

**METROPOLITAN PIER AND EXPOSITION AUTHORITY**  
**Minutes of Meeting of February 2, 2010**

*The regular monthly meeting of the Board of the Metropolitan Pier and Exposition Authority (“MPEA”) was held at 3:30 PM on Tuesday, February 2, 2010, at MPEA Corporate Center, 301 East Cermak Road, Corporate Boardroom, 5<sup>th</sup> Floor, Chicago, IL 60616.*

**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: 8**

*Devon C. Bruce  
Steven Hernandez  
Peter J. O’Brien  
Isaac Goldman  
Thomas Villanova  
Sam Toia  
Alisa Starks  
John Gates, Chairman*

**Members Absent: 4**

*John R. Walter  
Robert Novelle  
Louis Carr  
James Riley*

**MPEA Staff Present:** *Juan A. Ochoa, Chief Executive Officer; Carlos Ponce, Acting Chief of Staff; Renee Benjamin, General Counsel; Djenne Clayton, Assistant General Counsel; David Causton, General Manager-McCormick Place; Richard Oldshue, Chief Financial Officer; Jeanine Gillen, Acting Sr. Director-Human Resources; Maribel Hopgood, Chief of Marketing & Communications; Ellen Barry, CIO; Michael Fountain, Sr. Director-Intergovernmental Affairs; Marilynn Gardner, General Manager-Navy Pier; Shaunda Davis, Acting Director-Security & Safety; Rose Trotter, Workforce Diversity Administrator; Dan Blondin, Senior Attorney; Nancy Quoss, Assistant Director-Procurement; Mary Kay Marquisos, Director-Public Relations; Josie M. Gough, Deputy General Counsel; Michael Degnan, Assistant General Manager-Navy Pier; Natalie Pedraza, Acting Director of Procurement; Lisa Norals Dixon, Benefits Manager; and Vikki L. McKenzie, Custodian of Corporate Records*

**Others Present:** *Kathy Bergen of Chicago Tribune*

### **SECTION A - MINUTES**

*The Chairman called for the approval of the Minutes of the January 15, 2010 Regular Board meeting, as previously distributed. Member Hernandez moved and Member Bruce seconded the motion for approval of the Minutes of the January 15, 2010 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**

## **ITEM B1 -DECEMBER 2009 FINANCIAL RESULTS**

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

### **MPEA Combined – December 2009**

<i>McCormick Place</i>	<i>Actual</i>	<i>(\$2,338)</i>
<i>Navy Pier</i>	<i>Actual</i>	<i>(\$654)</i>
<i>Hyatt Hotel</i>	<i>Actual</i>	<i>(\$163)</i>
	<i>Forecast</i>	<i>(\$105)</i>
	<i>Budget</i>	<i>(\$161)</i>
<i>Energy Center</i>	<i>Actual</i>	<i>\$185</i>
	<i>Forecast</i>	<i>\$63</i>
<i>Corporate</i>	<i>Actual</i>	<i>(\$1,476)</i>
	<i>Forecast</i>	<i>\$87</i>
	<i>Budget</i>	<i>\$12</i>
<i>Operating Income (Loss)</i>		
<i>Before Depreciation</i>	<i>Actual</i>	<i>(\$4,446)</i>
	<i>Forecast</i>	<i>\$444</i>
	<i>Budget</i>	<i>(\$463)</i>
	<i>Last Year</i>	<i>(\$4,016)</i>

### **MPEA Combined – Year to Date**

<i>McCormick Place</i>	<i>Actual</i>	<i>(\$10,702)</i>
	<i>Forecast</i>	<i>\$1,872</i>
<i>Navy Pier</i>	<i>Actual</i>	<i>\$2,093</i>
<i>Hyatt Hotel</i>	<i>Actual</i>	<i>\$7,285</i>

### **MPEA Combined – Year to Date**

<i>Energy Center</i>	<i>Actual</i>	<i>\$1,103</i>
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<i>Operating Income (Loss)</i>		
<i>Before Depreciation</i>	<i>Actual</i>	(\$9,108)
	<i>Forecast</i>	\$1,884
	<i>Budget</i>	(\$7,265)
	<i>Last Year</i>	(\$14,121)

