



AUTHORITY BOARD MEETING

Date/Time: Wednesday, May 23, 2018; 12:00 P.M.

Location: BMO Harris Bank Center Board Room (Lower Level)
300 Elm Street, Rockford, IL 61101

MINUTES

Board Members Present: Craig Thomas Tom Walsh
John Phelps Mike Dunn
Sunil Puri Rudy Valdez
Michael Schirger Howie Heaton

Board Members Absent: Fred Wescott
Marcus Hill, Sr.

Others Present: Alderman, Chad Tuneberg
Attorney, Tim Rollins

Guests:

Staff Present: Troy Flynn; Executive Director, BMO Harris Bank Center
Jollene Haney; Staff Accountant/RAVE Board Secretary/RAVE FOIA Officer, BMO Harris Bank Center
Gretchen Gilmore; Director of Finance, BMO Harris Bank Center
Julie McIntyre; Office Manager, BMO Harris Bank Center
Kristen O'Halloran; Booking Manager, BMO Harris Bank Center
Jena Keith; Director of Ticketing Services, BMO Harris Bank Center
Mike Walsh; Director of Facilities, BMO Harris Bank Center

Chairman Craig Thomas calls the meeting to order at 12:05 P.M.

MINUTES – The minutes from the April 25, 2018 meeting were reviewed and approved.

MOTION: *Motion to approve April 25, 2018 minutes made by Michael Schirger, second by Tom Walsh. Motion passes unanimously.*

COMMITTEE REPORTS

- **Finance**

Mr. Sunil Puri, Chair

Sunil Puri defers to the Treasurer's report.

- **Executive**

Mr. Craig Thomas, Chairman

None at this time.

- **Davis Park**

Mr. Craig Thomas, Chairman

Tom Walsh reports that the mayor requested to reconvene a group for Davis Park since construction has begun on the hotel project. Troy Flynn and Tom Walsh were asked to be on the committee. The next meeting is the first week of June to discuss next steps of opening Davis Park. There was a similar group that came together in 2015 to work on visioning and opportunities in the park. This committee has members from Gorman, the City, the Park District, and other interested parties. The objective of the committee is to reach a consensus around the physical enhancements of the park and would facilitate greater use on a scheduled or unplanned basis. This organization is responsible for scheduling any official programming in the park. More to come but next step is to get our arms around the previous plans that were submitted. Obviously, there's a financial element as well. Sunil Puri states he wants clarified what role we play in this. Craig Thomas reports that management of the park is in our MOU. There are some provisions about Gorman in there as well. Craig Thomas states, from our prospective we are not in the position to provide capital in the park. We are potentially depending on programming opportunities. We may be able to invest things to relate to the programming. Sunil Puri wants to be clear by asking, are we the leaders in this effort or are we interested neighbors. Craig Thomas states the mayor is going to formally announce the committee today. Sunil Puri asks if we should have another retreat where we can have topics like this to discuss finances and capital budgets in the next 60 days.

- **Coronado**

Mr. Craig Thomas, Chairman

Craig Thomas reports that most of the board is aware there have been challenges for more than a year and he has been engaged with Beth Howard, our executive committee, Friends of the Coronado board, and now with the administration on this issue. Craig Thomas met with Todd Cagnoni and the mayor regarding the reevaluation of the relationship between RAVE, Friends, and the City. The board discussed the matter including the amount of prior support received from the Friends of the Coronado.

- **Program Advisory Group**

Mr. Michael Schirger, Chair

Mike Schirger states we have Charlie Parr June 1 and is the last of the successful OnStage series. We can better build on it next year. Craig Thomas said the OnStage experience itself is a neat way to experience it.

- **Capital Improvement**

Mr. John Phelps, Vice Chairman

Craig Thomas reports he met with Troy Flynn again regarding the concrete work and we need follow up with the City on that project. Craig Thomas and Troy Flynn met with Todd Cagnoni at the City to discuss the issue.

