

**METROPOLITAN PIER AND EXPOSITION AUTHORITY**  
**Minutes of Meeting of December 3, 2009**

*The regular monthly meeting of the Board of the Metropolitan Pier and Exposition Authority (“MPEA”) was held at 3:30 PM on Thursday, December 3, 2009, at Navy Pier, 600 East Grand Avenue, Festival Hall, Room 325, 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: 10**

*Devon C. Bruce*

*Louis Carr\**

*Steven Hernandez*

*John R. Walter\**

*Robert Novelle*

*Peter J. O’Brien*

*Isaac Goldman*

*Sam Toia*

*Alisa Starks*

*John Gates, Chairman*

*\*Via Teleconference*

**Members Absent: 2**

*James Riley*

*Thomas Villanova*

*Pursuant to the Illinois Open Meetings Act, Ms. Vikki L. McKenzie, Custodian of Corporate Records communicated the request of Member Louis Carr and Member John Walter to participate via teleconference, due to business conflicts. Member Novelle moved and Member Toia seconded the motion to approve the participation of Member Carr and Member Walter via teleconference, as requested. The motion was adopted by the unanimous vote of all Board members present.*

***MPEA Staff Present:*** *Juan A. Ochoa, Chief Executive Officer; Carlos Ponce, Acting Chief of Staff; Renee Benjamin, General Counsel; Djenne Clayton, Assistant General Counsel; Sherry Brticevich, Director of Business Administration-Navy Pier; David Causton, General Manager-McCormick Place; Richard Oldshue, Director-Treasury & Capital Management; Martha Farrell, Controller; Mike Degnan, Assistant General Manager-Navy Pier; Jeanine Gillen, Acting Sr. Director-Human Resources; Maribel Hopgood, Chief of Marketing & Communications; Nonda Harris, Sr. Director-Development; Ellen Barry, CIO; Jim Sheahan, Chief of External Relations; Michael Fountain, Sr. Director-Intergovernmental Affairs; Austin, Kelly, Director-Navy Pier Operations; Marilynn Gardner, General Manager-Navy Pier; Shaunda Davis, Acting Director-Security & Safety; Laura Chorle, Senior Development manager; Rose Trotter, Workforce Diversity Administrator; Dan Blondin, Senior Attorney; Nancy Quoss, Assistant Director-Procurement; and Vikki L. McKenzie, Custodian of Corporate Records*

***Others Present:*** *Mark Theis, CCTB; Edward Prendergass, Indiecor Group/Benjamin Moore Co.; Julie Barrientos of KPMG; Kathy Bergen of Chicago Tribune*

## **SECTION A - MINUTES**

The Chairman called for the approval of the Minutes of the November 3, 2009 Regular Board meeting and the November 16, 2009 Special Board meeting, as previously distributed. Member Goldman moved and Member Starks seconded the motion for approval of the Minutes of the November 3, 2009 Regular Board meeting and November 16 Special Board meeting, as distributed. The motion was adopted by the unanimous vote of all Board members present.

**SECTION B - FINANCE AND AUDIT COMMITTEE REPORT**

**ITEM B1 - OCTOBER 2009 FINANCIAL RESULTS**

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

**MPEA Combined – Current Month**

Sales	Actual	\$18,435
	Forecast	(\$745)
Direct Expenses	Actual	\$8,166
Contribution Margin	Actual	\$10,269
	Forecast	(\$561)
Operating Expenses	Actual	\$9,616
	Forecast	\$375
Operating Income (Loss) Before Depreciation	Actual	\$653
	Forecast	(\$186)
	Budget	(\$2,144)
	Last Year	(\$1,303)

**MPEA Combined – Year to Date**

<i>Sales</i>	<i>Actual</i>	\$59,242
	<i>Forecast</i>	(\$745)
	<i>Budget</i>	(\$10,504)
	<i>Last Year</i>	(\$20,878)

*Last year numbers included the Machine Tool Show which is not on the show schedule this fiscal year.*

