
21 with the bylaws is we have documented what  
22 always was this Board's intent in terms of how  
23 we would cooperate with the City's Inspector  
24 General so that language is now part of our

1 bylaws, and so I'm going to open it up to the  
2 rest of the Board to see if there are any other  
3 comments because I think today we probably want  
4 to put to vote whether or not we'd like to adopt  
5 those bylaws as written knowing that with the  
6 majority vote of this Board we can amend them as  
7 necessary as we learn more as we start to  
8 operate.

9 Any other comments on the bylaws?

10 MR. HOFFMAN: I'll make a comment.

11 Mr. Chairman, as you note, there's a new section  
12 in the bylaws, 9.8, titled cooperation with IGO,  
13 the Inspector General's Office.

14 I think this is a great addition,  
15 and I want to first commend you for the  
16 leadership in pushing forward to both have the  
17 language as it is and also to push it to be in  
18 the bylaws.

19 We could have our intent and our  
20 policy stated without anything written, we could  
21 have had a separate policy or we could have had  
22 the bylaws. To me this was the most secure way  
23 to do it, and I really appreciate your pushing  
24 for its inclusion in the bylaws, and I really

1 appreciate your pushing for this language.

2 I think it's clear that the intent  
3 of the language and what it says is that the  
4 programs and operations of the Trust are within  
5 the jurisdiction of the Inspector General's  
6 Office, and they have the ability to conduct  
7 investigations, audits or reviews of what we do,  
8 and we shall cooperate, which is exactly what I  
9 believe was important. I know everyone on the  
10 Board believes and I know especially you,  
11 Mr. Chairman, have been pushing for this.

12 So I think this is very positive.  
13 I'm very pleased with the language. I think the  
14 intent is clear and to me this puts the issue to  
15 rest.

16 I think that the rest of bylaws,  
17 I've read them, and I think they're good. I  
18 don't really have any comments or objections.  
19 You and I have talked about this, the ability --  
20 our ability as a Board to amend them, to add to  
21 them as we see issues since we're so new makes  
22 me comfortable in reading and thinking I don't  
23 know if there's something missing but if there  
24 is we can deal with it later.

1                   So with that I have no further  
2                   comments and I would support our adoption of  
3                   them.

4                   CHAIRMAN BELL:   So we have a motion on  
5                   the table.  Is there a second?

6                   MS. FERGUSON:   I'll second the motion.

7                   CHAIRMAN BELL:   I'll call for the vote.  
8                   All in favor?

9                                   (A chorus of ayes.)

10                   All opposed?

11                                   (No response.)

12                   That's it.  Then we've adopted our  
13                   bylaws as currently written.

14                   The next item on the agenda is the  
15                   election of the officers.  At our last meeting I  
16                   proposed that John Pope be nominated and  
17                   considered for Vice Chair and Diana Ferguson for  
18                   secretary and treasurer.

19                   Not having heard from any of the  
20                   other Board Members of any alternatives, I would  
21                   like to also call for a vote there unless  
22                   there's other comments.

23                   MR. HOFFMAN:   So moved.

24                   MR. RAMIREZ:   Second.

1                   CHAIRMAN BELL: All in favor?

2                                 (A chorus of ayes.)

3                   Good. Now I can share some of this  
4 work.

5                   MR. HOFFMAN: James, before we move on,  
6 you and I had talked about the conflict of  
7 interest policy, and I'm wondering whether  
8 that -- and is that included -- I didn't want --  
9 I think I saw that it was listed as an  
10 attachment to the bylaws, even though it's a  
11 separate document.

12                   As you know, my view is that -- I  
13 saw there were some changes, but I don't think  
14 they addressed all the things that need to be  
15 changed, and I think it needs some more work and  
16 I think we have time, so my recommendation would  
17 be that we pass the bylaws but --

18                   CHAIRMAN BELL: Dave and I had a  
19 discussion this morning. I don't think yet  
20 we've worked out -- given what we talked about  
21 last meeting, we've worked on all the concerns  
22 around conflict of interest and we do want to  
23 get our independent legal to take a look at that  
24 and make sure that all the Board Members are

1 covered and will know how to act accordingly to  
2 make sure that we don't have a perception or any  
3 real conflicts of interest.

4 So we're going to hold that open.  
5 We're going to hold the conflict of interest  
6 document open. We've accepted the basic bylaws  
7 but with the caveat that we're going to go work  
8 on the conflict of interest document, have our  
9 outside legal help us to make sure that we  
10 capture all the concerns and we address the  
11 issues appropriately for each of the Board  
12 Members. That's duly noted in the minutes.

13 Open Meeting Act training. There is  
14 a requirement that each of the Board Members,  
15 and they just didn't single us out, this is all  
16 employees and directors of the City and people  
17 that are appointed by the City, have to take  
18 this one hour I think it's an online course by  
19 November 1.

20 So there's a document in your  
21 handout that will tell you where to go and do  
22 it. And I would advise all of us to try to get  
23 it done by November 1st, put an hour aside and  
24 just go through it because, as I understand, if

1           you walk away from it, it may seize up on you  
2           and you'll have to start over so it's best to  
3           get your training done all at once and get it  
4           out of the way. So I would encourage everyone  
5           to do that.

6                        Okay. I think we can pass on the  
7           resolution allowing telephone participation in  
8           case of emergencies because that's included in  
9           our bylaws. There is a provision that Board  
10          Members can attend by telephone, and I think  
11          that will be adequate for those times and those  
12          needs when any of the Board Members need to do  
13          that so I think we can pass that.

14                       Officers and directors insurance. I  
15          did get a note from Lois or was it you, Scott, I  
16          can't remember, but the insurance, we need to go  
17          out and procure it for our Board Members. I  
18          think we need to do that.

19                       Obviously we can look at using the  
20          City's resources. They already have a broker  
21          that they use. The insurance seems to be  
22          reasonable. Something that we could deal with  
23          within our budget constraint. I think I have  
24          the numbers here somewhere. I just don't

1 remember what I exactly did with them. I think  
2 the insurance brokers are USI Midwest and Arthur  
3 J. Gallagher; is that correct?

4 MR. YONOVER: Yes.

5 CHAIRMAN BELL: So we can decide to go  
6 there. What they're saying the estimated cost  
7 for D and O coverage would be -- with limits of  
8 5 million would be about \$25,000, so something  
9 that we can handle within the budget.

10 But what I'd like to do is maybe  
11 have -- allow our treasurer to go out and look  
12 at this and see if we can maybe pursue this and  
13 then look at some other options. Clearly we  
14 need to get this done relatively soon in regards  
15 to making sure we have adequate coverage to  
16 protect us if we act in these capacities.

17 Any other thoughts or concerns?

18 (No response.)

19 Okay. Diana, I'll give you this  
20 e-mail and you can decide to contact them or you  
21 can look at some other options but we have to  
22 get that done.

23 Okay. Status of applications for  
24 our Federal Identification Number and the 501

1 status. David, do you have any --

2 MR. NAREFSKY: Well, on the first  
3 point, with some documents that had been focused  
4 on earlier, we have received promptly and will  
5 obtain a Tax I.D. number for the Trust I'm sure  
6 in the next few days.

7 CHAIRMAN BELL: Good.

8 MR. NAREFSKY: And activity is starting  
9 on the -- now with the Trust being a  
10 not-for-profit having bylaws, now we can move  
11 forward on 501(c)(3) status as well.

12 CHAIRMAN BELL: Okay. Questions?

13 ALDERMAN POPE: The timing for the  
14 501(c)(3) again?

15 MR. NAREFSKY: Well, the application I  
16 think we can get done quite soon. Then you're  
17 into how long it takes the IRS to review these,  
18 and I can't really vouch for that.

19 CHAIRMAN BELL: Any other questions for  
20 David?

21 (No response.)

22 All right. That concludes the  
23 organizational matters I think we wanted to talk  
24 about today, so let's move into the presentation

1 by Steve Berlin.

