

**METROPOLITAN PIER AND EXPOSITION AUTHORITY**  
**Minutes of Interim Regular Board Meeting**  
**April 6, 2010**

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*The regular meeting of the Interim Board of the Metropolitan Pier and Exposition Authority (“MPEA”) was held at 3:30 PM on Tuesday, April 6, 2010, at MPEA Corporate Center, 301 East Cermak Road, Corporate Boardroom, 5<sup>th</sup> Floor, Chicago, IL 60616.*

**SECTION A**  
**GENERAL & ORGANIZATIONAL MATTERS**

**ITEM A1 - ROLL CALL**

*Ms. Reneé C. Benjamin, General Counsel 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: 7*

*Memberships Vacant: 0*

**Members Present: 7**

*Devon C. Bruce*

*Anita M. Cummings*

*Peter J. O’Brien, Sr.*

*Sheila O’Grady*

*Bruce V. Rauner\**

*André Rice*

*John Gates, Chairman*

*\*Via Teleconference*

*Pursuant to the Illinois Open Meetings Act, Ms. Vikki L. McKenzie, Custodian of Corporate Records communicated the request of Member Bruce V. Rauner to participate via teleconference, due to a business conflict. It was properly moved and seconded the motion to approve the participation of Member Rauner via teleconference, as requested. The motion was adopted by the unanimous vote of all Interim Board members present.*

**MPEA Staff Present:**

*Juan A. Ochoa, Chief Executive Officer; Carlos Ponce, Chief of Staff; Renee Benjamin, General Counsel; Djenne Clayton, Assistant General Counsel; David Causton, General Manager-McCormick Place; Richard Oldshue, Chief Financial Officer; Maribel Hopgood, Chief of Marketing & Communications; Michael Fountain, Sr. Director-Intergovernmental Affairs; Marilyn Gardner, General Manager-Navy Pier; Mary Kay Marquisos, Director-Public Relations; Jeanette Swan, Sr. Director-Internal Audit; Dale Morrison, Business Diversity Manager; Dan Blondin, Senior Attorney; Jeanine Gillen, Acting Sr. Director-Human Resources; Lisa Norals Dixon, Benefits Manager; Scott Winterroth, Public Relations Coordinator; Ellen Barry, CIO; Nonda Harris, Sr. Director-Development; Fred Simon, Assistant Director of Security; Daniel Cozzi, Assistant Director of Fire Safety; Natalie Pedraza, Acting Director-Procurement; Nancy Quoss, Assistant Director of Procurement; Paul Johnson, Director of Construction Operations; and Vikki L. McKenzie, Custodian of Corporate Records*

**Others Present:**

*Pat Widder, A. James and Kathy Bergen of Chicago Tribune; Chris Saez, Vinay Rari, Jessica Lawlor; James Mason, Cedric Harris, and Dan Abraham of Local 1; Dan Russell of Entertainment Cruises-Navy Pier; Jack Johnson of CCTB; Erin Duffy and Gregg Aleman of Gallagher Benefit Services; Bob Kettlaney of Public Affairs; and Chris Fusco of Sun-Times*

*The Members of the Interim Board introduce themselves along with Juan Ochoa, Chief Executive Officer. Mr. Ochoa then asked members of the Executive and Senior Staff to introduce themselves.*

**ITEM A2 - SCHEDULING OF MPEA INTERIM BOARD MEETINGS**

*Chairman Gates informed Board members that there is a lot to accomplish in the next few weeks, first being the submission of a Interim Report on the Board's recommendations to make Chicago more competitive in the convention/trade show industry and a more attractive tourist destination. The Interim Board's report must be completed by April 20 for submission to the Joint Committee of the General Assembly.*

*One-on-one meetings will be scheduled to discuss the format and details of the Interim Board Report prior to agreement on the final document. Also the Interim Board has the task of approving a three year budget for the Authority prior to the May 1 statutory deadline.*

**ITEM A3 - SELECTION OF INTERIM MPEA BOARD OFFICERS**

*Chairman Gates informed Board members that Member O'Brien had served as Secretary-Treasurer with the previous Board and he would continue to serve in that capacity until officer elections are held at a subsequent meeting. The formation of committees was deferred and the Interim Board would act as a whole.*

**SECTION B**  
**FINANCE & AUDIT REPORT**

**ITEM B1 - FEBRUARY 2010 FINANCIAL RESULTS**

*Using a powerpoint presentation to report net contribution to budget for the month of February 2010, Mr. Richard Oldshue, Chief Financial Officer, reported the following.*