<i>Direct Expenses</i>	<i>Actual</i>	\$25,666
<i>Contribution Margin</i>	<i>Actual</i>	\$33,576
<i>Operating Expenses</i>	<i>Actual</i>	\$37,386
<i>Operating Income (Loss)</i>		
<i>Before Depreciation</i>	<i>Actual</i>	(\$3,810)
	<i>Forecast</i>	(\$186)
	<i>Budget</i>	(\$6,124)
	<i>Last Year</i>	(\$10,730)

**McCormick Place – Current Month**

<i>Sales</i>	<i>Actual</i>	\$8,325
	<i>Forecast</i>	\$8
<i>Contribution Margin</i>	<i>Actual</i>	\$4,345
<i>Operating Expenses</i>	<i>Actual</i>	\$4,850
	<i>Forecast</i>	\$277
<i>Operating Income (Loss)</i>		
<i>Before Depreciation</i>	<i>Actual</i>	(\$505)
	<i>Forecast</i>	\$203
	<i>Budget</i>	(\$911)
	<i>Last Year</i>	(\$540)

**McCormick Place – Year to Date**

<i>Sales</i>	<i>Actual</i>	\$22,259
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	<i>Forecast</i>	\$8
	<i>Budget</i>	(\$3,307)
	<i>Last Year</i>	(\$12,738)
<i>Direct Expenses</i>	<i>Actual</i>	\$11,450
<i>Contribution Margin</i>	<i>Actual</i>	\$10,809
<i>Operating Expenses</i>	<i>Actual</i>	\$18,867
<i>Operating Income (Loss)</i>		
<i>Before Depreciation</i>	<i>Actual</i>	(\$8,058)
	<i>Forecast</i>	\$203
	<i>Budget</i>	(\$1,564)
	<i>Last Year</i>	(\$5,195)

**Navy Pier – Current Month**

<i>Sales</i>	<i>Actual</i>	\$3,117
	<i>Forecast</i>	(\$339)
<i>Direct Expenses</i>	<i>Actual</i>	\$1,359
<i>Contribution Margin</i>	<i>Actual</i>	\$1,758
	<i>Forecast</i>	(\$263)
<i>Operating Expenses</i>	<i>Actual</i>	\$1,982
	<i>Forecast</i>	\$59
<i>Operating Income (Loss)</i>		
<i>Before Depreciation</i>	<i>Actual</i>	(\$223)
	<i>Forecast</i>	(\$203)
	<i>Budget</i>	(\$244)
	<i>Last Year</i>	(\$302)

**Navy Pier – Year to Date**

<i>Sales</i>	<i>Actual</i>	\$16,710
	<i>Forecast</i>	(\$339)

	<i>Budget</i>	(\$2,775)
	<i>Last Year</i>	(\$3,212)
<i>Direct Expenses</i>	<i>Actual</i>	\$4,833
<i>Contribution Margin</i>	<i>Actual</i>	\$11,877
<i>Operating Expenses</i>	<i>Actual</i>	\$8,126
<i>Operating Income (Loss)</i>		
<i>Before Depreciation</i>	<i>Actual</i>	\$3,751
	<i>Forecast</i>	(\$203)
	<i>Budget</i>	(\$1,578)
	<i>Last Year</i>	(\$1,884)

**Hyatt Hotel – Current Month**

	<i>Actual</i>	\$6,671
	<i>Forecast</i>	(\$402)
<i>Sales</i>		
<i>Direct Expenses</i>	<i>Actual</i>	\$2,629
	<i>Forecast</i>	(\$161)
<i>Contribution Margin</i>	<i>Actual</i>	\$4,042
	<i>Forecast</i>	(\$241)
<i>Operating Expenses</i>	<i>Actual</i>	\$1,171
<i>Operating Income (Loss)</i>		
<i>Before Depreciation</i>	<i>Actual</i>	\$2,871
	<i>Forecast</i>	(\$181)
	<i>Budget</i>	(\$845)
	<i>Last Year</i>	(\$427)

