

**METROPOLITAN PIER AND EXPOSITION AUTHORITY**  
**Minutes of Meeting of April 7, 2009**

*The regular monthly meeting of the Board of the Metropolitan Pier and Exposition Authority (“MPEA”) was held at 8:30 AM on Tuesday, April 7, 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: 13**

*Louis Carr\**

*John S. Gates, Jr.\**

*Isaac Goldman*

*Steven Hernandez*

*Robert Novelle*

*John R. Walter*

*(Via Teleconference)*

*Alisa Starks\**

*Thomas Villanova*

*Peter J. O’Brien*

*Bruce R. Meckler*

*James Riley*

*(Via Teleconference)*

*Sam Toia*

*Theodore R. Tetzlaff, Chairman*

*\*Arrived Late*

*Pursuant to the Illinois Open Meetings Act, Ms. Vikki L. McKenzie, Custodian of Corporate Records communicated the request of Member John R. Walter and Member James V. Riley to participate via teleconference, due to a business conflict. Member Goldman moved and Member Toia seconded the motion to approve the participation of Member Walter and Member Riley 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; Larry Mulcrone, Chief of Staff; John Belcik, Chief Financial Officer; Marilyn Gardner, General Manager-Navy Pier; Renee Benjamin, General Counsel; Djenne Clayton, Staff Attorney; Josie Gough, Deputy General Counsel; Natalie Pedraza, Director-Business Diversity; Steven Duda, Procurement Specialist; Sherry Brticevich, Senior Manager Research and Planning; Mary Kay Marquisos, Sr. Director-Communications; Dale Morrison, Business Diversity Manager; Tanya Navratil, Sr. Director-Human Resources; David Causton, General Manager-McCormick Place; Richard Oldshue, Director-Treasury & Capital Management; Dan Blondin, Senior Staff Attorney; Nonda Harris, Sr. Director-Development; Mike Degnan, Assistant General Manager-Navy Pier; Jeffery Gawel, Director-Business Systems (I/S); Rick Boultinghouse, Sr. Director-Entertainment; Mark Thompson, Sr. Director-Marketing; Martha Farrell, Controller; Bridget O'Connell Koconis-Director-Property Management; and Vikki L. McKenzie, Custodian of Corporate Records*

***Others Present:*** *Mike Cartolaw of Melrose Pyrotechnics; and Robert Root of S. G. Johnson*

## **MINUTES**

*The Chairman called for the approval of the Minutes of the March 3, 2009 Board meeting, as previously distributed. Member Villanova moved and Member O'Brien seconded the motion for approval of the Minutes of the March 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 Purchase Order for E-911 Software Upgrade and Annual License Fee **Red Sky Technologies***

*Member Hernandez moved and Member Villanova seconded to approve Item B1-Purchase Order to Red Sky Technologies for E-911 Software Upgrade and Annual License Fee, as distributed. The motion was adopted by the unanimous vote of all Board members present.*

### *Item B2 Contract Renewal for Aerial Lift Equipment Rental Services **Hertz Equipment Rental Corporation** **NES Rentals***

*Member Toia moved and Member Meckler seconded to approve Item B2-Contract Renewal to Hertz Equipment Rental Corporation and NES Rentals for Aerial Lift Equipment Rental Services, as distributed. The motion was adopted by the unanimous vote of all Board members present.*

*Item B3 Contract Renewal for Aerial Lift Equipment Maintenance Services  
United Rentals*

*Member Goldman moved and Member O'Brien seconded to approve Item B3-Contract Renewal with United Rentals for Aerial Lift Equipment Maintenance Services, as distributed. The motion was adopted by the unanimous vote of all Board members present.*

*Item B4 Amendment to Contract for Ushering and Ticket Taking Services  
Arie Crown Theater  
Safety Services, Inc. d/b/a S3, Inc.*

*Member Toia moved and Member Meckler seconded to approve Item B4-Amendment to Contract to Safety Services Inc. d/b/d S3, Inc. for Ushering and Ticket Taking Services-Arie Crown Theater, as distributed. The motion was adopted by the unanimous vote of all Board members present.*

*Item B5 Rejection of Proposal for Design, Construction and Operation of McCormick Place Helipad*

*Discussion ensued regarding the request to reject based upon the pricing of the proposal vis a vis anticipated revenues and whether there were alternative locations that could be considered. Member Goldman moved and Member Villanova seconded to approve Item B5-Rejection of Proposal for Design, Construction and Operation of McCormick Place Helipad, as previously distributed. The motion was adopted by the unanimous vote of all Board members present. (Member Starks and Member Carr joined the meeting and participated thereafter.)*

**NAVY PIER COMMITTEE REPORT**

*Item C1      New Contract for Pyrotechnic Services for Navy Pier  
Melrose Pyrotechnics, Inc.*

