

**BRIDGEVIEW FINANCE CORPORATION
MINUTES OF A MEETING OF THE BOARD OF DIRECTORS**

**MAY 3, 2023, 5:30 PM
VIA TELEPHONE CONFERENCE**

DIRECTORS PRESENT:

Ms. Kimberly J. Smith
Mr. Michael Pticek
Mr. Russell Hartigan

OTHERS PRESENT:

Mark Jamil, Burke Burns & Pinelli LTD.
Daniel Denys, via telephone

Call to Order and Roll Call

At approximately 5:30 PM, Chair Smith called the meeting of the Bridgeview Finance Corporation (the “Corporation”) to order. A roll call was taken. Chair Smith, present; Mr. Hartigan, present; Mr. Pticek, present. Three members being present, a quorum was established.

Chair’s Report and Financial Update

The Chair noted that the required insurance coverage for the Board came to a total of \$2,707 and was renewed for the year of 2023. The Chair then called upon Mr. Denys to present a financial update. Mr. Denys noted the sales tax revenue of \$11.3 million in the year 2022. This is compared to \$10.745 million in the year 2021, a 5% increase. The corporation’s debt service amounted to approximately \$3.5 million. Mr. Denys noted that the debt service numbers look to be on target and nothing is out of the ordinary. Discussion ensued as to debt service payments and sales tax revenues. Director Hartigan moved to approve the compiled financial statements of the year ended December 31, 2022. The motion was seconded and carried. After finishing his review of the financial statement for the year ended 2022, Mr. Denys started his review of the financial statements for the quarter ended March 31, 2023. Mr. Denys noted that the Corporation had an operating surplus of \$2.9 million due to the fact that the Corporation only sees revenues in the first quarter and no expenses. Discussion followed relating to the operating surplus. Director Hartigan moved to approve the compiled financial statements of the quarter ended March 31, 2023. The motion was seconded and carried.

Mr. Denys then provided the Corporation’s investment report. As was mentioned at the November 2, 2022 meeting, interest rates had increased significantly. BFC has two accounts with cash balances up to \$7 million. Investment earnings on these balances would offset BFC debt service ultimately resulting in increased Residual Transfer of Sales Taxes back to the Village.

BFC identified long term investment contracts (that were originally included in the bond documents in 2017) as the optimum investment tool for these two funds. Investment contracts set a fixed rate for a period of time, but also provide this rate for a fluctuating cash flow such as the annual deposit account for the pledged sales tax deposits. Otherwise, BFC could only invest in short term securities that historically have a lower rate than longer term investments. Further, the investment contracts can be drawn from the Reserve Fund, a requirement of the bond documents. In bidding the investment contracts, potential providers were hesitant to lock in longer term rates due to the significance of the inverted yield curve (where short term rates are higher than long term rates). The market conditions resulted in several short bids of three years compared to the BFC objection to lock in investment rates to 2041 (the expected maturity of the bonds after using the reserve fund to make the 2042 payments). The best long term bid was to 2033 with 3.966% for the Reserve Fund and 3.877% for the Deposit fund. These rates were 0.3% to 0.5% higher than respective rates to 2041 although below the IRS limits. Accordingly, the rates with the 2033 maturity were selected.

Consideration and Approval of November 2, 2022 Meeting Minutes

Chair Smith presented the November 2, 2022 Annual Meeting minutes. Director Pticek moved to approve the minutes as presented. The motion was seconded and carried.

New/Old Business

There was no new or old business.

Adjournment

There being no additional business before the Board and no public comment, the Chair moved to adjourn the meeting of the Board. The motion was seconded and carried. Chair Smith adjourned the meeting at approximately 6:00 PM.

Respectfully submitted,

Mr. Michael Pticek
Secretary-Treasurer