

METROPOLITAN PIER AND EXPOSITION AUTHORITY
Minutes of Meeting of November 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, November 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 Gates called the meeting to order, declared a quorum and the meeting opened for business.

Board Membership: 13

Memberships Vacant: 1

Members Present: 11

*Devon C. Bruce**

Louis Carr

Steven Hernandez

John R. Walter

Robert Novelle

Peter J. O’Brien

Isaac Goldman

James Riley

Sam Toia

Thomas Villanova

John Gates, Chairman

**Arrived Late*

Members Absent: 1

Alisa Starks

MPEA Staff Present: *Juan A. Ochoa, Chief Executive Officer; Carlos Ponce, Acting Chief of Staff; Renee Benjamin, General Counsel; Djenne Clayton, Assistant General Counsel; Josie Gough, Deputy General Counsel; Sherry Brticevich, Director of Business Administration-Navy Pier; David Causton, General Manager-McCormick Place; Richard Oldshue, Director-Treasury & Capital Management; Mike Degnan, Assistant General Manager-Navy Pier; Jeanine Gillen, Acting Sr. Director-Human Resources; Maribel Hopgood, Chief of Marketing & Communications; Richard Piotrowski, Director-Technical Services-I/S; Nonda Harris, Sr. Director-Development; Ellen Barry, CIO; Jim Sheahan, Chief of External Relations; Michael Fountain, Sr. Director-Intergovernmental Affairs; Marilyn Gardner, General Manager-Navy Pier; Jeffrey Gawel, I/S; Shaunda Davis, Acting Director-Security & Safety; Laura Chorle, Development; Rose Trotter, Workforce Diversity Administrator; Natalie Pedraza, Director-Business Diversity; Dan Blondin, Staff Attorney; Mary Kay Marquisos, Senior Director-Communications; and Vikki L. McKenzie, Custodian of Corporate Records*

Others Present: *Craig Wenokut of Wendella-Chicago Water Taxi; Kathy Bergen of Chicago Tribune; Remi Gonzatez of Public Communications Inc.*

Chairman Gates stated this was his first meeting as chair of the MPEA Board Meeting. He further stated that he has been impressed with the caliber of staff, but that there were serious financial challenges ahead. He has met with Board members individually in the last 30 days and addressing MPEA finances is the number one priority. Financial stability is possible with assistance from Springfield to restructure MPEA debt and a close review of operational costs and revenues.

SECTION A - MINUTES

The Chairman called for the approval of the Minutes of the October 6, 2009 Regular Board meeting, as previously distributed. Member O'Brien moved and Member Novelle seconded the motion for approval of the Minutes of the October 6, 2009 Regular Board meeting as distributed. The motion was adopted by the unanimous vote of all Board members present.

SECTION B - FINANCE AND AUDIT COMMITTEE REPORT

Chairman Gates stated that there is a need to reforecast the budget because financial performance has been much worse than anticipated.

ITEM B1 - SEPTEMBER 2009 FINANCIAL RESULTS

Using a power point presentation to report net contribution to budget for the month of September 2009, Mr. Richard Oldshue, Acting Chief Financial Officer reported the following.

| | | | |
|-------------------------------|---------------|------------------------------|------------|
| <u>McCormick Place</u> | <i>Actual</i> | <i>Sales</i> | \$6,821 |
| | | <i>Contribution Margin</i> | \$3,438 |
| | | <i>Operating Income</i> | (\$1,310) |
| | | <i>B/(W) Budget Sales</i> | (\$2,370) |
| | | <i>B/(W) Last Year Sales</i> | (\$9,227) |
| | | <i>Year-to-Date</i> | |
| | | <i>Sales</i> | \$13,933 |
| | | <i>B/(W) Budget Sales</i> | (\$1,968) |
| | | <i>B/(W) Last Year Sales</i> | (\$10,344) |
| <u>Navy Pier</u> | <i>Actual</i> | <i>Sales</i> | \$3,904 |
| | | <i>Contribution Margin</i> | \$2,699 |
| | | <i>Operating Income</i> | \$745 |

B/(W) Budget Sales (\$139)

B/(W) Last Year Sales (\$322)

Year-to-Date Sales \$13,594
B/(W) Budget Sales (\$2,339)
B/(W) Last Year Sales (\$2,875)

Hyatt Hotel

Actual Sales \$4,739
Operating Income \$1,374

Hotel Occupancy 69%
Average Daily Rate \$186

B/(W) Budget Hotel Occupancy (1%)
Average Daily Rate (\$39)

B/(W) Last Year Hotel Occupancy (12%)
Average Daily Rate (\$31)

(Member Bruce joined the meeting and participated thereafter.)

Energy Center

Actual Revenues \$307
Operating Income \$196

Corporate Center

Year-to-Date Total Expenses \$4,296

MPEA Combined

Actual Sales \$15,781
Operating Income (\$571)

Chairman Gates stated that the Board will hold a Special Meeting within the next two to three weeks regarding the reforecast.

ITEM B2 - OCTOBER TAX COLLECTIONS

Mr. Oldshue directed Board members' attention to the FY10 Debt Service & Collections Information:

OCTOBER

| | |
|---------------------------------|--------------|
| Actual Totals | \$9.1 |
| Cal. Debt Service | \$12.5 |
| Variance | (\$3.4) |
| Shortfall | (26.9%) |
| Year-To-Date | |
| Actual Totals | \$35.8 |
| Cal. Debt Service | \$48.3 |
| Variance | (\$12.5) |
| Shortfall | (26.0%) |
| Balance June 30, 2009 | (\$18.8) |
| 2010 Debt Service | (\$138.9) |
| Projected Collections | <u>\$105</u> |
| Projected Balance June 30, 2010 | (\$52.7) |

ITEM B3 - PRELIMINARY BUDGET REFORECAST

This matter was deferred to the Special Meeting to be scheduled within the next 2-3 weeks.