**Hyatt Hotel – Current Month**

	<i>Actual</i>	76%
	<i>Forecast</i>	(1%)
	<i>Budget</i>	(4%)
<i>Occupancy</i>		

<i>Rate</i>	<i>Actual</i>	\$232
	<i>Forecast</i>	(\$4)
	<i>Budget</i>	(\$18)

**Hyatt Hotel – Year to Date**

<i>Sales</i>	<i>Actual</i>	\$19,043
	<i>Forecast</i>	(\$402)
	<i>Budget</i>	(\$3,958)
	<i>Last Year</i>	(\$4,323)
<i>Direct Expenses</i>	<i>Actual</i>	\$8,950
	<i>Forecast</i>	\$161
<i>Contribution Margin</i>	<i>Actual</i>	\$10,093
<i>Operating Expenses</i>	<i>Actual</i>	\$4,483
<i>Operating Income (Loss) Before Depreciation</i>	<i>Actual</i>	\$5,610
	<i>Forecast</i>	(\$181)
	<i>Budget</i>	(\$2,732)
	<i>Last Year</i>	(\$3,027)
<i>Occupancy</i>	<i>Actual</i>	86%
<i>Rate</i>	<i>Actual</i>	\$181
	<i>Forecast</i>	(\$1)
	<i>Budget</i>	(\$26)

**Energy Center – Current Month**

<i>Revenues</i>	<i>Actual</i>	\$314
	<i>Forecast</i>	\$4
<i>Net Expense</i>	<i>Actual</i>	\$195

	<i>Forecast</i>	\$30
<i>Operating Income/(Loss)</i>	<i>Actual</i>	\$119
	<i>Forecast</i>	\$34
	<i>Budget</i>	(\$30)
	<i>Last Year</i>	\$51

**Energy Center – Year to Date**

<i>Revenues</i>	<i>Actual</i>	\$1,185
<i>Net Expense</i>	<i>Actual</i>	\$433
<i>Operating Income/(Loss)</i>	<i>Actual</i>	\$752
	<i>Forecast</i>	\$34
	<i>Budget</i>	(\$233)
	<i>Last Year</i>	\$71

**Corporate Center – Year to Date**

<i>Expenses Before Depreciation</i>	<i>Actual</i>	\$5,910
	<i>Forecast</i>	(\$22)
	<i>Budget</i>	\$33
	<i>Last Year</i>	(\$279)

**ITEM B2 - NOVEMBER TAX COLLECTIONS**

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

*Information:*

<b>NOVEMBER</b>	
<i>Actual Totals</i>	\$10.0
<i>Cal. Debt Service</i>	\$13.0
<b>Year-To-Date</b>	
<i>Actual Totals</i>	\$45.8

<i>Cal. Debt Service</i>	\$61.3
<i>Variance</i>	(\$12.5)
<i>Shortfall</i>	(25.3%)
<i>Balance June 30, 2009</i>	(\$18.8)
<i>2010 Debt Service</i>	(\$138.9)
<i>Projected Collections</i>	<u>\$105</u>
<i>Projected Balance June 30, 2010</i>	(\$52.7)

**FINANCE & AUDIT FINANCIAL AGENDAS**

- Item B3      Pre-Qualified Vendors and Delegation of Authority for  
Contract Award-MPEA Electricity Supply Contract  
Exelon Energy  
Constellation New Energy  
MidAmerican Energy Company*

*Mr. Oldshue stated that MidAmerican had not yet agreed to the RFP contract terms. If the requirement is not met, they will not be asked to submit a pricing proposal. Member Goldman moved and Member Bruce seconded to approve Item B3, as distributed. The motion was adopted by the unanimous vote of all Board members present.*

- Item B5      Sole Source Contract for Software Platform Upgrade,  
Services and Maintenance  
Systems Design & Development Inc. (SDD)*

