

AUTHORITY BOARD MEETING

Date/Time: Wednesday, July 25, 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 Rudy Valdez
Sunil Puri

Board Members Absent: Fred Wescott Mike Dunn
Marcus Hill, Sr. Howie Heaton
Michael Schirger

Others Present: Alderman, Frank Beach
Attorney, Tim Rollins

Guests:

Staff Present: Troy Flynn; Executive Director, BMO Harris Bank Center
Gretchen Gilmore; Director of Finance, BMO Harris Bank Center
Julie McIntyre; Office Manager, BMO Harris Bank Center/interim RAVE Board Secretary
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 12:10 P.M.

MINUTES – The minutes from the May 23, 2018 meeting were reviewed and approved.

MOTION: *Motion to approve May 23, 2018 minutes made by Sunil Puri, second by Rudy Valdez.
Motion passes unanimously.*

COMMITTEE REPORTS

- **Finance** **Mr. Sunil Puri, Chair**

John Phelps states that the budget will not be completed for the year due to finance being short staffed and Gretchen Gilmore being on maternity leave. Gretchen Gilmore discusses the tentative budget that gives a bottom line average of the last three years. Tom Walsh asks if there is a fiduciary responsibility to

adopt a budget. Tim Rollins states there is not one stated in the authorizing statute. Craig Thomas requests this be adopted as the interim budget until Gretchen Gilmore returns. The formal budget will be vetted through Finance at a later date and brought to Board for approval.

MOTION: Motion to approve interim budget made by Rudy Valdez, second by Tom Walsh. Motion passes unanimously.

- **Executive** **Mr. Craig Thomas, Chairman**

Craig Thomas states we completed the annual report and at some point it will be presented to the City. Craig Thomas announced that Thierry Gray is Troy's new Regional Manager from SMG. Toni Cima, along with Thierry Gray will be present at the RAVE Board Retreat. AHL will be selling another franchise which will lead to an increase in the value of the franchise. Craig Thomas would like to know what distributions we have received that's a result of the franchises being sold and what the most current market is for that. Craig Thomas thinks it would be helpful for the City to have this information so they know how the investment stands today.

- **Davis Park** **Mr. Craig Thomas, Chairman**

Tom Walsh defers to Troy Flynn. Troy Flynn states the committee has been divided up. Troy Flynn is on the venue live entertainment committee, while Tom Walsh is on the historical restoration committee. Troy Flynn states the committee is going to have an outside vendor come out and give us a market survey. Troy Flynn reached out to SMG to connect committees. Craig Thomas states the management of the park is under our IGA until 2021 and after that, new management maybe asked to come in. Craig Thomas states Troy Flynn has reached out to SMG for professional opinion on what to do about reconfiguring programming at Davis Park. Frank Beach asks how all this programming is going to affect the BMO Harris Bank Center and its revenue. Sunil Puri states we need to get the right to provide the alcohol. Craig Thomas reports we need an evaluation from SMG to see what is feasible for us to manage the park. We need to bring to the committee that RAVE and SMG would like to be considered for managing the park because SMG has successfully provided professional guidance with the BMO Harris Bank Center. Craig Thomas believes that can continue with the park. Rudy Valdez inquired about the status of the restroom/sewage system. Troy states the evaluation from SMG includes that matter. Troy Flynn states the hotel will reap the future benefits of the park. That the ancillary aspects of the park will be what brings business to the park.

- **Coronado** **Mr. Craig Thomas, Chairman**

The Coronado has been presented an issue with the façade. Mike Walsh discusses that a piece of concrete has crumbled under the third floor window. He contacted Mike Harris, and is awaiting a cost of repairs. Friends of Coronado have been contacted and made aware of the circumstances.

- **Program Advisory Group** **Mr. Michael Schirger, Chair**

Troy Flynn states we have seen an increase in bookings. Report in Events update.