**MPEA Combined Operating Results, February 2010**

<i>McCormick Place</i>	<i>Actual</i>	<i>(\$269)</i>
	<i>Forecast</i>	<i>1,212</i>
<i>Navy Pier</i>	<i>Actual</i>	<i>(\$995)</i>
	<i>Forecast</i>	<i>137</i>
<i>Hyatt Hotel</i>	<i>Actual</i>	<i>(\$14)</i>
	<i>Forecast</i>	<i>(\$37)</i>
<i>Energy Center</i>	<i>Actual</i>	<i>\$282</i>
	<i>Forecast</i>	<i>\$109</i>
<i>Corporate</i>	<i>Actual</i>	<i>(\$1,133)</i>
	<i>Forecast</i>	<i>\$359</i>
<i>Operating Income (Loss) Before Depreciation</i>	<i>Actual</i>	<i>(\$2,130)</i>
	<i>Forecast</i>	<i>\$1,780</i>

**McCormick Place – Current Month**

<i>Sales</i>	<i>Actual</i>	\$8,651
	<i>Forecast</i>	\$685
<i>Direct Expense</i>	<i>Actual</i>	(\$3,967)
	<i>Forecast</i>	(\$392)
<i>Contribution Margin</i>	<i>Actual</i>	\$4,684
	<i>Forecast</i>	\$293
<i>Operating Expense</i>	<i>Actual</i>	(\$4,954)
	<i>Forecast</i>	\$920
<i>Operating Income (Loss)</i>	<i>Actual</i>	(\$269)
	<i>Forecast</i>	\$1,212

**McCormick Place – Year to Date**

<i>Sales</i>	<i>Actual</i>	\$46,962
	<i>Forecast</i>	\$694
<i>Direct Expenses</i>	<i>Actual</i>	(\$24,212)
	<i>Forecast</i>	(\$443)
<i>Contribution Margin</i>	<i>Actual</i>	\$22,750
	<i>Forecast</i>	\$251

**McCormick Place – Year to Date**

<i>Operating Expenses</i>	<i>Actual</i>	(\$39,059)
	<i>Forecast</i>	\$2,734
<i>Operating Income (Loss)</i>	<i>Actual</i>	(\$16,310)
	<i>Forecast</i>	\$2,985

**Navy Pier – Current Month**

<i>Sales</i>	<i>Actual</i>	\$1,460
	<i>Forecast</i>	(\$309)
<i>Direct Expenses</i>	<i>Actual</i>	(\$554)
	<i>Forecast</i>	\$269
<i>Contribution Margin</i>	<i>Actual</i>	\$906
	<i>Forecast</i>	(\$40)
<i>Operating Expenses</i>	<i>Actual</i>	(\$1,901)
	<i>Forecast</i>	\$177
<i>Operating Income (Loss)</i>	<i>Actual</i>	(\$995)
	<i>Forecast</i>	\$137

**Navy Pier – Year to Date**

<i>Sales</i>	<i>Actual</i>	\$26,525
	<i>Forecast</i>	(\$878)
<i>Direct Expenses</i>	<i>Actual</i>	(\$9,519)
<i>Contribution Margin</i>	<i>Actual</i>	\$17,006
	<i>Forecast</i>	(\$287)
<i>Operating Expenses</i>	<i>Actual</i>	(\$16,294)
	<i>Forecast</i>	\$665

**Navy Pier – Year to Date**

<i>Operating Income (Loss)</i>	<i>Actual</i>	\$712
	<i>Forecast</i>	\$378

**Hyatt Hotel – Current Month**

<i>Sales</i>	<i>Actual</i>	\$2,462
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	<i>Forecast</i>	(\$139)
<i>Direct Expenses</i>	<i>Actual</i>	(\$1,503)
	<i>Forecast</i>	\$60
<i>Contribution Margin</i>	<i>Actual</i>	\$959
	<i>Forecast</i>	(\$78)
<i>Operating Expenses</i>	<i>Actual</i>	(\$973)
	<i>Forecast</i>	\$41
<i>Operating Income (Loss)</i>	<i>Actual</i>	(\$14)
	<i>Forecast</i>	(\$37)
<i>Occupancy</i>	<i>Actual</i>	44%
	<i>Forecast</i>	2%
	<i>Budget</i>	(5%)
<i>Average Daily Rate</i>	<i>Actual</i>	\$142
	<i>Forecast</i>	(\$4)
	<i>Budget</i>	(\$34)