**McCormick Place – Current Month**

<i>Sales</i>	<i>Actual</i>	\$6,776
	<i>Forecast</i>	(\$462)
<i>Direct Expense</i>	<i>Actual</i>	(\$3,877)
	<i>Forecast</i>	\$628
<i>Contribution Margin</i>	<i>Actual</i>	\$2,899
	<i>Forecast</i>	\$166
<i>Operating Expense</i>	<i>Actual</i>	(\$5,237)
	<i>Forecast</i>	\$489
<i>Operating Income (Loss)</i>	<i>Actual</i>	(\$2,338)
	<i>Forecast</i>	\$655
	<i>Budget</i>	\$69

**McCormick Place – Year to Date**

<i>Sales</i>	<i>Actual</i>	\$37,274
<i>Direct Expenses</i>	<i>Actual</i>	(\$18,891)
	<i>Forecast</i>	\$117
<i>Contribution Margin</i>	<i>Actual</i>	\$18,383
	<i>Forecast</i>	\$600
<i>Operating Expenses</i>	<i>Actual</i>	(\$29,085)
	<i>Forecast</i>	\$1,273

**McCormick Place – Year to Date**

<i>Operating Income (Loss)</i>	<i>Actual</i>	(\$10,702)
	<i>Forecast</i>	\$1,872

<i>Budget</i>	(\$1,861)
<i>Last Year</i>	(\$7,544)

**Navy Pier – Current Month**

<i>Sales</i>	<i>Actual</i>	\$3,126
	<i>Forecast</i>	(\$241)
	<i>Budget</i>	(\$291)
<i>Direct Expenses</i>	<i>Actual</i>	(\$1,513)
	<i>Forecast</i>	(\$104)
<i>Contribution Margin</i>	<i>Actual</i>	\$1,613
	<i>Forecast</i>	(\$345)
	<i>Budget</i>	(\$400)
<i>Operating Expenses</i>	<i>Actual</i>	(\$2,267)
<i>Operating Income (Loss)</i>	<i>Actual</i>	(\$654)
	<i>Forecast</i>	(\$255)
	<i>Budget</i>	(\$431)

**Navy Pier – Year to Date**

<i>Sales</i>	<i>Actual</i>	\$22,238
	<i>Forecast</i>	(\$804)
	<i>Budget</i>	(\$3,492)
<i>Direct Expenses</i>	<i>Actual</i>	(\$7,791)
	<i>Forecast</i>	(\$277)
<i>Contribution Margin</i>	<i>Actual</i>	\$14,447
	<i>Forecast</i>	(\$526)
<i>Operating Expenses</i>	<i>Actual</i>	(\$12,354)
	<i>Forecast</i>	\$324

**Navy Pier – Year to Date**

<i>Operating Income (Loss)</i>	<i>Actual</i>	\$2,093
	<i>Forecast</i>	(\$202)
	<i>Budget</i>	(\$1,946)

*Last Year* (\$2,184)

**Hyatt Hotel – Current Month**

<i>Sales</i>	<i>Actual</i>	\$2,725
	<i>Forecast</i>	(\$64)
	<i>Budget</i>	(\$32)
<i>Direct Expenses</i>	<i>Actual</i>	(\$1,736)
	<i>Forecast</i>	\$63
	<i>Budget</i>	(\$45)
<i>Contribution Margin</i>	<i>Actual</i>	\$989
	<i>Forecast</i>	(\$2)
	<i>Budget</i>	(\$77)
<i>Operating Expenses</i>	<i>Actual</i>	(\$1,151)
	<i>Forecast</i>	(\$103)
<i>Operating Income (Loss)</i>	<i>Actual</i>	(\$163)
	<i>Forecast</i>	(\$105)
<i>Occupancy</i>	<i>Actual</i>	46%
	<i>Forecast</i>	6%
	<i>Budget</i>	13%
<i>Average Daily Rate</i>	<i>Actual</i>	\$122
	<i>Forecast</i>	(\$20)
	<i>Budget</i>	(\$37)

**Hyatt Hotel – Year to Date**

<i>Sales</i>	<i>Actual</i>	\$26,781
	<i>Forecast</i>	(\$175)
	<i>Budget</i>	(\$4,776)

