

December 3, 2014

## Freedom of Information Act Request

Dear FOIA Officer:

Please treat this e-mail as a non-commercial Freedom of Information Act request seeking reproductions of public records maintained by 1) this public body or 2) by one or more third parties with whom this public body has contracted to provide services.

Currently, we are conducting research on the debt issuance practices of certain non-state, non-county public bodies in Illinois such as school districts, park districts and municipalities-villages. With the help of several assistants, a sample was taken late last summer of several public bodies in and around Champaign/Urbana and certain neighboring counties. In addition, several state and county agencies, such as the Illinois Department of Revenue, Illinois State Board of Education and county clerks to name a few, were contacted in order to discover if there existed any database (or databases) containing the details of bond issuances by type of public body. Unfortunately, there does not appear to be a central database at either the county level (clerk or treasurer) or at the state level.

One of the goals of last summer's sampling was to discover the manner in which the debt issuance records were likely to be kept by the public bodies. While we were aware of the electronic filing and disclosure requirements of the Municipal Securities Rulemaking Board ("MSRB"), we were not sure of the breadth and depth of Electronically Stored Information (ESI) within the offices of the various public bodies.

To our surprise, most if not all of the debt issuance records we requested dating back to 1985 were already stored as ESI with nearly 100% of those electronic records being stored in the Portable Document Format ("pdf"). The multi-decade assemblage of electronic records is due in large part to the reporting requirements of the MSRB and their Electronic Municipal Market Access ("EMMA") website. ([www.emma.msrb.org](http://www.emma.msrb.org)) Most of the public bodies sampled had previously initiated a structured electronic document archiving and storage protocol for critical financial records such as debt issuances (bonds, debt certificates, TAWs, TANs, etc.), budgets, audits, levies, agendas, minutes, etc. Because of this prior commitment to a structured archiving system, the public records we requested appear to have been easily found as either a pdf file converted directly from the native electronic file format (Word, Excel, PowerPoint, e-mail, etc.) or as scanned paper records (usually those requiring signatures) utilizing a multi-function digital printer("MFP").

With regard to the debt issuance records in particular, our sampling found that for almost two decades the public body issuers of Illinois have received nearly

100% of their closing records as pdf files from either their underwriter/financial advisor or the law firm working with the issuer.

The public records that we seek are those very same closing records which were delivered to you as the issuer typically on a CD-Rom shortly after closing.

## **FOIA REQUEST**

This request is for the following closing records for each debt issuance of this public body since January 1, 1984 through today. Our records show that, on average, a school district will have about 10 issuances spread over that thirty year period of time.

A “debt issuance” is defined as 1) a bond (referendum building bond, fire prevention & safety bond, tort judgment bond, working cash fund bond, funding bond, alternate revenue bond, revenue bond, refunding bond, and other types of long-term debt), 2) a debt certificate, 3) a tax anticipation warrant or note, and 4) other miscellaneous debt instruments.

The “closing records” for each debt issuance are broken down into three sub-categories: 1) the bond transcript files collected and executed before or at the time of closing, 2) the engagement contracts (including attachments and/or exhibits) with professional service providers such as underwriter, financial advisor, rating agency, bond counsel, disclosure counsel, and any other firm who is reimbursed from either the gross proceeds of the issuance or directly by the issuer, and 3) the pre-closing written communication identifying for the various parties the identified list of closing records which will be assembled into the final closing transcript. Of the three listed above, our research has shown that the only records that are likely still to be archived as paper records are the engagement contracts. Therefore, the only records which will need to be scanned into electronic pdf files will be the several contracts which usually are under six or so pages in length.

## **DELIVERY OF RECORDS**

The largest problem that we face is creation of a nested directory protocol to be followed by all public bodies receiving this FOIA request as well as the naming conventions for the various files.

