

METROPOLITAN PIER AND EXPOSITION AUTHORITY
Minutes of Meeting of February 3, 2009

The regular monthly meeting of the Board of the Metropolitan Pier and Exposition Authority (“MPEA”) was held at 8:30 AM on Tuesday, February 3, 2009, at MPEA Corporate Center, 301 East Cermak, 5th Floor Board Room, Chicago, IL 60611.

ROLL CALL

Ms. Vikki L. McKenzie, Custodian of Corporate Records called the roll of the MPEA Board, as noted. Chairman Tetzlaff called the meeting to order, declared a quorum and the meeting opened for business.

Board Membership: 13

Memberships Vacant: 0

Members Present: 11

John S. Gates, Jr.

Isaac Goldman

Steven Hernandez

Louis Carr

*Alisa Starks**

Thomas Villanova

*Peter J. O’Brien**

Bruce R. Meckler

James Riley

(Via Teleconference)

*Sam Toia**

Theodore R. Tetzlaff, Chairman

**Arrived Late*

Members Absent: 2

Robert Novelle

John R. Walter

Pursuant to the Illinois Open Meetings Act, Ms. Vikki L. McKenzie, Custodian of Corporate Records communicated the request of Member James Riley to participate via teleconference, due to a business conflict. Member Goldman moved and Member Meckler seconded the motion to approve the participation of Member Riley via teleconference, as requested. The motion was adopted by the unanimous vote of all Committee members present.

MPEA Staff Present: *Juan A. Ochoa, Chief Executive Officer; Larry Mulcrone, Chief of Staff; John Belcik, Chief Financial Officer; Ellen Barry, Chief Information Officer; Maribel Hopgood, Chief of Marketing and Communications; Marilynn Gardner, General Manager-Navy Pier; Nonda Harris, Senior Director-Development; Djenne Clayton, Staff Attorney; Josie Gough, Deputy General Counsel; Rosalinda Castillo, Director-Procurement; Natalie Pedraza, Director-Business Diversity; Steven Duda, Procurement Specialist; Sherry Brticevich, Senior Manager Research and Planning; Mary Kay Marquisos, Sr. Director-Communications; Colleen McShane, Senior Director-Community Relations; Dale Morrison, Business Diversity Manager; Elizabeth DelRisco, Assistant Controller; Kevin Vaez, Budget Director; Tanya Navratil, Sr. Director-Human Resources; David Causton, General Manager-McCormick Place; Richard Piotrowski, Director-technical Services; Richard Oldshue, Director-Treasury & Capital Management; Dan Blondin, Senior Staff Attorney; Michael Fountain, Sr Director-Intergovernmental Affairs; Gosia Furman, Treasury; Vickee Danz, Contract Administrator; Louis DelMedico, Director-License and Permits; Maya Hardy, Senior Manager-Government Relations; Rose Trotter, Workforce Diversity; Martha Farrell, Controller; and Vikki L. McKenzie, Custodian of Corporate Records*

Others Present: *Donna Shaw and Tim Roby of Chicago Convention and Tourism Bureau (CCTB)*

MINUTES

The Chairman called for the approval of the Minutes of the January 14, 2009 Board meeting, as previously distributed. Member Villanova moved and Member Meckler seconded the motion for approval of the Minutes of the January 14, 2009 Board meeting as distributed. The motion was adopted by the unanimous vote of all Board members present.

Chairman Tetzlaff called for the consideration of approval of the matters as listed below.

McCORMICK PLACE COMMITTEE REPORT

*Item B1 Ratification of Emergency Purchase Order for Scaffolding Rental
Brand Scaffold & Erection, Inc.*

(Member Toia joined the meeting, participating thereafter.)

Mr. David Causton, General Manager-McCormick Place reviewed Item B1. There was no discussion regarding Item B1. Member Goldman moved and Member Hernandez seconded to ratify Item B1-Emergency Purchase Order to Brand Scaffold & Erection, Inc. for scaffolding rental, as distributed. The motion was adopted by the unanimous vote of all Board members present.