*Member Toia and moved Member O'Brien seconded to approve Item C1-New Contract to Melrose Pyrotechnics, Inc. for Pyrotechnic Services at Navy Pier, as distributed. The motion was adopted by the unanimous vote of all Board members present.*

*Item C2 Change Order to Existing Contract for Lighting, Light Fixtures for  
Concrete Project at East End Navy Pier  
Schaeffges Brothers*

*Member Villanova moved and Member Toia seconded to approve Item C2-Change Order to Existing Contract of Schaeffges Brothers for Lighting, Light Fixtures for Concrete Projects at East End Navy Pier, as distributed. The motion was adopted by the unanimous vote of all Board members present.*

**AFFIRMATIVE ACTION COMMITTEE REPORT**

*Item D1 Business Diversity Program, 2<sup>nd</sup> Quarter FY09 Procurement Activity Report,  
October-December 2008*

*Member Starks moved and Member Toia seconded to approve Item D1-Business Diversity Program, 2<sup>nd</sup> Quarter FY09 Procurement Activity Report, October-December 2008, as previously distributed. The motion was adopted by the unanimous vote of all Board members present.*

**PERSONNEL, COMPENSATION & BENEFITS COMMITTEE REPORT**

*Item E1 Intergovernmental Agreement for Fingerprinting Processing  
Illinois State Police*

*Member Goldman moved and Member Starks seconded to approve Item E1-Intergovernmental Agreement with Illinois State Police for Fingerprinting Processing, as previously distributed. The motion was adopted by the unanimous vote of all Board members present.*

*Item E2 Search Firm, Recruitment-Director of Procurement*

*Member Hernandez moved and Member Toia seconded to approve Item E2-Search Firm for recruitment of Director of Procurement, as distributed. The motion was adopted by the unanimous vote of all Board members present.*

**FEBRUARY 2009 FINANCIAL RESULTS**

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

<b><u>McCormick Place</u></b>	<i>Actual</i>	<i>Sales</i>	\$8,785
		<i>Contribution Margin</i>	\$4,552
		<i>Operating Income</i>	(\$1,222)
	<i>Focus One Sales</i>	<i>Actual</i>	\$4,461
	<i>Year-to-Date</i>		
	<i>Actual</i>	<i>Sales</i>	\$70,776
		<i>Operating Income</i>	(\$7,846)

<i>Focus One Sales</i>	<i>Actual</i>	\$38,842
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*Mr. Belcik stated that the 2009 Auto Show experienced low attendance, low exhibitor space and low parking.*

**Navy Pier**

<i>Actual</i>	<i>Sales</i>	\$1,991
	<i>Contribution Margin</i>	\$1,125
	<i>Operating Income</i>	(\$787)

<i>Focus One Sales</i>	<i>Actual</i>	\$181
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*Year-to-Date*

<i>Actual</i>	<i>Sales</i>	\$29,961
	<i>Operating Income</i>	\$2,187

<i>Focus One Sales</i>	<i>Actual</i>	\$1,857
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**Hyatt Hotel**

<i>Actual</i>	<i>Sales</i>	\$3,030
	<i>Contribution Margin</i>	\$1,416
	<i>Operating Income</i>	\$356

<i>Hotel Occupancy</i>	46%
<i>Average Daily Rate</i>	\$166

<i>Year-to-Date</i>	<i>Sales</i>	\$37,505
<i>(Actual)</i>	<i>Operating Income</i>	\$10,728

<i>Hotel Occupancy</i>	63%
<i>Average Daily Rate</i>	\$185

**Energy Center**

<i>Actual</i>	<i>Revenues</i>	\$401
	<i>Total Expenses</i>	\$750
	<i>Operating Income</i>	\$207

*Year-to-Date*

<i>Actual</i>	<i>Operating Income</i>	\$1,472
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*(Member Gates joined the meeting and participated thereafter.)*

<b><u>Corporate Center</u></b>	<i>Year-to-Date</i>	<i>Total Expenses</i>	\$10,564
<b><u>MPEA Combined</u></b>	<i>Actual</i>	<i>Sales</i>	\$14,207
	<i>Year-to-Date</i>		
	<i>Actual</i>	<i>Sales</i>	\$141,273
		<i>Contribution Margin</i>	\$76,010
		<i>Operating Income</i>	(\$3,442)

**MARCH TAX COLLECTIONS**

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

<b><u>MARCH</u></b>	
<i>Actual Totals</i>	\$7.9
<i>Cal. Debt Service</i>	\$10.0
<i>Variance</i>	(\$2.1)
<i>Shortfall</i>	(\$0.4)
<b><u>Year-to-Date</u></b>	
<i>Actual Totals</i>	\$90.3
<i>Cal. Debt Service</i>	\$103.8
<i>Variance</i>	(\$13.5)
<i>Shortfall</i>	(\$1.8)
<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 F3 Budget for Fiscal Years 2010, 2011, 2012*