2 Clearly this organization, this  
3 group is absolutely focused on everything we do  
4 that we do with the highest of ethics so we  
5 thought it would be appropriate to have Steve  
6 Berlin come in and give us a briefing on the  
7 ethical programs that we have here in the City  
8 of Chicago. Steve?

9 MR. BERLIN: Thank you, Mr. Chairman.  
10 I do have a brief power point which I can --  
11 probably somebody who's more tech savvy than I,  
12 and that would be Jacob. I will make copies of  
13 this available obviously to everybody.

14 Just by way of introduction, I'm  
15 Steve Berlin, the Executive Director of the  
16 City's Board of Ethics. Some of you I know.  
17 Many of you I know actually in various  
18 capacities.

19 The Board of Ethics, just by way of  
20 introduction, is a small City agency with just  
21 eight full-time staff members. We have a board  
22 that's appointed by the Mayor, confirmed by City  
23 Council. Currently we have six board members.  
24 They serve without compensation. We administer

1 and enforce the City's Governmental Ethics  
2 Ordinance.

3 Now, I want to say that our board  
4 has looked through its case law and has rendered  
5 an opinion that the Members of the  
6 Infrastructure Trust Board are, in fact, members  
7 of a City agency for purposes of Chapter 2-156  
8 and therefore are subject to the Governmental  
9 Ethics Ordinance as City employed officials,  
10 therefore, all of you have filed your statements  
11 of financial interests and your ethics pledges  
12 which are required by Mayor Emanuel. Those are  
13 the post employment ethics pledges.

14 The import of that statement is that  
15 as far as conflicts of interest go, as far as  
16 gifts go, the Members of the Infrastructure  
17 Trust Board are subject to the Ethics Ordinance  
18 as City appointed officials, so except for  
19 Alderman Pope who is subject to it as an elected  
20 official of the City. He serves in two  
21 capacities.

22 What that means essentially just by  
23 way of -- if I can just bounce back. We have  
24 four basic functions at the Board of Ethics and

1           then I'll get to substance here.

2                       The first and most important is to  
3           give advice and guidance.  Advice and guidance  
4           as some of you know is our bread and butter  
5           work.  We issue about 6,000 formal and informal  
6           advisory opinions a year.  They are all  
7           confidential.

8                       And that means that when people  
9           contact us with questions about gifts, about  
10          conflicts of interest, we render the opinion,  
11          whether it's telephonic or it is e-mail or it is  
12          a formal written opinion that's signed by either  
13          me as the Executive Director or the Chairman,  
14          Miguel Ruiz, it's rendered and it's  
15          confidential.

16                      Confidentiality means that we don't  
17          share the fact that a person has come to us for  
18          an opinion or the nature of their question or  
19          the nature of their opinion unless we have the  
20          person's permission to do that.  In other words,  
21          we need a waiver from the individual who  
22          requested the opinion from us before we will  
23          even confirm that an opinion has rendered, and  
24          to the effect that a person allows us to discuss

1 the substance of the opinion, we will. That's a  
2 very critical point about what we do.

3 Unfortunately, it's a commonly  
4 misunderstood point about what we do, but it's  
5 right there in the law. And all of you should  
6 know that when you contact me for an advisory  
7 opinion, that advisory opinion is completely  
8 confidential.

9 Also we do education. All of the  
10 members of the Infrastructure Trust Board  
11 pursuant to the changes that were made to the  
12 Governmental Ethics Ordinance that will become  
13 effective on November 1st will be required to  
14 take an annual ethics training.

15 We've had all of the City employees  
16 take that training since calendar 2006, so now  
17 we will be covering the additional 2,100 or so  
18 appointed officials of the City. We will do a  
19 separate training program for them because they  
20 are subject to the ordinance in a slightly  
21 different way, and that will in all likelihood  
22 be on the Internet, although it's conceivable  
23 that we could come out and do a face-to-face  
24 training as well.

1                   Third, we are a regulatory body  
2                   which means that we collect public disclosures.  
3                   Those of you who are members of the media know  
4                   what kind of disclosures we collect; the two  
5                   forms that I mentioned before, the ethics  
6                   pledges and the statements of financial  
7                   interests that are required of all City  
8                   appointed officials who serve on boards or  
9                   commissions that are not solely advisory, such  
10                  as this one, file those every year.

11                  The last basic function that we have  
12                  is that to a limited degree we are an  
13                  enforcement agency, and our enforcement  
14                  authority is set forth in the Governmental  
15                  Ethics Ordinance.

16                  We have the authority to investigate  
17                  and make recommendations and make determinations  
18                  and adjudications as to whether persons subject  
19                  to the Governmental Ethics Ordinance have  
20                  violated one or more of the provisions of that  
21                  ordinance, and all of our investigative work is  
22                  also by law confidential.

23                  Now, one of the substantive topics  
24                  that I want to talk about first is gifts.

1                   CHAIRMAN BELL: I have a question now.

2                   MR. BERLIN: Yes, please.

3                   CHAIRMAN BELL: The forms that we  
4 filled out earlier, we all filled out the  
5 financial interest statement and the pledge.  
6 Your team, your office has reviewed those?

7                   MR. BERLIN: Yes.

8                   CHAIRMAN BELL: And you would let us  
9 know if you had any issues?

10                  MR. BERLIN: That's correct.

11                  CHAIRMAN BELL: So we should assume as  
12 of this date there are no issues?

13                  MR. BERLIN: If you don't hear from us,  
14 you can assume that there are no issues with the  
15 form. It's complete. They are also made  
16 available on the Internet.

17                  CHAIRMAN BELL: Okay.

18                  MR. BERLIN: So all the information on  
19 that form is public information. In the old  
20 days we used to ask for a home address. We  
21 don't do that for people who file electronically  
22 so you need not worry about that.

23                                But all that information is public  
24 information. It's kept on file or online with

1 the Board of Ethics for seven years, and then  
2 after seven years those forms will be destroyed  
3 pursuant to our records retention schedule with  
4 the local Records Commissioner of Cook County.

5 CHAIRMAN BELL: To make sure, Steve, I  
6 understood you correctly too that if we -- as we  
7 work through our efforts here and we get to  
8 different deals, if we perceive that there may  
9 be one, we should come to your office and have  
10 you evaluate that?

11 MR. BERLIN: Absolutely, Mr. Chairman.  
12 In fact, one of the comments that I wanted to  
13 make is that I'm glad in some ways that you're  
14 still working on your conflicts of interest  
15 provisions because you are all subject to the  
16 City's Governmental Ethics Ordinance.

17 The conflicts of interest provisions  
18 and the financial interest provisions in the  
19 City's Governmental Ethics Ordinance are  
20 changing, and those changes will become  
21 effective on November 1st.

22 So one of the things that my office  
23 and I have been doing is reviewing those  
24 changes, and some of them are subtle, some of

1           them are complex. And I think it would probably  
2           be in everybody's interests if we had some input  
3           and had the ability to make some comments on  
4           your bylaws so that they will conform completely  
5           to the way the law is worded and the way we have  
6           and will interpret that law.

7                         But I think the very important point  
8           here is that if there's ever a situation where  
9           any of you or anybody who is subject to the  
10          ordinance believes that there's a potential  
11          conflict of interest, that's the time to pick up  
12          the phone.

13                        If we don't have the answer, we will  
14          consult with either private counsel, your  
15          private counsel if we have your authority to do  
16          that, the Corporation Counsel or anybody else  
17          that you direct us to, either to find facts or  
18          to give an opinion so that the Members of the  
19          Infrastructure Trust Board are covered.

20                        Our jurisdiction extends solely to  
21          Chapter 2-156 of the ordinance, not to the  
22          bylaws specifically, but that's why I think it  
23          behooves everybody to make sure that the bylaws  
24          themselves are in -- that there's no ambiguity

1 and that there's no difference in standards  
2 between the law that's going to become effective  
3 and the bylaws themselves.

4 Now, one of the things I do want to  
5 mention though is gifts. One of the things we  
6 did notice is that there's a potential conflict  
7 of interest if somebody receives gifts of a  
8 substantial nature. That raises the question of  
9 what is substantial.