- **Capital Improvement** **Mr. John Phelps, Vice Chairman**

John Phelps states that Gretchen Gilmore was able to get us another year extension on the remaining balance of \$336,000 from the grant given back in 2012. There is an issue with the window on the south side of the building and concrete is pulling away from the foundation. Craig Thomas states once we

establish a capital plan and have the concrete estimate we can then go to the City regarding additional bonding to come out of the Redevelopment Fund. Craig and Troy both think the entertainment tax has been put on hold with the City. The City understands why we see it as a net negative to us.

TREASURER'S REPORT

Mr. Sunil Puri, Chair

Gretchen Gilmore said we made significant progress on our May budget. We had a couple self-promoted events that were profitable. We ended up beating June's budget. However, our operation expense is significantly high due to the league dues. Accounting did an analysis over the last 5 years and IceHogs have brought in \$1.7million, which includes all the playoffs. John Phelps said the playoffs gave us a lot of exposure. Gretchen Gilmore stated our sponsorship revenue went up 10% this past year. Savor's net income reached over a million. Gretchen Gilmore states in this past year we had 40K more people in attendance. The Event Contribution increased 4% to 110K. IceHogs had the 3rd best season because of the playoffs. The BMO and Coronado had their 2nd best year and overall RAVE had their 2nd best year as far as events. The auditors will be out in September to finalize fieldwork. The plan is to present the audited financials in November upon Gretchen Gilmore's return from maternity leave.

MOTION: Motion to approve May 2018 financials made by John Phelps, second by Rudy Valdez. Motion to approved June 2018 financials made by Tom Walsh, second by John Phelps. Motion passes unanimously.

GENERAL MANAGERS REPORT

Mr. Troy Flynn

Troy Flynn states his main focus recently, for a revenue opportunity, has been the entertainment parking agreement with the City. Currently ABM has the agreement but City is going out for RFP to potentially end that. Troy Flynn proposes we get back into the parking business since it would provide several different synergies. RAVE would like Troy Flynn to pursue this opportunity.

IceHogs Update: We released our IceHog schedule for the new season and it will be very beneficial for us. Troy Flynn went to league meetings in July and it appears there's an interest in unifying the schedule. If this occurs there will be open discussion with the Blackhawks about reducing our annual fees. Troy Flynn states we have to increase our workman's compensation insurance to cover the off-ice officials. Regarding tickets sales, we are at 86% retained with our full and ½ season tickets. Ticket department sold 172 new seats. Troy Flynn said we have tripled the number of community events we are attending in the off season. We are selling an 815 day ticket package for 8/15. We are identifying our movement into Chicago area as well, with the assistance of Graham Spencer.

Marketing Update/Event Update: Upcoming shows: Alabama, REO Speedwagon, Whose Live Anyways, Chen Yun, Seinfeld, Nutcracker and Alice Cooper. Broadway Series was released and includes Straight No Chaser. The upcoming show of Glen Miller Orchestra. Several promising holds. FNF has been reinvigorated by bringing in different organizations including Latino Leader Coalition. Troy Flynn attended the SMG meetings and Coronado topped the charts for entertainment facilities according to a customer survey. Troy Flynn's working with a company regarding an app that enhances the customer elements in the building. We are also following up with a group that specializes in sponsorships. They

evaluate where the market is and opportunities. Corporate is 75% renewed in sponsorships along with some new business.

COUNSEL’S REPORT

Attorney Tim Rollins

No report at this time.

CHAIRMAN’S REPORT

Mr. Craig Thomas

Everyone needs to confirm attending the board retreat on 8/29 here at the BMO. Rockford Coronado Concert has suffered financially over the years. We’ve decided to partner with them and hopefully develop a model that works for everyone.

OLD BUSINESS:

None at this time.

NEW BUSINESS:

None at this time.

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

ADJOURNMENT – The Authority Board adjourns at 1:17 P.M.

Respectfully Submitted,

Julie McIntyre