

**METROPOLITAN PIER AND EXPOSITION AUTHORITY**  
**Minutes of Meeting of March 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, March 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: 12**

*John S. Gates, Jr.\**

*Isaac Goldman*

*Steven Hernandez*

*Robert Novelle*

*John R. Walter*

*Alisa Starks*

*Thomas Villanova*

*(Via Teleconference)*

*Peter J. O’Brien*

*Bruce R. Meckler*

*James Riley*

*(Via Teleconference)*

*Sam Toia\**

*Theodore R. Tetzlaff, Chairman*

*\*Arrived Late*

**Members Absent: 1**

*Louis Carr*

*Pursuant to the Illinois Open Meetings Act, Ms. Vikki L. McKenzie, Custodian of Corporate Records communicated the request of Member Thomas Villanova to participate via teleconference, due to a business conflict. Member Meckler moved and Member Hernandez seconded the motion to approve the participation of Member Villanova 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; Marilyn Gardner, General Manager-Navy Pier; 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; 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 Relations; Rose Trotter, Workforce Diversity; Rick Boultinghouse; Tony Camarillo; Donna Baltazar; Mike Degnan; Jeffery Gawel; and Vikki L. McKenzie, Custodian of Corporate Records*

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

## **MINUTES**

*The Chairman called for the approval of the Minutes of the February 3, 2009 Board meeting, as previously distributed. Member Goldman moved and Member Starks seconded the motion for approval of the Minutes of the February 3, 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      New Contract for Indoor and Outdoor Furniture  
Midwest Folding Products, Category 1  
Interiors for Business, Categories 2, 3, & 4  
Chicago United Industries, Category 5*

*Member Goldman moved and Member Starks seconded to approve Item B1-New Contract to Midwest Folding Products (Category 1), Interiors for Business (Categories 2, 3, & 4), and Chicago United Industries (Category 5) for Indoor and Outdoor Furniture, as distributed. The motion was adopted by the unanimous vote of all Board members present.*

*Item B2      New Contract for Security Systems Equipment and Services  
Johnson Controls, Inc.*

*Member Goldman moved and Member Riley seconded to approve Item B2-New Contract to Johnson Controls, Inc. for Security Systems Equipment and Services, as distributed. The motion was adopted by the unanimous vote of all Board members present.*

*Item B3      Intergovernmental Agreement for Tires  
Brad's Tire, Inc., an Authorized Dealer of Bridgestone Firestone American Tire, LLC*

***Truck Tires Sales, an Authorized Dealer of Goodyear Tire and Rubber Company***

*Member Riley moved and Member Meckler seconded to approve Item B3-Intergovernmental Agreement with Brad's Tire, Inc., and Authorized Dealer of Bridgestone Firestone American Tire LLC and Truck Tires Sales, an Authorized Dealer of Goodyear Tire and Rubber Company for Tires, as distributed. The motion was adopted by the unanimous vote of all Board members present.*

***Item B4      Extension and Increase to Contract for Glass Replacement,  
Glazing, Materials and Board-Up Services  
Hillside Industries, Inc. d/b/a MTH Industries***

*Member Hernandez moved and Member O'Brien seconded to approve Item B4-Extension and Increase to Contract to Hillside Industries, Inc. d/b/a MTH Industries for Glass Replacement, Glazing, Materials and Board-Up Services, as distributed. Member Riley recused himself from the vote. The motion was adopted by the unanimous vote of all non-recusing Board members present.*

***Item B5      New Contract for McCormick Place Hotel Management Services  
Hyatt***

*Mr. Causton summarized the evaluation process, indicating that Hyatt and Marriott had strong proposals. He commented that Hyatt presented a better financial proposal and pointed out that there would be no transition costs since Hyatt is the current manager. During the evaluation, Member Goldman asked whether the pricing included the hotel expansion. (Member Toia joined the meeting, participating thereafter.) Mr. Richard Oldshue stated at the pre-proposal*