NAVY PIER COMMITTEE REPORT

*Item C1 New Contract for MPEA Print Projects
A & H Lithoprint, Inc.*

Ms. Maribel Hopgood, Chief of Communications & Marketing reviewed Item C1, noting that A & H Lithoprint, Inc. is a WBE. There was no discussion regarding Item C1. Member Hernandez moved Member Meckler seconded to approve Item C1-New Contract to A & H Lithoprint, Inc. for MPEA Print Projects, as distributed. The motion was adopted by the unanimous vote of all Board members present.

*Item C2 New Contract for Brand Name Costume Rentals
The Entertainment Business, LLC*

Member Toia moved Member Gates seconded to approve Item C2-New Contract to The Entertainment Business, LLC for brand name costume rentals, as distributed. The motion was adopted by the unanimous vote of all Board members present.

(Member Starks joined the meeting and participated thereafter.)

AFFIRMATIVE ACTION COMMITTEE REPORT

*Item D1 Business Diversity Procurement Activity Report
First Quarter Fiscal Year 2009*

There was no discussion on Item D1. Member Toia moved and Member Starks seconded to approve Item D1-Business Diversity Procurement Activity Report, First Quarter FY 2009, as distributed. The motion was adopted by the unanimous vote of all Board members present.

Member Starks informed Board Members that this is the first Procurement Activity Report that reported actual dollars spent. Chairman Tetzlaff noted that this was a good report.

Chairman Tetzlaff welcomed Mr. Louis Carr to the MPEA Board and advised the Board members, as well, of the appointment of Mr. John Walter. Mr. Carr was appointed to the Navy Pier Committee and Mr. Walter to the Finance and Audit Committee.

DECEMBER 2008 FINANCIAL RESULTS

Using a power point presentation to report net contribution to budget for the month of December 2008, Mr. John Belcik, Chief Financial Officer reported the following. (Member O'Brien joined the meeting and participated thereafter.)

<u>McCormick Place</u>	<i>Actual</i>	<i>Sales</i>	\$7,214
		<i>Contribution Margin</i>	\$2,233
		<i>Operating Income</i>	(\$3,443)
	<i>Focus One Sales</i>	<i>Actual</i>	4,866
	<i>Year-to-Date</i>		
	<i>Actual</i>	<i>Sales</i>	\$56,603
		<i>Operating Income</i>	(\$3,171)
	<i>Focus One Sales</i>	<i>Actual</i>	\$32,020
<u>Navy Pier</u>	<i>Actual</i>	<i>Sales</i>	\$3,340
		<i>Contribution Margin</i>	\$2,051
		<i>Operating Income</i>	(\$272)
	<i>Focus One Sales</i>	<i>Actual</i>	\$0
<u>Navy Pier</u>	<i>Year-to-Date</i>		

<i>Actual</i>	<i>Sales</i>	\$25,790
	<i>Operating Income</i>	\$4,276
<i>Focus One Sales</i>	<i>Actual</i>	\$1,683

Ms. Marilyn Gardner, General Manager-Navy Pier reported on Winter Wonderfest, citing the following: (1) revenues were up 7%; (2) 127,000 wristbands were sold; and (3) parking revenues was short by \$250,000 due to family promotions. Ms. Gardner then distributed and reviewed a report regarding Trade Shows vs. Navy Pier Produced Show. Member Goldman asked if anyone had looked at Parking again. He stated that some Navy Pier parking opportunities are lost because access to the parking garages are blocked, and that based on his observations when you walk through the parking garage there are empty spaces Ms. Gardner stated that they will meet with Standard Parking. Chairman Tetzlaff stated that there needs to be an overall parking policy, which will allow more people to park on the Pier.