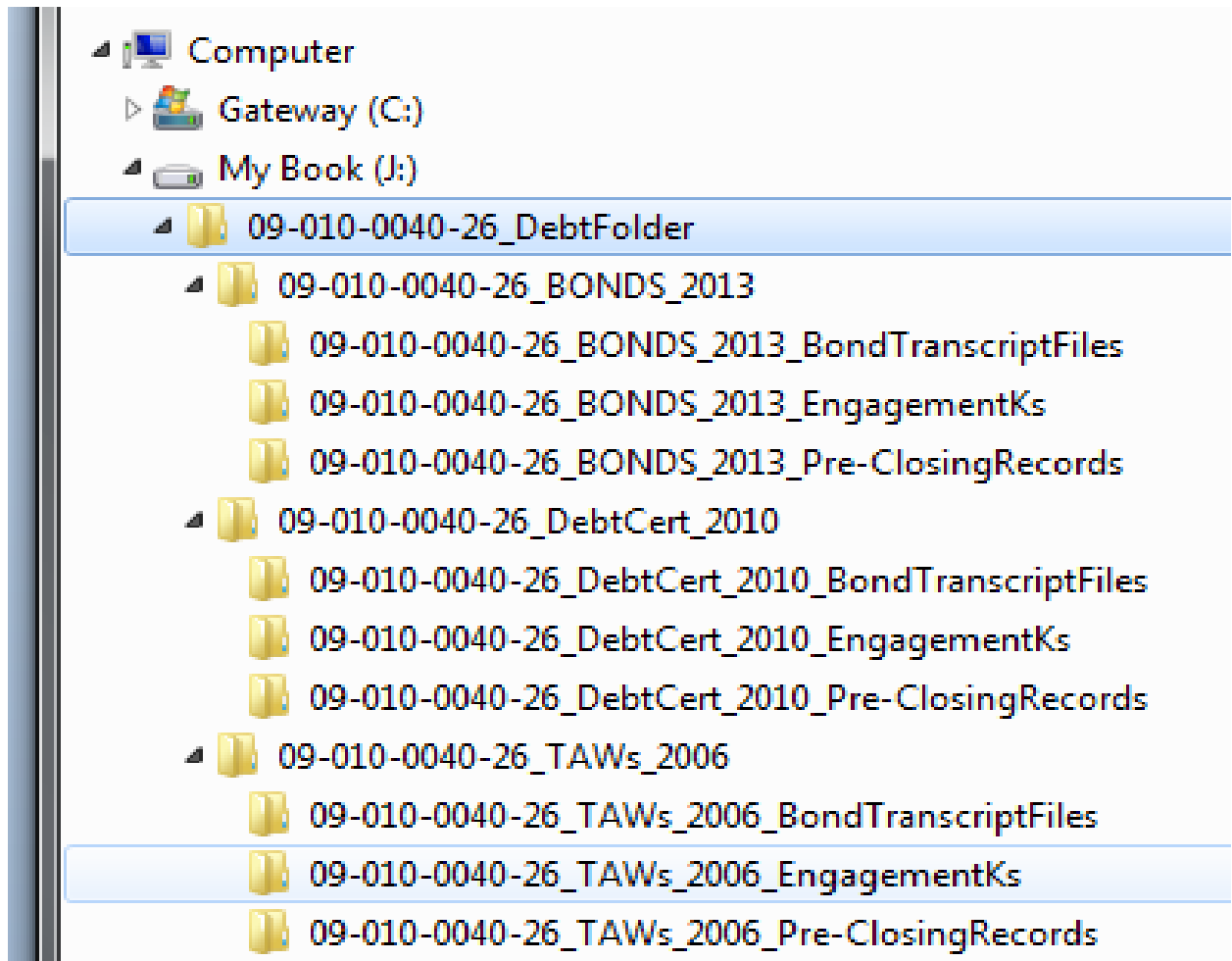
*Given the volume of files that we expect to receive, we ask ... nay, beg ... you to please follow the proposed directory hierarchy and file naming conventions.*

The suggested directory structure, with its single master file folder, is going to be one of the most important steps in handling the eventual delivery of the requested records. In addition, the suggested file naming convention will save us literally man-weeks of time renaming all of the files which would otherwise arrive


with totally random labeling protocols. In addition, the structure will allow much easier retrieve of the records if the same naming protocol is in place.

## **SAMPLE OF DIRECTORY HIERARCHY**

Below is the suggested directory structure for this request. We have used the local school district (Champaign #4) as the example. In this structure, each folder and each file within a folder begin with the same unique identifier ... the 11-digit ISBE “RCDTS” code assigned to your district. After the RCDTS code, there is one or more descriptors separated by the “underscore” symbol (“\_”). Within the “Debt Folder” are folders for each debt issuance with two descriptors: type of debt (BONDS, DebtCert, TAWs, TANs, Other) and calendar year of issuance (“2013”). The number of debt issuances since 1984 will determine the number of the first-tier sub-directories. (In this example, there are only three.) Within each debt issuance folder, there are THREE folders for each of the “closing records” categories described above. The various public records (“pdfs”) will go into one of these three second-tier sub-directories.



## **SAMPLE OF FILE NAMING CONVENTION**

 09-010-0040-26\_BONDS\_2013\_BondTranscriptFiles 03-Dec-14 8:49 AM Adobe Acrobat Document 20 KB

Above is a sample of the suggested file naming convention. In this example, it is for Champaign 4's 2013 bond transcript file and the RCDTS code is once again the primary identifier followed by the debt type (BOND), calendar year of issuance (2013) and the file contents (BondTranscriptFiles) with each descriptor separated by the "underscore" ("\_") symbol. In this above file example, all of the closing records are in this one pdf from the CD-Rom provided by bond counsel shortly after closing. If there are bond closing records signed by the various parties NOT found on the CD-Rom, include them as separate pdf files within this folder. In addition, if the bond transcript was delivered on the CD-Rom in more than one pdf file, please simply add an additional numeric descriptor to the end of each additional file. For example:

09-010-0040-26\_BONDS\_2013\_BondTranscriptFiles\_1  
09-010-0040-26\_BONDS\_2013\_BondTranscriptFiles\_2

For the next folder ("EngagementKs"), the primary filing naming convention is the same with only the two last descriptors being different. For example, for the "engagement contracts" folder the following naming conventions are to be used for the individual records for each contractor. For most issuances, there will be either the "underwriter" or the "financialadvisor" pdf file but not both. There may not be a "GeneralCounsel" agreement. These are the primary contractors, but if there are others please generate their own unique final descriptor.