10 The law as it's going to take effect  
11 on November 1st says that gifts to City  
12 officials or City employees, with some  
13 exceptions, are limited to \$50 so certainly one  
14 could posit that \$50 would be substantial.

15 There are also provisions that  
16 relate to representation of third parties. City  
17 appointed officials are prohibited from  
18 representing third parties before any City  
19 agency unless the matter of the representation  
20 is wholly unrelated to what they do on the board  
21 on which they serve.

22 So what that essentially means is  
23 that appointed officials of the City, such as  
24 members of the Trust Board, could not either act

1 as attorneys or consultants or lobbyists on  
2 behalf of third parties in front of City  
3 agencies unless the matters on which they were  
4 representing those lobbying law consulting  
5 clients was unrelated to this Board.

6 Then conflicts of interest.

7 Generally speaking, as I say, I'm glad to hear  
8 that the bylaws are still a work in progress,  
9 but to the extent that there might be  
10 interpretations of the bylaws and possibly  
11 differing interpretations of the Governmental  
12 Ethics Ordinance, I think the general rule would  
13 be follow which is stricter, but I think it will  
14 be -- it's good timing that we have a chance to  
15 review or that we have a chance to finalize the  
16 bylaws at this point.

17 But just to announce that the City's  
18 Governmental Ethics Ordinance does have very  
19 detailed provisions on conflicts of interest,  
20 when recusing is required and certain  
21 transactions that might, in fact, be prohibited  
22 depending on the facts, which is why we are  
23 here, why our office exists.

24 One other provision that I do want

1 to point out is the prohibited loans provision.  
2 What it says is that any City official or City  
3 employee or their spouse or their domestic  
4 partner cannot have or receive loans from  
5 entities or persons doing business with the City  
6 unless those loans are made by lending  
7 institutions, financial lending institutions in  
8 the ordinary course of business.

9 So, for example, I could put a  
10 mortgage on my house with the Northern Trust  
11 Company, but I could not, for example, or my  
12 outside business, should I have one, could not  
13 have a loan with ABC construction company which  
14 is not normally in the business of making loans  
15 if ABC construction company has contracts with  
16 the City.

17 Then the last thing I just wanted to  
18 remind everybody here of is that the Members of  
19 the Infrastructure Trust Board, as have other  
20 appointees of Mayor Emanuel, have signed a  
21 revolving door pledge. The revolving door  
22 pledge imposes restrictions that have now been  
23 codified or will be codified as of November 1st  
24 as to the activities that you can do or can't do

1 after you would leave, for example, the  
2 Infrastructure Trust Board or if I were, for  
3 example, to retire from my position with the  
4 Board of Ethics, certain things that I could and  
5 couldn't do, certain persons or certain  
6 transactions that I could and could not work on  
7 for a certain period of time.

8 And the last thing I just want to  
9 remind everybody here of is that the primary  
10 function of the City's Board of Ethics is to  
11 answer questions and render advisory opinions.  
12 Not everybody has standing to ask for an  
13 advisory opinion.

14 Our jurisdiction and our authority  
15 to render advisory opinions is limited to City  
16 officials, City employees, lobbyists,  
17 contractors or their attorneys or former  
18 employees. Everybody sitting at these tables  
19 falls within our jurisdiction. Many of the  
20 people sitting in this room fall within our  
21 jurisdiction, but many people don't, and that's  
22 a commonly misunderstood point.

23 But even if a person does not fall  
24 within our jurisdiction, we will do our best to

1 answer their question within the bounds of our  
2 law.

3 But everybody sitting at this table  
4 or these two tables should know that they  
5 have -- they fall within the jurisdiction, the  
6 ambit, the purview of the Board of Ethics and  
7 can ask us for an official advisory opinion.

8 And our authority to render opinions  
9 is set forth in law, and our authority is  
10 limited to Chapter 2-156 of the Municipal Code  
11 which is the City's Governmental Ethics  
12 Ordinance.

13 And our mantra in the office is that  
14 there really is no such thing as a stupid  
15 question, so I do want to stress that to  
16 everybody here.

17 MR. HOFFMAN: In that spirit, can I  
18 jump in, please?

19 CHAIRMAN BELL: Absolutely.

20 MR. HOFFMAN: Nice to see you.

21 MR. BERLIN: Nice to see you too.

22 MR. HOFFMAN: I think your point about  
23 retiring is a moot point.

24 You started by -- a question about I

1 think you said right at the beginning about  
2 our -- I think you said there was an opinion  
3 that the Board or that you and counsel had  
4 rendered that we were a City agency.

5 MR. BERLIN: For purposes of  
6 Chapter 2-156, the Infrastructure Trust Board is  
7 a City agency.

8 MR. HOFFMAN: Okay. And I assume that  
9 that means -- that goes with the statement that  
10 the Ethics Ordinance applies to us and our  
11 activities and that the ethics -- the Board of  
12 Ethics has jurisdiction over us.

13 MR. BERLIN: That's correct.

14 MR. HOFFMAN: Okay. Would you say that  
15 that therefore means that the Inspector  
16 General's Office has jurisdiction over us in the  
17 same way?

18 MR. BERLIN: That's something that I  
19 don't have the authority to answer because the  
20 answer to that question, which might have been  
21 address by the Corporation Counsel which I think  
22 would be the appropriate body to ask that  
23 question of, falls within the Inspector  
24 General's enabling ordinance which is

1 Chapter 256.

2 MR. HOFFMAN: So you're saying we might  
3 be, in your view we could be a City agency for  
4 the Board of Ethics but not for the Inspector  
5 General's Office?

6 MR. BERLIN: I would say that -- all I  
7 would say is that I would agree with the first  
8 half of your question which I know that you are  
9 a City agency for purposes of the Ethics  
10 Ordinance.

11 As to whether you could or couldn't  
12 be for purposes of other provisions of the code,  
13 that I don't have the authority to answer.

14 MR. HOFFMAN: The only other question I  
15 wanted to ask was if given that -- here's the  
16 hypothetical that will never happen, but suppose  
17 that someone believes that there has been a --  
18 they want to make an allegation of unethical  
19 conduct regarding the Trust staff or Board, and  
20 they come to you with that, and the allegation  
21 itself looks like it's something that would rise  
22 to the level of misconduct and would be  
23 investigated by the IG's Office. Is that  
24 something that you would in the normal course

1 send over to the IG's office?

2 MR. BERLIN: We have that authority.

3 We have the authority to involve investigative  
4 agencies in our investigations. We could  
5 investigate it ourselves if we believe that it  
6 would constitute a violation of the City's  
7 Governmental Ethics Ordinance. We also have the  
8 discretion to involve investigating agencies or  
9 to refer the matter completely to another  
10 investigator agency.

11 MR. HOFFMAN: And I'll short circuit  
12 this. I guess the point of the question is can  
13 we feel comfortable that if you get any sort of  
14 allegations that you decide you're not going to  
15 investigate that you will refer it over to the  
16 IG's Office?

17 MR. BERLIN: As a general matter where  
18 possible we would. I think it's hard to give a  
19 general answer, but generally we would refer  
20 complaints whenever possible to any  
21 investigative agency that we believe can act on  
22 it.

23 MR. HOFFMAN: Thank you for coming.

24 MR. BERLIN: Good to see you.

1                   CHAIRMAN BELL: Any other questions of  
2 Steve? I just have one.

3                   You mentioned several times about  
4 reviewing our bylaws. Do you have a copy of  
5 them?

6                   MR. BERLIN: I have a copy that we took  
7 off the Internet.

8                   CHAIRMAN BELL: Okay. That's not the  
9 updated version or has it been updated on the  
10 Internet?

11                  MR. YONOVER: I will get him a copy.

12                  MR. BERLIN: I don't know that it is.  
13 I think it was dated the 27th of July.

14                  MR. HOFFMAN: And I would be interested  
15 in your review of the draft conflict of interest  
16 policy. One of the things that I noted that I  
17 thought should be changed, and you'll see when  
18 you read it, is that the first part of it has a  
19 definition of financial interest that is  
20 included in the policy, and then later it says  
21 the definition of financial interest shall be  
22 the one in the Governmental Ethics Ordinance.