ITEM B4-ITEM B5, FINANCE & AUDIT FINANCIAL AGENDAS

Item B4 *New Contract for Gasoline and Diesel Fuel
West Fuel, Inc.*

Item B5 *Intergovernmental Agreement for Gasoline and Diesel Fuel
Department of Fleet Management, City of Chicago*

Member Toia moved and Member Novelle seconded to approve Item B4 and Item B5, as distributed. The motion was adopted by the unanimous vote of all Board members present.

Chairman Gates called for consideration of approval of matters as listed below.

SECTION C - McCORMICK PLACE COMMITTEE REPORT

Item C1 New Contract for Marketing Services, Arie Crown Theater

This matter was deferred until further notice.

*Item C2 Amendment to Existing Contract for Design/Builder-West
Expansion
Project Final Settlement
Mc4West, LLC*

Discussion ensued regarding final punch list items and the disbursement of final payment. Mr. Nonda Harris thanked MPEA Staff for their hard work on the West Building Project. On behalf of the MPEA Board, Chairman Gates extended congratulations to staff for a job well done. Member O'Brien moved and Member Goldman seconded to approve Item C2-Amendment to Existing Contract with Mc4West, LLC for Design/Builder-West Expansion Project Final Settlement, as distributed. The motion was adopted by the unanimous vote of all Board members present.

Item C3 Board Members Attendance-Post Show Client Review

Chairman Gates asked Board Members to be a part of the Post Show Client Reviews for major Shows, to get feedback and evaluations from customers. The meeting is usually an hour in length. He further stated that more communication with customers would allow us to serve them better.

Item C4 Inventory Centralization

This matter was deferred.

SECTION D - NAVY PIER COMMITTEE REPORT

*Item D1 New Contract for Storage Trailer Hauling Services
 Jimmy D's Trucking Inc.*

Discussion ensued regarding the possibility of purchase or lease of a truck for in-house hauling services. Member O'Brien moved and Member Riley seconded to approve Item D1, New Contract to Jimmy D's Trucking Inc. for Storage Trailer Hauling Services, as distributed. The motion was adopted by the unanimous vote of all Board members present.

*Item D2 New Contract for Navy Pier Trolley Wrap Services
 Best Imaging Solutions, Inc.*

Member O'Brien moved and Member Walter seconded to approve Item D2, New Contract to Best Imaging Solutions, Inc. for Navy Pier Trolley Wrap Services, as distributed. The motion was adopted by the unanimous vote of all Board members present.

SECTION E - AFFIRMATIVE ACTION COMMITTEE REPORT

Item E1 Business Diversity Procurement Activity Report, Fourth Quarter FY09

Upon motion duly moved and seconded, the Business Diversity Procurement Activity Report, Fourth Quarter FY09, as distributed was approved by the unanimous vote of all Board members present.

SECTION F - MANAGEMENT REPORT

Item F1 Resolution No. MPEA 09-09 Honoring Bruce R. Meckler

Ms. Renee Benjamin, General Counsel read into the record Resolution No. MPEA 09-09, Honoring Bruce R. Meckler. Member Toia moved and Member Riley seconded the motion to adopt Resolution 09-09, Honoring Bruce R. Meckler, as distributed. The motion was adopted by the unanimous vote of all Board members present. The Resolution will be signed, framed and presented to Mr. Meckler.

Item F2 Resolution No. MPEA 09-10 Honoring Theodore R. Tetzlaff

Ms. Renee Benjamin read into the record Resolution No. MPEA 09-10, Honoring Theodore R. Tetzlaff. Member Hernandez moved and Member Riley seconded the motion to adopt Resolution 09-10, Honoring Theodore R. Tetzlaff, as distributed. The motion was adopted by the unanimous vote of all Board members present. The Resolution will be signed, framed, and presented to Mr. Tetzlaff.

*Item F3 Change of MPEA Board Meeting Time to 3:30 PM,
First Tuesday of Each Month*

Chairman Gates recommended changing the time of the monthly Board meetings to 3:30 PM, the first Tuesday of each month. The Board members were in agreement. The Chairman then stated that the December Board Meeting would be held the same day as the Preview Day for Winter Wonderfest on Thursday, December 3, 3:30 PM.

EXECUTIVE SESSION

The Chairman then stated the Board would convene in Executive Session to discuss the matters

as listed on the Agenda. Member Riley moved and Member Toia seconded motion to go into Executive Session. The motion was adopted by the unanimous vote of all Board members present.

GENERAL SESSION RECONVENED

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

- Item G1 New Contract with Urban Land Institute for Navy Pier Advisory Services*
- Item G2 Appointment of Acting Chief Financial Officer*
- Item G4 Settlement of Worker's Compensation Claim*
- Item G5 MPEA Board Meeting Executive Session Minutes, September 1, 2009*
- Item G6 MPEA Board Meeting Executive Session Minutes, October 6, 2009*
- Item G7 End Retention of Audio Recordings of MPEA Board Meeting Executive Session Minutes of June 3, 2008, Pursuant to the Illinois Open Meetings Act*
- Item G8 Separation Agreement and General Release*

(Member Carr departed the Meeting.)

Member Villanova moved and Member Toia seconded to approve Items G1, G2, G4, G5, G6, G7, and G8, as presented in Executive Session. The motion was adopted by the unanimous vote of all Board members present.

ADJOURNMENT

There being no further business, Member O'Brien moved and Member Hernandez seconded the motion to adjourn. The motion was adopted by the unanimous vote of all Board members present.

Secretary/Treasurer or Assistant Secretary

Date: December 3, 2009