**Hyatt Hotel – Year to Date**

<i>Sales</i>	<i>Actual</i>	\$30,132
	<i>Forecast</i>	(\$1,093)
<i>Direct Expenses</i>	<i>Actual</i>	(\$15,590)
	<i>Forecast</i>	\$435
<i>Contribution Margin</i>	<i>Actual</i>	\$14,541
	<i>Forecast</i>	(\$658)
<i>Operating Expenses</i>	<i>Actual</i>	(\$8,444)
	<i>Forecast</i>	\$338
<i>Operating Income (Loss)</i>	<i>Actual</i>	\$6,097
	<i>Forecast</i>	(\$320)
	<i>Budget</i>	(\$3,184)

**Energy Center – Current Month**

<i>Revenues</i>	<i>Actual</i>	\$427
	<i>Forecast</i>	\$63

<i>Total Expense</i>	<i>Actual</i>	<i>(\$772)</i>
<i>Net Expense</i>	<i>Actual</i>	<i>(\$144)</i>
	<i>Forecast</i>	<i>\$46</i>
<i>Operating Income/(Loss)</i>	<i>Actual</i>	<i>\$282</i>
	<i>Forecast</i>	<i>\$109</i>

**Energy Center – Year to Date**

<i>Revenues</i>	<i>Actual</i>	<i>\$2,884</i>
	<i>Forecast</i>	<i>\$285</i>
<i>Net Expense</i>	<i>Actual</i>	<i>(\$1,167)</i>
	<i>Forecast</i>	<i>\$73</i>
<i>Operating Income/(Loss)</i>	<i>Actual</i>	<i>\$1,717</i>
	<i>Forecast</i>	<i>\$357</i>

**Corporate Center – Year to Date**

<i>Expenses Before Depreciation</i>	<i>Actual</i>	<i>(\$11,609)</i>
	<i>Forecast</i>	<i>\$466</i>

**ITEM B2 - MARCH 2010 TAX COLLECTIONS**

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

***MARCH***

<i>Actual Totals</i>	<i>\$7.2</i>
<i>Cal. Debt Service</i>	<i>\$10.7</i>

***Year-To-Date***

<i>Actual Totals</i>	<i>\$79.6</i>
<i>Variance</i>	<i>(\$30.7)</i>
<i>Shortfall</i>	<i>(27.8%)</i>

Balance June 30, 2009	(\$18.8)
2010 Debt Service	(\$138.9)
Projected Collections	<u>\$102.5</u>
Subtotal FY2010	(\$36.4)

Projected Balance June 30, 2010 (\$55.2)

**ITEM B3 - PROPOSED DRAFT BUDGET FOR FY 2011, 2012, 2013**

*Mr. Oldshue informed Board members that a three year budget must be approved as required by state statute. The proposed finance plan reflects a series of actions that were approved by the previous Board to get the budget balanced. Discussion ensued regarding funding sources and the debt restructuring proposal.*

**ITEM B4 - RESOLUTION NO. MPEA 10-03, DESIGNATING SIGNATURES ON CAPITAL MAINTENANCE AND OPERATIONS ACCOUNTS AND RELATED LOCKBOX AND DEPOSIT SERVICES AT JPMORGAN CHASE, BANK N.A.**

*Member O'Brien moved Member Bruce seconded the motion to approve Item B4, Resolution No. MPEA 10-03, Designating Signatures on Capital Maintenance and Operations Accounts and Related Lockbox and Deposit Services at JPMorgan Chase, Bank N.A., as revised. The motion was adopted by the unanimous vote of all Interim Board members present. Member Rice asked whether the Authority had a MBE/WBE participation policy. Mr. Ochoa stated that the Authority does have a policy and generates the reports that track MBE/WBE participation. Member Rice asked that he be sent copies of the participation reports*

**SECTION C**  
**INFORMATION SERVICES FINANCIAL AGENDAS**

**ITEM C1 - SOLE SOURCE CONTRACT FOR FOUR GIGAMAN DATA CIRCUITS**

*Member Bruce moved Member O'Brien seconded the motion to approve Item C1, Sole Source Contract to AT&T, for four Gigaman Data Circuits, as distributed. The motion was adopted by the unanimous vote of all Interim Board members present.*

**ITEM C2 - SOLE SOURCE CONTRACT FOR UPS MAINTENANCE**

*Member Bruce moved Member O'Brien seconded the motion to approve Item C2, Sole Source Contract to Emerson Network Power, Liebert Services, Inc., for UPS Maintenance, as distributed. The motion was adopted by the unanimous vote of all Interim Board members present.*