23                  MR. BERLIN: Yes. That's a good point  
24 also because you may or may not know that the

1 definition of financial interest has changed  
2 substantially in the Governmental Ethics  
3 Ordinance, and that new definition will take  
4 effect on November 1st.

5 CHAIRMAN BELL: So is it more  
6 restrictive? I mean, is it --

7 MR. BERLIN: It is more restrictive,  
8 yes. It is definitely more restrictive.

9 CHAIRMAN BELL: Okay. Thank you. We  
10 will wait to hear back from you on that.

11 MR. BERLIN: Thank you.

12 CHAIRMAN BELL: Okay. Thank you,  
13 Steve.

14 Next we'll have an update on the  
15 Retrofit Chicago Project. Lois?

16 CHIEF FINANCIAL OFFICER SCOTT: Good  
17 morning, everyone. I'm a little shorter than  
18 Mr. Berlin.

19 This is going to be a very brief  
20 update on Retrofit Chicago. We had a fairly  
21 good discussion of it at the last board meeting,  
22 and this is just part of a periodic report we'll  
23 be making to you on projects that we hope to  
24 bring before you in the near future.

1                   Bottom line, the City and sister  
2 agencies are working very diligently on  
3 identifying the energy efficiency projects that  
4 could achieve the goals that we outlined and the  
5 proof points we outlined at our last meeting,  
6 specifically to identify ways to do cross  
7 governmental borrowing programs and financing  
8 programs, to find ways of doing real risk  
9 transfer, and to find more efficient capital  
10 structures, and we're working very diligent on  
11 on that.

12                   The City has identified a citywide  
13 steering group that is having biweekly meetings.  
14 That includes, but is not limited to,  
15 representatives of the Department of Finance,  
16 Fleet and Facility Management, that is what was  
17 once called General Services. That is the group  
18 that manages all of our buildings and the fleet,  
19 the cars and the trucks that we operate. The  
20 Law Department of course, the Budget Office, our  
21 Chief Sustainability Officer Karen Weigert and  
22 the Public Building Commission.

23                   The Public Building Commission  
24 earlier in 2011 -- actually beginning in 2011

1 and continuing to 2012 went through a public RFP  
2 process to identify ESCO providers, and we are  
3 working with PBC to identify ways to partner  
4 with them on the use of those ESCOs.

5 An ESCO is an Energy Savings  
6 Company, and they basically are -- have worked  
7 with governments around the country to generate  
8 those energy efficiency savings. They go in and  
9 do an audit of the prior utility bills, make a  
10 recommended plan that should happen, work on the  
11 implementation of that plan and then the  
12 commissioning of the project and monitoring of  
13 savings.

14 We hope that we can disaggregate  
15 some of those services when we present the  
16 Retrofit Chicago Program to you for  
17 consideration in a way that can get lower costs  
18 for our government and higher savings for our  
19 taxpayers.

20 In addition to the citywide group  
21 that we have meeting, we have departmental and  
22 agency meetings periodically. The key city  
23 departments that are proposing projects are  
24 Department of Water Management, FFM, that's the

1 Fleet and Facilities Group which has  
2 responsibility for all the building, and the  
3 Department of Aviation.

4 We also are meeting with the sister  
5 agencies on a periodic basis. We've now had I  
6 believe three meetings with all the sister  
7 agencies where we ask their head of facilities  
8 and their CFOs to get involved with coming  
9 together and learning about what we're doing  
10 with Retrofit Chicago, so there is no agency in  
11 the City that can say they do not know what  
12 Retrofit Chicago is, how to connect with it,  
13 that they are all briefed on what we hope to  
14 bring to the Trust so they are familiar with  
15 what might happen so that we've created a very  
16 solid line of communication with the sister  
17 agencies. So we're doing it at both of those  
18 levels.

19 ALDERMAN POPE: Excuse me, Lois.

20 CHIEF FINANCIAL OFFICER SCOTT: Yes?

21 ALDERMAN POPE: Would the Department of  
22 Transportation also be an agency or department  
23 that would be included as part of this?

24 CHIEF FINANCIAL OFFICER SCOTT: We have

1           briefed them. They are not -- the projects that  
2           they have are slightly delayed and so the key  
3           meeting that we're having on an almost  
4           day-by-day basis it feels like, Karen, doesn't  
5           it, CDOT isn't always part of those, but they do  
6           have some projects we're developing with them  
7           and that we expect to participate as well, yes.

8                     ALDERMAN POPE: Thank you.

9                     CHIEF FINANCIAL OFFICER SCOTT: The key  
10           activity we're asking of all those departments  
11           and all those agencies is really to focus on the  
12           information we need to do this for each of the  
13           individual underlying projects and we're talking  
14           about hundreds that could be considered.

15                    We are looking for them to prepare  
16           and deliver to our working committee the project  
17           name and location, a summary of the project,  
18           what exactly are you trying to do, what is the  
19           payback period that you're expecting, what kind  
20           of savings do you expect from those  
21           improvements, what specific energy conservation  
22           measures are being planned for that building now  
23           and in the future and any specific notable  
24           features.

1                   So each and every one of those  
2 projects, whether it's a \$20,000 project or a  
3 \$5 million project, we're getting them that  
4 information.

5                   We are also then requiring that we  
6 get a cash flow analysis for the entire life of  
7 the financing that might work for them so that  
8 we actually have the ability to project what the  
9 savings are and to verify what those savings  
10 might be.

11                   We are also asking for a project  
12 management plan, specific design for energy  
13 conservation measures, an implementation plan  
14 and then a very significant plan on measuring  
15 and verifying savings.

16                   We're also asking for each of the  
17 sister agencies or departments to think about  
18 the approval processes that's we're going to go  
19 through before we bring it in front of the  
20 Trust, which may include a letter by that  
21 department's commissioner that the project is  
22 approved or potentially inducement resolutions  
23 of the governing bodies to say yes, this is a  
24 project that we would like the Trust to consider

1 with us.

2 Last I want to go through just a few  
3 process steps as we're envisioning them and as  
4 we're kind of working through. These are going  
5 to be developed as a draft calendar for how  
6 we're working through this, but I don't want to  
7 go through all of that gory level of detail but  
8 give you a high level overview of the process  
9 steps we're working towards.

10 The first is to develop the project  
11 review process for Retrofit Chicago which is a  
12 cross agency review of each of those projects,  
13 then consider working with the Trust or have the  
14 Trust release RFQs for its financial partners  
15 and independent financial advisors, two very,  
16 very different roles.

17 The first being the type of firms  
18 that could actually invest in those projects,  
19 and the second, the independent financial  
20 advisors as required by the Executive Order of  
21 Mayor Emanuel that sets forth all of the  
22 criteria by which the Trust and its Board can  
23 evaluate the proposal coming forward.

24 The next step would be some type of

1 an informational update to City Council and to  
2 the City agency boards as appropriate, and then  
3 we're working on taking the data that we're  
4 getting in each of the projects and populating a  
5 data room so that to the extent we've identified  
6 or you have identified financial partners, we'll  
7 be able to share with those potential bidders  
8 what data we have on the projects.

9 We would then hope to execute any  
10 necessary agreements with PBC and/or its ESCOs  
11 to verify some of those savings targets and the  
12 implementation plans, then develop a recommended  
13 plan of finance and seek for the consideration  
14 by the Trust.

15 Once we get all those points above,  
16 we want to be back in front of you to say this  
17 is what we have collectively put together and  
18 would like you to consider.

19 That would then enter into the  
20 formal review process by whatever independent  
21 financial advisor to assigned to such a project,  
22 and then we would go for final bids for the  
23 financing and bring it back for final approval  
24 of the Trust and again culminating in City

1 Council approval and/or the governing bodies.

2 That in a nutshell is some of the  
3 process we're seeing and envisioning for  
4 Retrofit Chicago, obviously subject to  
5 discussion by the Trust and input from you all  
6 on how you would like it to proceed.

7 CHAIRMAN BELL: Lois, a question.

8 Going back to the package that's being  
9 assembled, I assume both for your purposes and  
10 then also to be the information you draw from in  
11 the package coming to us, is there a standard  
12 for that?