**Hyatt Hotel – Year to Date**

<i>Direct Expenses</i>	<i>Actual</i>	(\$12,840)
	<i>Forecast</i>	\$168
	<i>Budget</i>	\$1,181
<i>Contribution Margin</i>	<i>Actual</i>	\$13,942

	<i>Forecast</i>	(\$7)
	<i>Budget</i>	(\$3,595)
<i>Operating Expenses</i>	<i>Actual</i>	(\$6,657)
	<i>Forecast</i>	\$49
	<i>Budget</i>	\$411
<i>Operating Income (Loss)</i>	<i>Actual</i>	\$7,285
	<i>Forecast</i>	\$42
	<i>Budget</i>	(\$3,184)
<i>Occupancy</i>	<i>Actual</i>	63%
	<i>Forecast</i>	2%
<i>Rate</i>	<i>Actual</i>	\$178
	<i>Forecast</i>	(\$3)
	<i>Budget</i>	(\$27)

*Mr. Oldshue informed Board members that the fiscal year for the Hyatt Hotel ended in December.*

**Energy Center – Current Month**

<i>Revenues</i>	<i>Actual</i>	\$359
	<i>Forecast</i>	\$12
	<i>Budget</i>	(\$18)
<i>Net Expense</i>	<i>Actual</i>	(\$173)
	<i>Forecast</i>	\$50
	<i>Budget</i>	\$66
<i>Operating Income/(Loss)</i>	<i>Actual</i>	\$185
	<i>Forecast</i>	\$63
	<i>Budget</i>	\$48

**Energy Center – Year to Date**

<i>Revenues</i>	<i>Actual</i>	\$1,959
	<i>Forecast</i>	\$86
	<i>Budget</i>	(\$411)
<i>Net Expense</i>	<i>Actual</i>	(\$855)

	<i>Forecast</i>	\$70
	<i>Budget</i>	\$251
<i>Operating Income/(Loss)</i>	<i>Actual</i>	\$1,103
	<i>Forecast</i>	\$156
	<i>Budget</i>	(\$160)

**Corporate Center – Year to Date**

<i>Expenses Before Depreciation</i>	<i>Actual</i>	(\$8,964)
	<i>Forecast</i>	\$41

**ITEM B2 – JANUARY TAX COLLECTIONS**

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

Information:

**JANUARY**

<i>Actual Totals</i>	\$9.5
<i>Cal. Debt Service</i>	\$13.2

**Year-To-Date**

<i>Actual Totals</i>	\$64.5
<i>Variance</i>	(\$23.0)
<i>Shortfall</i>	(26.3%)

<i>Balance June 30, 2009</i>	(\$18.8)
<i>2010 Debt Service</i>	(\$138.9)
<i>Projected Collections</i>	<u>\$105.0</u>
<i>Subtotal FY2010</i>	(\$33.9)

*Projected Balance June 30, 2010* (\$52.7)

**FINANCE & AUDIT FINANCIAL AGENDAS**

*Item B3 Deficit Reduction Plan*

Mr. Oldshue updated the status of the Deficit Reduction Plan, summarizing as follows:

- *Sixty-One (61) Early Retirees out of a total of 95 eligible employees;*
- *Fifteen (15) Early Retirees have extended termination dates; and*
- *21% Reduction in Personnel, for a total of 102 persons.*

*Mr. Oldshue stated that the number of early retirees was higher than anticipated. Further discussion of the Deficit Reduction Plan in terms of personnel was deferred to Executive Session. Discussion ensued regarding further cost cutting measures, proposed budget, and revenue assumptions.*

*Item B4            New Contract for Security Services Assessment Consultant  
                         Hillard Heintze, LLC*

*Member Goldman inquired as to any concerns regarding the differential in the pricing proposals between Hillard Heintze, LLC and the other highly ranked proposers. Ms. Natalie Pedraza stated the differential was addressed in the oral presentation, and staff was satisfied that Hillard Heintze understood the scope of services and could perform even though their pricing was significantly lower. She further described the evaluation and selection process. Discussion ensued regarding the security Consultant scope of service and the needs of the facility. Member Goldman stated staff should provide a copy of the work scope to Chairman Gates. Member Goldman moved and Member Bruce seconded the motion to approve Item B3, New Contract to Hillard Heintze, LLC, for a*

*Security Services Assessment Consultant, as distributed. The motion was adopted by the unanimous vote of all Board members present.*