09-010-0040-26\_BONDS\_2013\_EngagementK\_Underwriter  
09-010-0040-26\_BONDS\_2013\_EngagementK\_FinancialAdvisor  
09-010-0040-26\_BONDS\_2013\_EngagementK\_BondCounsel  
09-010-0040-26\_BONDS\_2013\_EngagementK\_GeneralCounsel  
09-010-0040-26\_BONDS\_2013\_EngagementK\_RatingAgency

Finally, the last folder ("PreClosingRecords"), is for the pre-closing letter usually prepared by bond counsel or the underwriter that identifies all documents needed to be assembled and signed for the closing. This letter will be used as a checklist for the files provided in "BondTranscriptFiles" folder discussed above. Please scan this record(s) as a PDF file or convert the native record (MSWord) into a PDF file.

## **TIMING OF DELIVERY**

Given the nature of this request and the time of year, I suggest that the date of delivery be set for **FRIDAY, JANUARY 9, 2014 or shortly thereafter.** This date should provide adequate time for the collection of the various records (both electronic and paper), the scanning into pdfs of the few that need to be converted into electronic files (pdf), the creation of a master file directory as described above, and finally, the naming of each file in accordance with the filing naming convention outlined above.

## **METHOD OF DELIVERY**

At this point in time, we ask that you assemble the records in the manner described above (directory structure with folders) and await future instructions from us regarding method of delivery. At this point in time, we believe that there are two viable options and two possible options: 1) the files are transferred onto one or more CD-Roms and mailed to us or 2) we create a web presence wherein you may directly log-in and upload the files directly to our server. (This option would reduce the cost and time of CD-Rom production, mailing and several hundred CD-Roms hitting our mailbox.), 3) the files are transferred via e-mail attachment, and 4) you elect to post the file directory including all the sub-directories and files on your web-site for your constituents and you send us a note telling us where to go to download the files.

During our testing last summer, we found that e-mail attachments seemed problematic for some and required too much time in back and forth e-mail correspondence. Given the number of requests we plan on making to the various taxing districts, e-mail delivery appears to have the potential for a significant commitment of resources and time on our part, and therefore, something we would like to avoid if at all possible. That having been said, if you believe that an e-mail transmission can be done with one or more attachments without cutting the pdf files into smaller pieces, please feel free to attempt the delivery **ON OR AFTER** January 5, 2014. (Please note that this e-mail address allows for file transmissions up to 25MB each.)

We believe that making these records available on a permanent and ongoing basis on your website as part of an ongoing effort at financial transparency would be of great benefit to the citizens of Illinois. These records reflect the long-term financial commitments of many people and given the advances in technology it is now time to make them readily available to all and not just to the financial gnomes who are curious enough to ask for them. That choice (and commitment) is, of course, up to your board. We encourage you to have the discussion about adding these records to your website.

## **FUTURE CORRESPONDENCE**

We plan on sending you an e-mail on January 9, 2014, regarding the final method of delivery of the records. We are very hopeful that it will be a direct upload from you to us in a manner similar to what school districts already do with the ISBE.

Please realize that for the next several weeks, many of the assistants working on this project have commitments that will keep them from being here. Following closing behind, of course, are the holidays/vacation. Therefore, please refrain from unnecessary e-mails.

If you do send an e-mail, please start the e-mail SUBJECT LINE with your RCDTS code so that we can sort incoming e-mail by sender. This is very important ... please start the subject line with the 11-digit RCDTS code!

Subject Line Example: "09-010-0040-26\_GoodGriefCharlieBrown"

We do understand the unusual nature of this request and do expect there to be written questions from many public bodies. Our plan is to gather and sort the collection of questions, comments and concerns and afterward produce a "response to all" type communication back to you. Please be patient with us. We know that we are asking for a commitment on your part for resources in the delivery of these records. However, please keep in mind there are many of "you" out there and only a few of "us" in this little corner of the World Wide Web.

## **WAIVER OF FEES**

We ask that you waive all fees related to the scanning of the few paper records that will need to be converted into pdf files. Our commitment to the research is our contribution to the citizens of Illinois and our hope is that it be both educational and useful to many. If CD-Roms are utilized for delivery, we do not expect you to waive the fees for the cost of the medium. However, that election is of course yours to make.

Thank you.

Sincerely,

Dr. Vincent Miles  
Champaign, Illinois

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