13 Is there -- I mean, what are you  
14 using as the guideline in terms of determining  
15 what we'll need and how we will go about  
16 evaluating or how you will go about evaluating?

17 CHIEF FINANCIAL OFFICER SCOTT: We're  
18 working with two groups. One are the ESCO  
19 providers that PBC has qualified and they are in  
20 the business of actually developing standardized  
21 methodologies for reviewing those projects, and  
22 the second is working with the engineering firms  
23 that are working with Chicago Public Schools  
24 that have also developed methodologies.

1                   So we're bringing the best practices  
2                   from both of those together into a template and  
3                   organization of information that we're working  
4                   with Karen Weigert, our Chief Sustainability  
5                   Officer, on preparing for each project.

6                   ALDERMAN POPE: Chairman?

7                   CHAIRMAN BELL: Yes.

8                   ALDERMAN POPE: Lois, do you foresee  
9                   many projects not going to the PBC? The PBC has  
10                  traditionally been the clearinghouse for City  
11                  and sister agency projects. Any examples of  
12                  those projects that might not go through the  
13                  PBC?

14                  CHIEF FINANCIAL OFFICER SCOTT: Yeah, I  
15                  think that there will be projects that won't go  
16                  through the PBC. I think that Chicago Public  
17                  Schools has several projects that are in process  
18                  today under the management of the Chicago Public  
19                  Schools Facilities Group and not going through  
20                  PBC, and they have significant energy savings  
21                  associated with them.

22                  We think we might able to refinance  
23                  them through the Trust at a more efficient way  
24                  than what was otherwise available to them. So I

1 think there will be projects that don't require  
2 the PBC.

3 ALDERMAN POPE: Thank you.

4 CHIEF FINANCIAL OFFICER SCOTT: But in  
5 all cases we're going to need to identify a  
6 process to say here's what we spent on energy  
7 before, here's what the improvements are and  
8 here's how we document what savings have  
9 occurred from implementation of those  
10 improvements, and that savings becomes the Trust  
11 estate, if you will, that funds all of the  
12 financing for those improvements. So that's a  
13 critical piece, whether it's done by PBC or  
14 others.

15 MR. HOFFMAN: Mr. Chairman.

16 CHAIRMAN BELL: Yes.

17 MR. HOFFMAN: Lois, I've got some  
18 questions about -- and I think this is maybe  
19 for the Board as well about what our process  
20 is to agree that this should be the first  
21 project.

22 It's clear to me that the City and  
23 you believe that this should be the first  
24 project of the Trust.

1                   CHIEF FINANCIAL OFFICER SCOTT: That's  
2 correct.

3                   MR. HOFFMAN: It would be an excellent  
4 project. It's in the public interest and so  
5 on, you may be absolutely right. It could be  
6 that -- You know, this will be our first run  
7 going through this.

8                   It could be we could set up the  
9 Trust so that whatever the City comes to us with  
10 we accept as the project, and then we're in  
11 charge of sort of figuring out the details or we  
12 could set ourselves up so that we independently  
13 have to make a call about whether we agree that  
14 this should be the first project.

15                   I'm hoping the latter should be our  
16 approach, but I don't think that's really been  
17 decided. If it's up to us to decide, you know,  
18 should this be the first project, then I think  
19 it's important that at some point, and I don't  
20 want to rush this, but maybe once we get an  
21 executive director on board, but at some point I  
22 think we should have some sort of a  
23 meeting/hearing where we not only hear from Lois  
24 and the City about why this would be a good idea

1 but make sure that there's an opportunity for  
2 others in the public and otherwise experts to  
3 say that they disagree.

4 Frankly I'm not, you know -- when I  
5 hear you talk about all this and the planning  
6 that you're doing makes perfect sense because if  
7 we are going to approve this, you want the  
8 planning to be in place, so I understand that.  
9 But I think we have to hear from other voices  
10 about whether there are potential pitfalls with  
11 this as a project that we may not be able to  
12 assess ourselves.

13 And I don't suggest that that's  
14 today or it may not even be at the next meeting,  
15 but I think at some point before we decide, I  
16 want to be able to hear from those voices.

17 The second thing is that -- and I  
18 say that in part because to the extent I heard  
19 any commentary after the last meeting, it was  
20 about, you know, wait, have you guys decided on  
21 Retrofit Chicago. There was some confusion  
22 about whether that was decided or not.

23 I also heard that there were some  
24 portions of City government, including sister

1 agencies, that were already including expected  
2 savings from an Infrastructure Trust approved  
3 project under Retrofit Chicago in not only  
4 budgets but in presentations to their bond  
5 investors and so on, as if it was a fact.

6           You know, obviously it's not a fact.  
7 It hasn't happened yet. I don't think that's  
8 prudent of any City agencies to do so because,  
9 you know, something might fall apart or we might  
10 disagree.

11           And the only note of caution on that  
12 I think in particular is that we know from past  
13 practices, and some people would say past  
14 mistakes, you don't want to see government get  
15 too locked -- you don't want to see a government  
16 get too locked into the savings before the deal,  
17 right, because then there's pressure to do the  
18 deal because you've already -- you need those  
19 savings.

20           So I think whatever -- to the extent  
21 that you agree with that, if you can communicate  
22 with both sister agencies and other parts of  
23 City government that, you know, it seems like a  
24 very good idea, it's going to need some flushing

1 out before the Trust so the Trust can make a  
2 decision, but I wouldn't sort of put it in --  
3 write it in stone in terms of their budgets or  
4 savings or in public presentations to bond  
5 investors. That seems like a mistake.

6 CHIEF FINANCIAL OFFICER SCOTT: Can I  
7 respond, Mr. Chairman?

8 CHAIRMAN BELL: Sure. Absolutely.

9 CHIEF FINANCIAL OFFICER SCOTT: I  
10 couldn't agree more. One of the most important  
11 and precious things about the Trust is your  
12 independence so that your ability to make --  
13 have an independent view of some of these things  
14 is really critically important and the driving  
15 force behind the creation of the Trust is to be  
16 the advocate for the public in an independent  
17 and honest and open way. So that's critically  
18 important and I share that.

19 I would also say that in the process  
20 I outlined this would be -- we've been invited  
21 here by the Chairman to give an update on the  
22 project that we think might be coming to the  
23 Trust, but it's very clear in the calendaring  
24 that there are several spots along the way where

1 the Trust will have to decide in your decision  
2 whether you want to proceed with that or not,  
3 and we have to be bound by that decision.

4 There's no -- you know, we can bring  
5 it back for reconsideration if the Chairman  
6 permitted us to put it on the agenda, but we do  
7 have several spots, and every meeting that we  
8 have is a public meeting, so there's public  
9 comment. People are free to come forward at  
10 each and every meeting of the Trust to provide  
11 that feedback that you're looking for. I think  
12 that's an important part of the agenda for each  
13 Trust meeting that there is public comment.

14 MR. HOFFMAN: I think that's important.  
15 You know, again, Mr. Chairman, subject to your  
16 views and the rest of the Board Members on this,  
17 it might be prudent at whatever is the right  
18 moment in time to identify this as an agenda, a  
19 specific agenda item of opinions about whether  
20 Retrofit Chicago should be the Trust's first  
21 project as an agenda item so that people know  
22 this is my opportunity to be heard on this in  
23 case I have a dissenting view.

24 You know, the presentations that you

1           made have been very persuasive and, you know, to  
2           me there's, from what we've heard, a tremendous  
3           amount of merit to this being the first project,  
4           but I think it's important to have an open mind,  
5           to see what other voices say and then make a  
6           decision at the appropriate time.

7                         I certainly haven't heard anything  
8           that you've said that's inconsistent with that.  
9           I know you agree with that, but I just wanted to  
10          sort of articulate that as we move forward and  
11          figure out what our process is.

12                        CHIEF FINANCIAL OFFICER SCOTT: I think  
13          it's also incumbent on us as government  
14          officials to work on these behind the scenes and  
15          present things for consideration. I don't think  
16          we want to expect the Trust in its infancy to  
17          actually be the generator of every idea that we  
18          should be looking at.