**SECTION C - McCORMICK PLACE COMMITTEE REPORT**

*Item C1      Task Order for Chiller Preventive Maintenance Inspections  
&                      Repairs-Lakeside Energy Plant  
                            Oak Brook Mechanical, Inc.*

*Member Villanova asked if this work could be completed in-house. Mr. David Causton replied in the negative. Member O'Brien moved and Member Starks seconded the motion to approve Item C1, Task Order to Oak Brook Mechanical, Inc., for Chiller Preventive Maintenance Inspections & Repairs at the Lakeside Energy Plant, as distributed. The motion was adopted by the unanimous vote of all Board members present.*

*Item C2      Sole Source Contract Renewal for Event Ticketing Services  
                            Ticketmaster, LLC*

*Discussion ensued regarding the continued need for an in-house Ticket Box Office. Mr. Causton stated the box office provides an opportunity for the public to pay a lower ticket price. Ms. Marilyn Gardner stated that Navy Pier needs the box office for walk-up ticket sales. Member Goldman moved and Member Starks seconded the motion to approve Item C2, Sole Source Contract Renewal to Ticketmaster, LLC, for Event Ticketing Service, as*

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

**SECTION D – NAVY PIER COMMITTEE REPORT**

*Item D1        New Contract for Malt Beverage Sponsorship  
                  **Anheuser-Busch Companies, Inc.***

*Member Goldman inquired as to the number of proposals. Ms. Maribel Hopgood stated that there was only one proposal received. Member Goldman moved and Member Bruce seconded to approve Item D1, New Contract with Anheuser-Busch Companies, Inc., for Malt Beverage Sponsorship, as distributed. The motion was adopted by the unanimous vote of all Board members present.*

*Item D2        Contract Renewal for Digital Media, Ink & Maintenance  
                  **Productions Plus Graphics d/b/a Sign Outlet Store***

*Member O’Brien moved and Member Hernandez seconded to approve Item D2, Contract Renewal with Productions Plus Graphics d/b/a Sign Outlet Store, for Digital Media, Ink & Maintenance, as distributed. The motion was adopted by the unanimous vote of all Board members present.*

**SECTION E - MANAGEMENT REPORT**

*Item E1        Collective Bargaining Agreement By and Between the Metropolitan  
Local            Pier and Exposition Authority and Theatrical Stage Employees  
                  No. 2 of the Theatrical Stage Employees and Moving Picture*

*Technicians, Artists, and Allied Crafts of the United States of  
American and Canada-Arie Crown Theater and Skyline Stage*

*Item E1 was deferred to Executive Session.*

**SECTION F - EXECUTIVE SESSION**

*The Chairman then stated the Board would convene in Executive Session to discuss matters as listed on the Agenda, along with Item E1. Member Bruce moved and Member Hernandez seconded the motion 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 four matters for Board consideration.*

- |                |  |
|----------------|--|
| <i>Item E1</i> | <i>Collective Bargaining Agreement By and Between the Metropolitan Pier and Exposition Authority and Theatrical Stage Employees</i>  |
| <i>Local</i>   | <i>No. 2 of the Theatrical Stage Employees and Moving Picture Technicians, Artists, and Allied Crafts of the United States of American and Canada-Arie Crown Theater and Skyline Stage</i> |
| <i>Item F3</i> | <i>Exception from Procedure for Filling Vacancies and Approval of Employee Compensation Outside of Classification Salary Range</i>   |
| <i>Item F5</i> | <i>Settlement of Worker’s Compensation Claim</i>   |
| <i>Item F6</i> | <i>MPEA Board Meeting Executive Session Minutes<br/>January 15, 2010 Board Meeting</i>   |

*Member Toia moved and Member Starks seconded to approve Items E1, F3, F5, and F6 as discussed and presented in Executive Session. Member Hernandez abstained from the vote on Item E1. The motion was adopted by the unanimous vote of all non-abstaining Board members present.*

*Chairman Gates extended thanks to the Board Members for their tremendous service to the MPEA. He further stated that Mayor Daley was very appreciative of their service and he would extend his thanks in a letter to each Board member.*

### **ADJOURNMENT**

*There being no further business, Member Villanova moved and Member Bruce 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: March 2, 2010*