*Member Toia moved and Member Starks seconded to approve Item B5, Sole Source Contract to Systems Design & Development Inc. (SDD), as distributed. The motion was adopted by the unanimous vote of all board members present.*

- Item B6      Contract Extension for Records Storage Services  
Recall Total Information Management*

*Member Goldman moved and Member Bruce seconded to approve Item B6, Contract Extension to recall Total Information Management, as distributed. The motion was adopted by the unanimous vote of all Board members present.*

*Item B4      Fiscal Year 2009 Audited Financial Statements*

*Ms. Julie Barrientos of KPMG summarized Fiscal year 2009 Audited Financial Statements, as presented to the Finance & Audit Committee. There were no significant deficiencies and staff was very cooperative throughout the audit.*

### **SECTION C - McCORMICK PLACE COMMITTEE REPORT**

*Item C1      New License Agreement for Wireless Antenna Services  
AT&T*

*Item C2      New Contract for Lumber and Supplies  
Lee Lumber & Building Material Corp.*

*Item C3      New Contract for Paint, Accessories, and Supplies  
Azteca Supply Company  
Indecor Group  
Progressive Industries  
Rae Products*

*Item C4      Amendment to Existing Contract for Parking Facility Pay Station  
Automation  
McGann Associates*

*Member Bruce moved and Member Starks seconded to approve Items C1-Items C4, as distributed. The motion was adopted by the unanimous vote of all Board members present.*

**SECTION D - NAVY PIER COMMITTEE REPORT**

*Item D1        Amendment to Existing Letter of Engagement for A/E Services-Navy Pier  
Entrance 1 Precast Beam Repair  
Knight E/A, Inc.*

*Member Goldman moved and Member Starks seconded to approve Item D1, Amendment to Existing Letter of Engagement with Knight E/A, Inc. for A/E Services-Navy Pier Entrance 1 Precast Beam Repair, as distributed. The motion was adopted by the unanimous vote of all Board members present.*

*Item D2        New Project for Navy Pier Lakeview Terrace Roof Deck Remediation*

*After discussion, this matter was tabled.*

**SECTION E – LEGAL REPORT**

*Item E1        General Counsel/Assistant Secretary to the Board, Execution of Board and  
Committee Minutes on Behalf of the Board Secretary*

*Member O'Brien moved and Member Goldman seconded to approve Item E1, authorization of General Counsel/Assistant Secretary to the Board, to execute Board and Committee Minutes on behalf of the Board, following Board approval.*

*Chairman Gates announced Member Bruce agreed to serve as Chairman of the Finance & Audit Committee. At the January 2010 Board Meeting Board, Board Committee assignments would be refreshed.*

**SECTION F - EXECUTIVE SESSION**

*The Chairman then stated the Board would convene in Executive Session to discuss matters as listed on the Agenda. It was properly moved and seconded to enter into Executive Session. The motion was adopted by the unanimous vote of all Board members present.*

*(General Session Reconvened)*

**SECTION G – MATTERS RESULTING FROM EXECUTIVE SESSION**

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

*Item B4 Fiscal Year 2009 Audited Financial Statements*

*Item F1 Request for Variation from Procedures for Filling Vacancies*

*Item F3 Financial Restructuring - Deficit Reduction Plan*

*Item F5 Settlement of Worker's Compensation Claim*

*Item F6 End Retention of Audio Recordings of MPEA Board Meeting Executive Session Minutes of July 1, 2008, Pursuant to the Illinois Open Meetings Act*

*Member O'Brien moved and Member Starks seconded to approve Items B4, F1, F3, F5, and F6, as discussed and presented in Executive Session. The motion was adopted by the unanimous vote of all Board members present.*

**ADJOURNMENT**

*There being no further business, Member Bruce moved and Member Starks seconded the*

*motion to adjourn. The motion was adopted by the unanimous vote of all Board members present.*

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*Secretary/Treasurer or Assistant Secretary*

*Date: January 15, 2010*