19                        I think we really are, in the early  
20          phases in particular, bringing ideas for  
21          consideration, let you make an independent view,  
22          not just the Trust but also as an independent  
23          financial advisor that opines on it as well.

24                        MR. HOFFMAN: Thank you.

1                   CHAIRMAN BELL: You know, on the  
2 process, Lois, I just have a question on that.  
3 Is this the process talking only about how you  
4 would give it to us for consideration or is  
5 there another process within the City and sister  
6 agencies that actually decided who is on the  
7 project itself and then are we talking about how  
8 that project gets funded?

9                   CHIEF FINANCIAL OFFICER SCOTT: Yes,  
10 that's exactly what is going on. So in the City  
11 we're still working on getting -- advancing  
12 these particular projects, and when we package  
13 them and think that there's something there for  
14 consideration by the Trust, we'll be coming  
15 before the Trust and asking for consideration of  
16 the Trust's financing programs to benefit those  
17 projects just like schools would be doing and  
18 other agencies.

19                   CHAIRMAN BELL: So you would envision  
20 every project that came to us would be already  
21 vetted with that existing process in terms of  
22 meaning the City or the City agencies that they  
23 believe this is a priority?

24                   CHIEF FINANCIAL OFFICER SCOTT: Yes.

1 Right.

2 CHAIRMAN BELL: Okay.

3 CHIEF FINANCIAL OFFICER SCOTT: As to  
4 the issue that Mr. Hoffman raised about  
5 including it in other budgets, what we've asked  
6 of the CFOs of all the sister agencies is to  
7 make their budgets permissive to include  
8 projects that could be facilitated by the Trust,  
9 and to the best of my knowledge in discussions  
10 as recently as this week with the CFOs that is  
11 what people are doing.

12 They're not saying that they're  
13 counting on savings in any way, only that they  
14 are making their capital plans permissive so the  
15 project would be permitted to come to the Trust  
16 for consideration.

17 CHAIRMAN BELL: Any other questions?

18 (No response.)

19 Thank you, Lois.

20 You know, our website now is up and  
21 running. I've asked Lois to sort of walk us  
22 through what it looks like and give you all some  
23 idea as to how to access it. I recognize it's  
24 in its infancy stages.

1                   CHIEF FINANCIAL OFFICER SCOTT: So the  
2 website site that -- the City of Chicago Finance  
3 Department under the ordinance is permitted to  
4 offer staff support to the Trust through the  
5 balance of this year, so one of the projects we  
6 felt was very important from a transparency  
7 perspective was to get a website up so the  
8 public would have an information site.

9                   So forgive me for not being a web  
10 designer here, but I think we did a pretty gosh  
11 darn good job to start. It will obviously take  
12 on a life of its own as things go, but for an  
13 organization that was born as recently as a  
14 couple weeks ago, I think it's in pretty nice  
15 shape.

16                   So when you go to  
17 ChicagoInfrastructure.org, there's a home page  
18 which provides background and a mission  
19 statement about the Infrastructure Trust.

20                   There are just a couple things along  
21 the top, the Board of Directors, so your  
22 accountability to the public is up there. Each  
23 of the Board of Directors, their website --  
24 excuse me, their bio and their picture is

1 presented so the public knows who you are and  
2 has a face associated with the Trust. It's not  
3 just this amorphous group of people but actual  
4 names and faces and background shared so the  
5 public knows who you are. When we have an  
6 advisory board, I would assume that you would  
7 want to include that on the website as well.

8 The next part is the meeting tab  
9 which has schedule of meetings. You can see our  
10 meeting today is on there and you can drop down  
11 and see the agenda for the meeting along with  
12 the location so that people can find the  
13 meeting.

14 We will also then along the top have  
15 a transparency page which really has two  
16 elements to it. The first is the documents. So  
17 we have a court reporter taking copious minutes  
18 on everything we say and do here. Those would  
19 be placed on there about the meetings, and then  
20 the second part is an opportunity for public  
21 input to Director Hoffman's comments.

22 So people would be able to go  
23 online, register their name and their comments  
24 and that would be referred over to a

1 representative of the Trust to screen through  
2 all those public comments and make sure they are  
3 addressed.

4 So all of you are up online. So if  
5 you consent we can make that a public document  
6 as of today if you would like it.

7 CHAIRMAN BELL: Okay. Any comments?

8 ALDERMAN POPE: Thank you, Chairman.

9 Lois, I think James had asked a question, if  
10 someone from the public had submitted a question  
11 online regarding a proposal, John Doe says this  
12 is something I think is relevant or an  
13 opportunity for the Trust to consider, how do  
14 you perceive that project making its way through  
15 the process itself? Will it get referred to the  
16 respective City agency for their consideration?

17 CHIEF FINANCIAL OFFICER SCOTT: I think  
18 that once you have your staff or advisors on  
19 board I think you'll come up with a process of  
20 how you want that done. Right now we're just  
21 aggregating any comments we receive and sending  
22 them to your Chair to redirect through his  
23 office.

24 Not that we've received any yet

1           because it's not public, but that's our plan. I  
2           sent myself a comment on there as we were  
3           developing it.

4                     MR. HOFFMAN: Lois, you have a young  
5           man next to you who I believe was --

6                     CHIEF FINANCIAL OFFICER SCOTT: Yes,  
7           Jacob Ringer, my chief of staff from the  
8           Department of Finance.

9                     MR. HOFFMAN: And he was partially  
10          responsible or perhaps fully responsible for --

11                    CHIEF FINANCIAL OFFICER SCOTT: Yes, he  
12          did this on his nights and weekends. He's not a  
13          web programmer, he's a finance guy so I  
14          appreciate his efforts very much.

15                    MR. HOFFMAN: I do too and I wanted to  
16          say nice job.

17                    MR. RINGER: Thank you.

18                    CHAIRMAN BELL: Okay. Moving onto  
19          our financial reports, the first item under that  
20          category is to approve the Grant Agreement.

21                    The Grant Agreement is a pretty  
22          comprehensive document. Essentially this  
23          document, seeing as how we would work with the  
24          City once we accept the initial \$200,000 grant,

1 and so we think that's appropriate to have that  
2 kind of agreement, but at the same time because  
3 of the complexity of this document, and quite  
4 frankly the language seems to be rather  
5 boilerplate and this activity is not  
6 boilerplate, so we're probably going to defer.  
7 I think I'm going to give this to the Board to  
8 decide, but I think we're going to defer  
9 approving that until we have an opportunity to  
10 have our outside legal counsel take a look at  
11 this and make sure that it really is written in  
12 a way that's consistent with the activities of  
13 this Trust.

14 And so with that I will put that  
15 open to our Board to see if there are any other  
16 comments, but my proposal would be that we defer  
17 approving the grant until our next meeting and  
18 until we allow our outside legal counsel to take  
19 a look and advise us.

20 MR. HOFFMAN: I agree. I think that's  
21 prudent. I also think depending on -- we'll see  
22 how the timing goes, but if our legal counsel  
23 has comments or revisions, we can get those in  
24 advance so we have a chance to comment back and

1           forth, that would be great.

2                   CHAIRMAN BELL: Absolutely.

3                   MR. HOFFMAN: I think it's a good

4           idea.

5                   CHAIRMAN BELL: Any other comments?

6                           (No response.)

7                   Okay. I think the same holds true

8           with the establishment of the bank account.

9           Obviously what we looked at, and Diana and I had

10          some talks and discussions around it, but now

11          that we've elected her treasurer we'll have her

12          work this, but obviously we're going to be

13          looking at how we can get a bank that sort of

14          meets some of the requirements, maybe minority

15          owned, maybe Chicago based, but someone that,

16          you know, we'll be looking at trying to make

17          sure we do business in the City itself.

18                   That will be in general what the

19          framework of what Diana -- how Diana will be

20          working this, but we'll be able to get back and

21          decide that hopefully by the next meeting or

22          so.