*Member Gates extended thanks to staff for their hard work and creative thinking. He further stated that the budget was not a static process, there is room for improvement, as new revenue and cost containment opportunities are discovered. Member Gates moved and member Starks seconded to approve Item F3-Budget for Fiscal years 2010, 2011, 2012, as distributed. The motion was adopted by the unanimous vote of all Board members present.*

*Item F4        Sole Source Contract for Create!form Software and Services  
                  Bottomline Technologies*

*Member Toia moved and Member Carr seconded to approve Item F4-Sole Source Contract to Bottomline Technologies, as distributed. The motion was adopted by the unanimous vote of all Board members present.*

### **LEGAL REPORT**

*Item G1        Resolution No. MPEA 09-03, Amending the Second Amended and Restated Metropolitan Pier and Exposition Authority Deferred Compensation Plan and Trust*

*Member Starks moved and Member Gates seconded to approve Item G1- Resolution No. MPEA 09-03, Amending the Second Amended and Restated Metropolitan Pier and Exposition Authority*

*Deferred Compensation Plan and Trust, as distributed. The motion was adopted by the unanimous vote of all Board members present.*

*Item G2        Resolution No. MPEA 09-04, Amending the Amended and Restated Retirement Plan and Trust for Employees of the Metropolitan Pier and Exposition Authority*

*Member Starks moved and Member Gates seconded to approve Item G2- Resolution No. MPEA 09-04, Amending the Amended and Restated Retirement Plan and Trust for Employees of the Metropolitan Pier and Exposition Authority, as distributed. The motion was adopted by the unanimous vote of all Board members present.*

*Item G3      Resolution No. MPEA 09-05, Amending the Metropolitan Pier and Exposition Authority 401(a) Contribution Plan*

*Member Hernandez moved and Member Goldman seconded to approve Item G3- Resolution No.*

*MPEA 09-05, Amending the Metropolitan Pier and Exposition Authority 401(a) Contribution Plan, as distributed. The motion was adopted by the unanimous vote of all Board members present.*

*Item G4      Resolution No. MPEA 09-06, Authorizing Execution of A First Amendment to the Venue Use Agreement for the 2016 Summer Olympic and Paralympic Games (2016 Games)*

*Member Novelle moved and Member Toia seconded to approve Item G4- Resolution No. MPEA 09-06, Authorizing Execution of A First Amendment to the Venue Use Agreement for the*  
*the*  
*2016 Summer Olympic and Paralympic Games (2016 Games), 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 were eight matters for Board consideration.*

*Item H1      Acting Position Appointments*

*Member Meckler moved and Member Villanova seconded to approve Item H1-Acting Director of Procurement and Acting Senior Director of Human Resources Appointments, as presented in Executive Session. The motion was adopted by the unanimous vote of all Board members present.*

*Item H2      New Tenant Lease Agreements for Navy Pier*

*Member O'Brien moved and Member Villanova seconded to approve Item H2-New Tenant Lease Agreements for Navy Pier with Jamba Juice, Auntie Anne's Pretzels, and East West News, as presented in Executive Session. The motion was adopted by the unanimous vote of all Board members present.*

*Item H3      Navy Pier Retail Lease Status, Assignment, Negotiation and/or Approval*

*Member O'Brien moved and Member Novelle seconded to approve Item H3-Navy Pier retail Lease Status, Assignment, Negotiation and/or Approval, as presented in Executive Session.*

*Member Riley recused himself from the vote. The motion was adopted by the unanimous vote of all non-recusing Board members present.*

*Item H4 Economic Negotiations for Navy Pier Retail Space*

*Member Villanova moved and Member Novelle seconded to approve Item H4-Economic Negotiations for Navy Pier Retail Space, as presented in Executive Session. The motion was adopted by the unanimous vote of all Board members present.*

*Item H6 Settle Matter in Litigation*

*Member Hernandez moved and Member Villanova seconded to approve Item H6-Settle Matter in Litigation, as presented in Executive Session. The motion was adopted by the unanimous vote of all Board members present.*

*Item H7 Settle Worker's Compensation Claims*

*Member Toia moved and Member Novelle seconded to approve Item H7-Settle Worker's Compensation Claims, as presented in Executive Session. The motion was adopted by the unanimous vote of all Board members present.*

*Item H8 MPEA Board Meeting Executive Session Minutes  
March 3, 2009*

*Member O'Brien moved and Member Gates seconded to approve Item H8-MPEA Board Meeting Executive Session Minutes, March 3, 2009, as presented in Executive Session. The motion was adopted by the unanimous vote of all Board members present.*

*Item H9      Destruction of Audio Recordings of MPEA Board Meeting Executive Session Minutes, Pursuant to the Illinois Open Meetings Act  
January-November 2007*

*Member Villanova moved and Member Novelle seconded to approve Item H9-Destruction of Audio Recordings of MPEA Board Meeting Executive Session Minutes, Pursuant to the Illinois Open Meetings Act, January-November 2007, as presented in Executive Session. 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*