**ITEM C3 - PURCHASE ORDER FOR VMWARE MAINTENANCE AND SUPPORT**

*Member O'Brien moved Member Bruce seconded the motion to approve Item C3, Purchase Order to Netrix, LLC, for VMWare maintenance and support, as distributed. The motion was adopted by the unanimous vote of all Interim Board members present.*

**SECTION D**

**McCORMICK PLACE FINANCIAL AGENDAS**

**ITEM D1 - CONTRACT RENEWAL FOR STATIONERY, ENVELOPES AND BUSINESS CARDS**

*Member O'Brien moved Member Bruce seconded the motion to approve Item D1, Contract Renewal to Rider Dickerson, for stationery, envelopes and business cards, as distributed. The motion was adopted by the unanimous vote of all Interim Board members present.*

**ITEM D2- APPROVAL OF INCREASE IN NOT TO EXCEED AMOUNT FOR MAINTENANCE OF BUILDING AUTOMATION EQUIPMENT**

*Member O'Brien moved Member Bruce seconded the motion to approve Item D2, increase in not to exceed amount to Honeywell, Inc., for maintenance of Building Automation Equipment, as distributed. The motion was adopted by the unanimous vote of all Interim Board members present.*

**SECTION E**

**PERSONNEL, COMPENSATION & BENEFITS FINANCIAL AGENDAS**

**ITEM E1 - NEW CONTRACT FOR MPEA EMPLOYEES DENTAL INSURANCE COVERAGE**

*Member O'Brien moved Member Bruce seconded the motion to approve Item E1, New Contract to Blue Cross and Blue Shield of Illinois, for Administrative Services Agreement, Group Dental Plan, as distributed. The motion was adopted by the unanimous vote of all Interim Board members present.*

***ITEM E2 - NEW POSITION CLASSIFICATION  
ACCOUNT EXECUTIVE, NAVY PIER***

*This Item was deferred to Executive Session.*

***SECTION F  
LEGAL FINANCIAL AGENDA***

***ITEM F1 - NEW CONTRACT FOR ONLINE LEGAL RESEARCH SERVICE***

*Member O'Brien moved Member Bruce seconded the motion to approve Item F1, New Contract to Westlaw, for online legal research services, as distributed. The motion was adopted by the unanimous vote of all Interim Board members present.*

***SECTION G  
MANAGEMENT REPORT***

***ITEM G1 - RATIFICATION OF  
EMERGENCY CONTRACT FOR CONSULTING SERVICES***

*Member Bruce moved Member O'Grady seconded the motion to ratify Item G1, Emergency Contract to PricewaterHouse Coopers and C.H. Johnson Consulting, Inc., for consulting services, as distributed. The motion was adopted by the unanimous vote of all Interim Board members present.*

***ITEM G2 - ABOLISHMENT OF RECIPROCITY  
WITH OTHER AGENCIES FOR VACATION TIME***

*Member O'Grady moved Member O'Brien seconded the motion to approve Item G2, Abolishment of Reciprocity with Other Agencies for Vacation Time, as distributed. The motion was adopted by the unanimous vote of all Interim Board members present.*

***SECTION H  
EXECUTIVE SESSION***

*The Chairman then stated the Board would convene in Executive Session to discuss matters as listed on the Agenda, along with Item E2. It was properly moved and seconded*

*to enter into Executive Session. The motion was adopted by the unanimous vote of all Interim Board members present.*

*(General Session Reconvened)*

**SECTION I**  
**OTHER MATTERS**

**ITEM II – MATTERS RESULTING FROM EXECUTIVE SESSION**

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

- Item E2      **New Position Classification and New Proposed Salary Structure  
Account Executive, Navy Pier***
  
- Item H2      **Navy Pier Tenant Lease Amendment  
Chicago Children’s Museum***
  
- Item H3      **Certain Executive Session Minutes Related to Ongoing Litigation  
and Determination of Continual Need for Confidentiality***
  
- Item H4      **End Retention of Audio Recordings of MPEA Board Meeting  
Executive Session Minutes of October 7, 2008***

*Member Rice moved Member Bruce seconded the motion to approve Item H2-Item H4, as discussed and presented in Executive Session. Chairman Gates recused himself from the vote on Item H3. The motion was adopted by the unanimous vote of all non-recusing Interim Board members present.*

**ADJOURNMENT**

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

*Secretary/Treasurer or Assistant Secretary*

*Date: April 29, 2010*