23                   MS. FERGUSON: Mr. Chairman, can I come

24          back to the Board with some recommendations at

1 the next meeting on that?

2 CHAIRMAN BELL: Absolutely.

3 Any other comments by the Board on  
4 that?

5 (No response.)

6 Okay. Status of our staff and  
7 consultant's report. Since our last meeting, we  
8 have had some pretty encouraging discussions  
9 with three firms that are actually willing to  
10 provide pro bono support in three critical  
11 areas that I think we need up front, and so the  
12 Board -- we have some e-mails back and forth.  
13 And, by the way, all those e-mails are public  
14 record if you would like to see what we did.

15 The three firms are simply Chicago  
16 based firms with strong reputations. First  
17 Stewart Spencer in our preliminary discussion  
18 has --

19 MS. FERGUSON: Spencer Stewart.

20 CHAIRMAN BELL: Excuse me. Spencer  
21 Stewart, thank you for correcting that. They  
22 have in our preliminary discussions agreed to do  
23 on a pro bono basis our search for an executive  
24 director and so obviously this is something we

1           need to get kicked off, and I am going to  
2           propose to the Board at the end of this  
3           discussion that we vote to move forward and  
4           develop a relationship with Spencer Stewart to  
5           do just that.

6                         The second is Public Financial  
7           Management which is a financial advisor that has  
8           considerable skills and capability and space for  
9           working with and again we've had preliminary  
10          discussions with them, and they also have agreed  
11          to provide us temporarily interim financial  
12          advice and support until we're able to get our  
13          staffing and our executive director on board.  
14          So again I'm going to ask our Board to act on  
15          that.

16                        And then finally we absolutely  
17          needed to get some legal support in place. We  
18          have had preliminary discussions with Kirkland  
19          Ellis, an outstanding legal firm in the Chicago  
20          area and obviously broader than Chicago but  
21          Chicago based, and they also have expressed an  
22          interest to provide us the legal support we need  
23          temporarily pro bono, and so I'm going to throw  
24          this open to the Board.

1                   We've had some e-mail discussions,  
2           but I want to be sure that we have an  
3           opportunity clearly to restate any of the  
4           positions I think we talked about in discussing  
5           these three firms, so with that let me open it  
6           up to the Board.

7                   MR. HOFFMAN:  You know, I'm -- as you  
8           know, I'm comfortable with the decisions both  
9           because, number one, you know, to me it's  
10          critical that we get independent advice with our  
11          mission, so to me if the advice that we're going  
12          to get from these firms pass that test, then I  
13          think it's a good thing.

14                   And then second, the fact that it's  
15          pro bono means that -- you know, and clearly  
16          from some very high quality places means that it  
17          should be very beneficial.  It's obviously on an  
18          interim basis, and if we get to the point that  
19          we're -- I know you, Mr. Chairman, I believe  
20          we're all in agreement that if we get to the  
21          point where we're seeking to pay for  
22          professional services then we'll go to some sort  
23          of competitive process.

24                   But I think it's a real -- I'm

1 comfortable and I think it's real positive to  
2 be getting the pro bono services of these  
3 firms.

4 MS. FERGUSON: I completely support the  
5 notion of moving forward with these three firms.  
6 They are very reputable, and in various  
7 professional encounters I've had interaction  
8 with each of the firms and have been very  
9 pleased with their caliber of service. So I'm  
10 supportive of moving forward.

11 ALDERMAN POPE: I too support it. The  
12 fact that they are local and have significant  
13 histories in these fields, I think it will be a  
14 great match for us.

15 CHAIRMAN BELL: Motion?

16 ALDERMAN POPE: So moved.

17 CHAIRMAN BELL: All in favor.

18 (A chorus of ayes.)

19 Okay.

20 CHAIRMAN BELL: Having passed that, I  
21 would like to ask the Board Members to accept  
22 some assignments on how we then engage them  
23 because I think, you know, David, I'd like you  
24 to obviously interface with the legal firm, and

1           some of the things that I think we need to get  
2           to them right away is our bylaws, the Grant  
3           Agreement and, you know, start talking about  
4           what are the rules of engagement.

5                        I guess the first thing we need to  
6           do is figure out how do we document what our  
7           arrangement is and we probably should have some  
8           discussion about that. Let's start thinking  
9           along those lines.

10                      And then, Diana, if you can work  
11           with Public Financial Management, I think start  
12           to lay in line what we're going to need at least  
13           initially.

14                      And then I would propose to work  
15           with Spencer Stewart on the executive director  
16           and then, of course, you guys jump in anywhere  
17           you want. I'm just thinking about how we can  
18           start to move this and get this foundation in  
19           place so that we have the level of comfort of  
20           our independence and that we're starting to get  
21           some of the things that have to fundamentally  
22           get done first before some package shows up on  
23           our doorstep to look at that we have some legs  
24           and arms in place to help us to deal with that.

1                   If that's okay with all of you, then  
2 I propose we move on in that direction.

3                   MR. HOFFMAN: That's fine. On the  
4 executive director search, do you know if it's  
5 posted?

6                   CHAIRMAN BELL: We haven't done  
7 anything yet I don't think. So we're going to  
8 get with the search firm and we're going to  
9 obviously -- clearly the tenants are it needs to  
10 be public, it needs to be -- maybe even figure  
11 out how to make sure that the search is done in  
12 a way that all that are qualified are able to  
13 participate and get their name into the hat, so  
14 that's what I'll be working on.

15                   I would think the first thing they  
16 are going to do is tell us we probably need to  
17 make the description a little more specific. So  
18 we'll have to work our way through it, and I'll  
19 get back with you and work with you all to make  
20 sure that what we do is consistent with what our  
21 intentions are.

22                   But I'm expecting them to help us  
23 with meeting what we all feel strongly about is  
24 an obligation to make sure that there's a public

1 posting and that all will have a fair chance.

2 Any other questions, thoughts?

3 (No response.)

4 Okay. Other business? Any other  
5 business -- Excuse me, I guess we got to get to  
6 the Board dates. I circulated a number of dates  
7 for the rest of the year, September 20th,  
8 October 18th and November 5th, and we left  
9 December to be determined because we were  
10 struggling between the 14th and the 17th.

11 By the way, I got input back from  
12 all of you that some of these dates are good and  
13 some of these dates are not. Now, things will  
14 change and obviously we'll have an opportunity  
15 for Members to participate by telephone, and  
16 that was not passed in our bylaws.

17 In lieu of anything better, I mean,  
18 I think I would say that -- I would propose that  
19 we approve these dates for the time being, and  
20 if things change then we'll go through the  
21 process of revising them, if necessary.

22 MR. HOFFMAN: I know -- as I said in  
23 the e-mail I know I cannot make the 20th of  
24 September. I'm in an all day court related

1           thing that I can't get out of. I am free the  
2           next day, but if the meeting ends up staying on  
3           the 20th, I know I'm unavailable. What was the  
4           first October date?

5                     MR. RAMIREZ: 18th.

6                     MR. HOFFMAN: And as I said, on that  
7           day I am in an all day thing in D.C. So those  
8           two days unfortunately --

9                     CHAIRMAN BELL: Those two meetings you  
10          can't attend. You could not make even by  
11          telephone?

12                    MR. HOFFMAN: No. I know for sure  
13          September 20th I'm just -- I'm all day in court.  
14          And the 18th is unlikely. If I can, I would be  
15          happy to do it just by phone.

16                    CHAIRMAN BELL: So what about  
17          November 5th?

18                    MR. HOFFMAN: That's fine for me. I  
19          certainly don't want to stand in the way of  
20          pushing anything back that far. Those two  
21          particular days --

22                    CHAIRMAN BELL: I think we probably  
23          need to circulate some more dates and see if we  
24          can do this between meetings via email to get

1           these dates and get them posted. We have an  
2           obligation to post it because of the Public  
3           Meetings Act that we show what the dates for the  
4           next meetings for the year are so we need to be  
5           mindful of that.

6                        I just don't know what better dates  
7           you're going to come up with honestly. I don't  
8           need you out of the first -- the next two  
9           meetings. That's not going to work.