Hyatt Hotel

<i>Actual</i>	<i>Sales</i>	\$2,650
	<i>Contribution Margin</i>	\$982
	<i>Operating Income</i>	(\$175)
	<i>Hotel Occupancy</i>	35%
	<i>Average Daily Rate</i>	\$144
<i>Year-to-Date (Actual)</i>	<i>Sales</i>	\$31,382
	<i>Operating Income</i>	\$10,242
	<i>Hotel Occupancy</i>	69%
	<i>Average Daily Rate</i>	\$190

Energy Center

<i>Actual</i>	<i>Revenues</i>	\$425
	<i>Total Expenses</i>	1,102

Operating Income \$47

*Year-to-Date
Actual*

Operating Income \$955

Member Goldman informed Board members that the Report on the Energy Center will be ready in about a week.

Corporate Center

Year-to-Date

Total Expenses \$7,905

MPEA Combined

Actual

Sales \$13,630

*Year-to-Date
Actual*

Sales \$115,926

Contribution Margin \$63,731

Operating Income \$5,013

Member Gates asked about the forecast for the next six months. Mr. Belcik stated that the forecast was weak, at approximately \$4M lower than budget.

JANUARY TAX COLLECTIONS

Mr. Belcik directed Board members' attention to the FY09 Debt Service & Collections Information:

JANUARY

<i>Actual Totals</i>	\$10.3
<i>Cal. Debt Service</i>	\$12.4
<i>Variance</i>	(\$2.1)

Year-to-Date

<i>Actual Totals</i>	\$73.6
----------------------	--------

<i>Cal. Debt Service</i>	<i>\$82.4</i>
<i>Variance</i>	<i>(\$8.8)</i>
<i>Balance June 30, 2008</i>	<i>\$1.79</i>
<i>2009 Debt Service</i>	<i>(\$131)</i>
<i>Projected Collections</i>	<i><u>\$115.5</u></i>
<i>Projected Balance June 30, 2009</i>	<i>(\$13.8)</i>

Member Gates asked why hotel taxes were up from last year when revenues were down.

Chairman Tetzlaff stated this matter would be discussed in Executive Session. Chairman Tetzlaff extended thanks to Member Toia for serving as Chairman of the Finance and Audit Committee for the January committee meeting. He then announced the appointment of Mr. John Gates as Chairman of the Finance and Audit Committee.

*Item E1 Contract/Task Order for Annual Financial Audit for MPEA,
Hyatt McCormick and Retirement Plan
KPMG, LLP*

Member Goldman commented that the revision to this Item dealt only with a change in the MBE participation. Mr. Belcik stated that Prado & Renteria completed the Pension Audit. Member Goldman asked why Bronner had been dropped. Mr. Belcik stated that it would be easier to manage two rather than three firms. Discussion ensued regarding MBE participation. Member Goldman moved and Member Toia seconded to approve Item E1-Contract/Task Order to KPMG, LLP for annual financial audit for MPEA, Hyatt McCormick Place and Retirement Plan, as distributed. The motion was adopted by the unanimous vote of all Board members

present.

*Item E2 Sole Source Contract for UPS Maintenance
Emerson Network Power, Liebert Services Inc.*

Member O'Brien moved and Member Goldman seconded to approve Item E2-Sole Source Contract to Emerson Network Power, Liebert Services, Inc. for UPS Maintenance. The motion was adopted by the unanimous vote of all Board members present.

*Item E3 Sole Source Contract for Hardware and Software Maintenance Support
Activu Corporation*

Member Villanova moved and Member Meckler seconded to approve Item E3-Sole Source Contract to Activu Corporation for hardware and software maintenance support. The motion was adopted by the unanimous vote of all Board members present.

EXECUTIVE SESSION

The Chairman then stated the Board would convene in Executive Session to consider those matters listed on the agenda.

GENERAL SESSION RECONVENED

Upon return from Executive Session, there were two matters for Board consideration.

Item F2 Settlement of Workers' Compensation Claims