TREASURER'S REPORT

Mr. Sunil Puri, Chair

Sunil Puri reports we were \$365K behind 2 months ago and we have made that much up in 2 months and are now \$34K behind budget. We are \$12K behind last year and he believes May will make that up based on what we have done with the playoffs. We are in a better position than we anticipated. We will have about \$500K after the negative results are adjusted against the subsidy. Sunil recommends that the board continue to engage in discussions regarding long term revenue producing options which will include how to invest funds for an appropriate ROI. Gretchen Gilmore reports that records were set in April. So far in May with the Beer Fest and Halestorm, which were home grown events that we took a risk on, both ended with a profit. We also had 2 playoff games at the end of May. The one on Friday night was the highest ticket gross revenue for the whole season. The 2 games this week are trending really well. The negative, without analyzing the expenses, in the budget is made up. Kristen O'Halloran added 3 touring events in June. We had Jehovah's budgeted for June but they're actually in July and August. When we do the budget this year we are going to look at the 3 prior years to make it an average. Gretchen Gilmore had a meeting with the auditors to go over the plan for the audit. Unfortunately, she is hiring a staff accountant right now, while also planning on going on maternity leave, and with the financial audit happening while she's out, she wants to warn everyone about expectation levels. We have a good staff and have timelines. We plan on keeping everything on schedule. Craig Thomas highlights the hard work that everyone and upper management had to put in to turn the financials around. He emphasized that management had to be creative in looking at opportunities to make up the deficits and it included a lot of hard work. Craig Thomas again highlights the significance of Savor to the financial bottom line. Gretchen Gilmore explains that through April, Savor concessions has sales of over \$1M dollars. So we now get 53% commission to the facility. So once you take out commission SMG Corporate will receive \$150K.

MOTION: Motion to approve April 2018 financials made by Rudy Valdez, second by Howie Heaton. Motion passes unanimously.

GENERAL MANAGERS REPORT

Mr. Troy Flynn

IceHogs Update: Troy Flynn reports the playoff series could close on Thursday. We are trying to incentivize everyone to come in and support the team. The team had 7 straight wins before the series. We could go back and take the rest of the games. Hopefully we deliver the crowd for Thursday. Everything that we've touched so far for the playoffs we have made a profit. We are going to keep pushing. We are obligated for \$40K in league fees for every home game this 3rd round. In the finals, if we get there, league dues are \$60K. So we are obligated to roughly \$120K this round. If Friday's game comes along we need to sell some tickets. Right now we have increased our season ticket holders in both 20 and full season packages for next year. Our renewal rate is between 70-80%. He believes we are

renewing well. Our season ticket holders are maxing out so it's important to get outside the neighborhood. As of last night, our tickets purchased are 57% from Rockford, 31% from Chicago, and 5% from Madison. He feels like people are getting the word. We are in good shape for Thursday night. He believes we will end up making money. Anytime someone buys a ticket with us we have all their information. As we sell the season tickets harder we are selling packages of our 6 guaranteed dates for the upcoming season. The IceHogs are doing really well. We are really pleased with the results in the playoffs. Sunil Puri asks if we can send a nice letter documenting how many people came here to see the IceHogs and send it to all the sponsors. This year had so many more looks, we are not raising the prices for next year and you can sign up for next year. Troy states that is exactly what we are doing through our corporate partnerships.

Marketing Update/Events Update: Troy Flynn states programming is on fire. The radio show and beer festival caused a great deal of stress down here. They were first time events. Very complimentary of the team to get everything done and we made a profit. The beer festival was very well received. We put a lot of higher-end amenities into it. We got a lot of great feedback. In May we had RCCA, RSO, Broadway, graduations, Rockford Peaches, Garden Brothers Circus, Beer Festival, and the Radio Show. Right now we are in good shape on everything. Mike Walsh received 6,000 emails from PETA supporters to not hold the Garden Brothers Circus. There are no elephants. Next month we have Stills & Collins, Kenny G, 1964 The Tribute, Charlie Parr, and Best of Preps closing the month. Jerry Seinfeld has not announced yet but is scheduled for August 3. Turnkey, which is our customer service information, continues to be above SMG averages across the board at BMO and Coronado. Parking is our number one issue and has been reported to the City. We met regarding the Davis Park taskforce. One of the elements that we're really going to have to figure out is how to work with the hotel, the convention center, and what the business is we are trying to develop in the park. A lot of communication is going to be very important for us.

COUNSEL'S REPORT

Attorney Tim Rollins

No report at this time.

CHAIRMAN'S REPORT

Mr. Craig Thomas

Craig Thomas reports there's a question that RCCA is disputing a charge on their performance because of an additional load in day. RCCA has significant losses this year and wants to consider mitigation of that additional charge. Craig Thomas also reports that Lon Rosenberg is no longer with SMG and we've not been told if there is a restructuring or replacement. Craig Thomas reports that Jollene Haney has received a much better professional opportunity for her and her family and she will be leaving here in the next couple weeks. Craig Thomas reports that Peter Provenzano and his group are looking at the Times Theater and trying to reengage that venue, however, we have made it clear that we don't have money to invest in an ownership of the venue.

OLD BUSINESS:

None at this time.

NEW BUSINESS:

None at this time.

MOTION: Mike Schirger made a motion to adjourn; seconded by Rudy Valdez. The motion passes unanimously.

ADJOURNMENT – The Authority Board adjourns at 1:13 P.M.

Respectfully Submitted,

Julie McIntyre