10                   MR. HOFFMAN: Well, I apologize.

11                   CHAIRMAN BELL: No. No. I understand.  
12           Jorge had issues with timing. He can do the  
13           dates but he had issues with the timing. Why  
14           don't I work with Lois' office and let's get  
15           some common dates and try another series and see  
16           if we can get them approved?

17                   MR. HOFFMAN: Okay.

18                   CHAIRMAN BELL: Otherwise we're just  
19           putting dates that we know we won't make.

20                   Any other thoughts? Other business?

21                                (No response.)

22                   Not having any then let's move to  
23           the public comments. Were there any?

24                   Why don't you state your name and

1 maybe your affiliation for our minutes?

2 MS. MILLER: I'm Emily Miller. I run  
3 policy for the Better Government Association.  
4 First I have just wanted to say --

5 CHAIRMAN BELL: What was the name?

6 MS. MILLER: The Better Government  
7 Association.

8 CHAIRMAN BELL: Thank you.

9 MS. MILLER: I've had a lot of coffee  
10 so I apologize.

11 I want to say that I am encouraged  
12 by the level of conversation that there is about  
13 ethics and the presentation from Steve's office.  
14 Obviously that's a good thing to see that  
15 everybody is thinking about those things and  
16 that you're taking such a long time to think  
17 about the conflicts of interest, the  
18 requirements that you're going to end up  
19 implementing, but I do have two legal concerns  
20 with the way that you are now defined under the  
21 Ethics Ordinance according to Steve's office.

22 So there are two specific concerns  
23 that I have. First if the Ethics Commission  
24 ends up referring a case over to the Inspector

1           General's Office, if the Inspector General does  
2           not have full jurisdiction as laid out in the  
3           actual City ordinance, there could be some  
4           issues with whether or not they're able to  
5           actually pursue the thing that is referred to  
6           them.

7                         To be honest, I haven't seen what  
8           you just approved in the bylaws in terms of  
9           where the Inspector General fits in with the  
10          bylaws, but if the Trust is a City agency for  
11          purposes of the Ethics Commission, it seems to  
12          me that it might be likely that they are also a  
13          City agency when it comes to the Inspector  
14          General and so then the ordinance would trump  
15          whatever it is that is in the bylaws.

16                        And then that concern extends also  
17          to the Freedom of Information Act. So the  
18          bylaws that I saw before anyway laid out a very  
19          specific plan for Freedom of Information Act  
20          requests, and when FOIA requests are denied,  
21          those denials go to the City who then determines  
22          whether or not those denials were legitimate.

23                        Well, if the Trust is operating as a  
24          City agency, then that process actually is not

1 the same as what the State law requires for the  
2 Freedom of Information Act.

3 So under State law a person who has  
4 their FOIA request denied would actually have  
5 the ability to go to the Attorney General's  
6 Office through the Public Access Counselor to  
7 have that denial reviewed instead of it getting  
8 funneled through the City.

9 So my concern is just in terms of a  
10 definition of what the Trust is, if it's going  
11 to be a City agency in some areas but not in  
12 other areas, I'm not quite sure how that's going  
13 to work out.

14 So any guidance in terms of legal  
15 definitions I think would certainly be  
16 appreciated from my organization's standpoint  
17 but then I think probably just the public in  
18 general.

19 CHAIRMAN BELL: Well, I think you ought  
20 to read the clause that we've added and see if  
21 that satisfies any of your concerns, and then we  
22 can go from there, work from there, but I think  
23 we'll clearly take a look at this.

24 I mean, our intention is to

1 cooperate fully with both the Inspector General  
2 and the Freedom of Information Act. That's the  
3 intention.

4 MS. MILLER: Right. It's the appeals  
5 process that is specifically laid out in State  
6 law that's different under the bylaws than under  
7 State law for the FOIA process.

8 MR. HOFFMAN: First of all, you know,  
9 Emily, it's always good to see you.

10 MS. MILLER: Yes, you too.

11 MR. HOFFMAN: We hope the BGA continues  
12 to, as I know you will, come in and comment.  
13 It's very valuable so we appreciate it.

14 No question, the issues you're  
15 hitting on were debated at great length in City  
16 Council. The position that you're arguing for,  
17 you know, did not triumph, and so to a certain  
18 extent some of those decisions were made when  
19 the ordinance said that we were not a public  
20 body in relation to FOIA and Open Meetings Act  
21 and was silent on whether the IG had full  
22 jurisdiction.

23 But then a subsequent executive  
24 order said that the Trust should act as if FOIA

1 and the Open Meetings Act applied. You're  
2 pointing exactly to one thing that has concerned  
3 some people which is that well, there's still a  
4 difference and that relates to the appeals  
5 process. So you're right to put your finger on  
6 that.

7 And that's one of the reasons that I  
8 asked Steve that question because I think that  
9 it probably maybe raises an eyebrow that one  
10 City agency, the Board of Ethics, has said that  
11 we are, in fact, a City agency, which, if it was  
12 true across the Board, would have given  
13 different answers necessarily at the time of the  
14 ordinance being passed.

15 So it would be strange if we were a  
16 City agency for one purpose, the Board of  
17 Ethic's purposes, but not for other purposes  
18 like FOIA and the Open Meetings Act.

19 I forgot to say, Steve, is that  
20 opinion something that we can see? That would  
21 be great if we could get a copy of that.

22 MR. BERLIN: Yes.

23 MR. HOFFMAN: Two things. I think  
24 you're right to target those issues but two

1           comments.

2                         Number one, with regard to the IG,  
3           this Board and now with the statement in the  
4           bylaws, we have been clear in our oral  
5           statements and we now are clear on the record  
6           that we are not going to do anything to stand in  
7           the way of the IG investigating whatever they  
8           want with regard to the Trust.

9                         The bylaws make it clear that we  
10          will be open to the IG, cooperative with the IG  
11          with regard to all our operations and programs  
12          and activities. So the ordinance is silent on  
13          that.

14                        To the extent there is some  
15          jurisdictional difference with the Board of  
16          Ethics, that's a legal issue. That's up to the  
17          City to address. That's not something we have  
18          the power to address.

19                        What we have the power to do is say  
20          in our bylaws here's how we're going to be act  
21          and it's clear that we're just going to be open.

22                        With regard to the issues of FOIA,  
23          Open Meetings Act, et cetera, those are not  
24          things -- and the appeal process once it leaves

1           our hands, those are things that unfortunately  
2           need to be directed toward the City because  
3           those are I think good legal questions but legal  
4           questions that, you know, the governmental  
5           authority, the City would need to answer.

6                        I do think that the Ethics Board's  
7           or staff's opinion probably creates, you know,  
8           an open question in that regard since you have  
9           an agency -- one agency declaring us to be a  
10          City agency.

11                      So my guess is this may be an  
12          ongoing discussion because of the Board of  
13          Ethics' decision, but I want you to know that  
14          from our perspective we are doing everything  
15          that we can in our power to say, you know, we're  
16          open, we're transparent, we're open to the IG  
17          and we want to do everything we can that's  
18          within our legal authority, but to a certain  
19          extent our legal authority is set by the  
20          ordinance and Trust.

21                      You know, other than the appeal,  
22          we'll, you know -- the bylaws make it clear that  
23          we will be acting just as if FOIA and the Open  
24          Meetings Act apply. We are going to be open to

1 the IG.

2 We want this to be a continuing  
3 discussion, so if folks see other things that  
4 we should do, it's great. That's why I  
5 appreciate the thought being brought forward,  
6 but those are my reactions knowing these issues  
7 quite well.

8 MS. MILLER: Thank you.

9 ALDERMAN POPE: Thank you very much.

10 CHAIRMAN BELL: Any other public  
11 comment?

12 (No response.)

13 Seeing none, the meeting is  
14 adjourned. Thank you very much.

15 (Which were all the proceedings  
16 had in the above-entitled  
17 cause.)

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1 STATE OF ILLINOIS )

) SS:

2 COUNTY OF COOK )

3

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 13th day of  
15 September, 2012.

16

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MARI BETH KAWULIA

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C.S.R. No. 084-2873

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