*conference and walk-thru, the perspective proposers were told not to bid on expansion. He stated that following the recent McCormick Place Committee meeting that this was clarified with both the Hyatt and Marriott. Discussion continued regarding the financial terms offered by proposers. Chairman Tetzlaff stated that the contract will be awarded with the understanding that the hotel operator will be obligated to perform under the same term of the contract. Ms. Benjamin stated that during contract negotiations this can be written into the contract. Member Goldman moved and Member Meckler seconded to approve Item B5-New Contract with Hyatt for McCormick Place Hotel Management Services, with understanding that Hyatt will manage hotel expansion under same economic terms as included in its proposal. The motion was adopted by the unanimous vote of all Board members present.*

#### **NAVY PIER COMMITTEE REPORT**

*Item C1      Contract and Amendment for Concession and Catering  
Chicago Signature Services*

*Member Riley moved Member Toia seconded to approve Item C1-Contract and Amendment to Chicago Signature Services for Concession and Catering, as distributed. The motion was adopted by the unanimous vote of all Board members present.*

*Item C2      New Contracts for 2010 Tall Ships Program Budget*

*Ms. Marilyn Gardner, General Manager-Navy Pier informed Board members that the 2010 Tall Ship Festival would be hosted solely by Navy Pier, as opposed to previous years where the event was co-hosted with the City of Chicago. The current plans are for a fleet of 20-25 ships, all docked at Navy Pier. Mr. Riley stated that in 2006 19 ships were docked on the Chicago River. Only 4 were docked at Navy Pier. The current revenue projections are \$1.8M with an estimated loss of \$200,000. (Member Gates joined the meeting and participated thereafter.) Mr. Juan Ochoa, Chief Executive Officer, stated that he felt these revenue projections were understated. Ms. Gardner stated further that staff will be selling private parties after closing, and early champagne breakfast and that she expects to realize other residual benefits derived from the events. These events are not included in the revenue projections. Member Toia moved Member Novelle seconded to approve Item C2-New Contracts for 2010 Tall Ships Program Budget, as distributed. The motion was adopted by the unanimous vote of all Board members present*

**PERSONNEL, COMPENSATION & BENEFITS COMMITTEE REPORT**

*Item D1      New Position Classification, **Control Room Supervisor***

*Member Toia moved Member O'Brien seconded to approve Item D1-New Position Classification-Control Room Supervisor, as distributed. The motion was adopted by the unanimous vote of all Board members present.*

*Item D2      Pre-Qualified Pool of Vendors for Corporate Training Services  
**The Ken Blanchard Companies**  
**Directions Training Center***

*The Image Studios  
 Freemark Consulting  
 St. Aubin Haggerty Assoc.  
 The Corporate Learning Institute  
 Ideal Safety Communications  
 Human Capital Development  
 Organizational Resources  
 Lemonlike Consulting*

*Member Hernandez moved Member Novelle seconded to approve Item D2 Pre-qualified Pool of Vendors for Corporate Training Services, as distributed. The motion was adopted by the unanimous vote of all Board members present.*

**JANUARY 2009 FINANCIAL RESULTS**

*Using a power point presentation to report net contribution to budget for the month of January 2009, Mr. John Belcik, Chief Financial Officer reported the following.*

<b><u>McCormick Place</u></b>	<i>Actual</i>	<i>Sales</i>	\$5,387
		<i>Contribution Margin</i>	\$2,594
		<i>Operating Income</i>	(\$3,454)
	<i>Focus One Sales</i>	<i>Actual</i>	2,361
	<i>Year-to-Date</i>		
	<i>Actual</i>	<i>Sales</i>	\$61,990
		<i>Operating Income</i>	(\$6,624)
	<i>Focus One Sales</i>	<i>Actual</i>	\$34,381

Mr. Belcik pointed out Pro Mat as one of the largest shows held at McCormick Place. He also commented on a certain credit memo reduction and an additional maintenance expenses as a result of a pipe bursting.

<b><u>Navy Pier</u></b>	<i>Actual</i>	<i>Sales</i>	\$2,180
		<i>Contribution Margin</i>	\$807
		<i>Operating Income</i>	(\$1,303)
	<i>Focus One Sales</i>	<i>Actual</i>	(\$7)
	<i>Year-to-Date</i>		
	<i>Actual</i>	<i>Sales</i>	\$27,970
		<i>Operating Income</i>	\$2,974
	<i>Focus One Sales</i>	<i>Actual</i>	\$1,677
<b><u>Hyatt Hotel</u></b>	<i>Actual</i>	<i>Sales</i>	\$3,093
		<i>Contribution Margin</i>	\$1,269
		<i>Operating Income</i>	(\$130)
		<i>Hotel Occupancy</i>	41%
		<i>Average Daily Rate</i>	\$157
		<i>Year-to-Date</i>	
	<i>(Actual)</i>	<i>Sales</i>	\$34,475
		<i>Operating Income</i>	\$10,372
		<i>Hotel Occupancy</i>	65%
		<i>Average Daily Rate</i>	\$187
<b><u>Energy Center</u></b>	<i>Actual</i>	<i>Revenues</i>	\$479
		<i>Total Expenses</i>	\$973
		<i>Operating Income</i>	\$310
	<i>Year-to-Date</i>		
	<i>Actual</i>	<i>Operating Income</i>	\$1,264

*Member Goldman informed Board members that the Energy Center Report had been received and proved to be a very positive and valuable report. He stated that if the Energy Center is well managed, it will be a valuable asset.*

<b><u>Corporate Center</u></b>	<i>Year-to-Date</i>	<i>Total Expenses</i>	\$9,280
<b><u>MPEA Combined</u></b>	<i>Actual</i>	<i>Sales</i>	\$11,140
	<i>Year-to-Date</i>		
	<i>Actual</i>	<i>Sales</i>	\$127,066
		<i>Contribution Margin</i>	\$68,710
		<i>Operating Income</i>	(\$731)

**FEBRUARY TAX COLLECTIONS**

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

<b><u>FEBRUARY</u></b>	
<i>Actual Totals</i>	\$8.9
<i>Cal. Debt Service</i>	\$11.4
<i>Variance</i>	(\$2.5)
<i>Shortfall</i>	(\$1.2)
<b><u>Year-to-Date</u></b>	
<i>Actual Totals</i>	\$82.46
<i>Cal. Debt Service</i>	\$93.8
<i>Variance</i>	(\$11.4)
<i>Shortfall</i>	(\$1.4)
<i>Balance June 30, 2008</i>	\$1.79
<i>2009 Debt Service</i>	(\$131)
<i>Projected Collections</i>	<u>\$115.5</u>
<i>Projected Balance June 30, 2009</i>	(\$13.8)

*Item E3      Rejection of Proposals, Extension and Increase to Contract for MPEA  
Natural Gas Supply  
**BP CANADA ENERGY MARKETING***

*Member Toia moved and Member Starks seconded to approve Item E3-Rejection of Proposals, Extension and Increase to Contract with BP Canada Energy Marketing for Natural Gas Supply, as distributed. Member Hernandez abstained from the vote. The motion was adopted by the unanimous vote of all non-abstained Board members present.*

*Item E4      Purchase Order for EBMS Annual Maintenance and Services  
**Ungerboeck Systems International***

*Item E5      New Contract for Omniticket Software, Training and Replacement  
Wireless  
Access Control Scanners  
**VGS Systems Engineering USA, Inc., d/b/a OMNITICKET NETWORK  
USA***

*Item B6      Contract Amendment for Upgrade to J.D. Edwards EnterpriseOne  
Financial System  
**Oracle – Enterprise One***

*Item B7      Contract Amendment for UPS Maintenance  
**Emerson Network Power, Liebert Services Inc.***

*Member Starks stated that we continue to spend on IS services, we need a timeline report on where we are and when projects will be completed. Ms. Ellen Barry, Chief Information officer stated that a timeline on major projects will be available next month. Member Novelle moved and Member Riley seconded to approve Items E4-E7 of the Finance & Audit Committee Report, as distributed. 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 was one matter for Board consideration.*

*Item F3      MPEA Board Meeting Executive Session Minutes  
February 3, 2009*

*It was properly moved and seconded to approve Item F3, as previously distributed. The motion was adopted by the unanimous vote of all Board members present.*

**ADJOURNMENT**

*There being no further business, the Chairman adjourned the meeting.*

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*Chairman*

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*Secretary/Treasurer*