



AUTHORITY BOARD MEETING

Date/Time: Wednesday, June 28, 2017; 12:00 p.m.

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

MINUTES

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

Board Members Absent: Craig Thomas
Marcus Hill

Others Present: Alderman, Frank Beach
Alderman, Chad Tuneburg
Timothy Rollins, Williams McCarthy LLP
Fred Wescott, Winnebago County Liaison

Guests: Roseanne Haedt; Chartwell Agency
Beth Howard; Friends of Coronado
Don Bissel, Ziock Redevelopment

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
Jena Keith; Director of Ticketing Services, BMO Harris Bank Center
Mike Walsh; Director of Operations, BMO Harris Bank Center
Kristen O'Halloran; Booking Manager, BMO Harris Bank Center
Meghan Weiss; Marketing Coordinator, BMO Harris Bank Center

Vice Chairman John Phelps calls the meeting to order at 12:02 PM.

MINUTES – The minutes from the May 24, 2017 meeting were reviewed and approved.

MOTION: *Motion to approve May 24, 2017 minutes made by Sunil Puri, second by Mike Dunn. Motion passes unanimously.*

COMMITTEE REPORTS

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

Sunil Puri defers to Treasurer’s report.

- **Davis Park** **Mr. Tom Walsh, Chair**

Michael Schirger introduces Don Bissel to the board who has been working with Tom Walsh. They are getting together to talk about the utilization of the park. There is some interest from Gary Gorman to have input.

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

Michael Schirger reports we had a great month with a lot of great press. He states satisfaction with Wilco and reports we have received a lot of positive feedback from that event. The challenge now is to build on the momentum from this show. We are currently working toward another similar event. The promoter that worked with us was very complimentary of our work. Troy Flynn reports that there was a custom poster that was designed by Joe Tallman and sold at the show. Our efforts in Rockford, Chicago and Madison all paid off. We engaged the community, the artist, and local business owners to develop a culture for this event which was prevalent at the block party. We had drones flying overhead to create special video. We developed a beer with Prairie Street then cross promoted and sold the beer at the block party. We also did a painting with a local artist by the name of Roni Golan and invited the fans to contribute by painting parts of it. This painting is our artist’s gift and it will be delivered to Wilco this week. Mike Schirger was a huge guiding force. This was a great segway into what we are doing with this culture and the development with what we are doing as an organization for our guests. This was about our guests’ experience. We were originally going to take this event on entirely on our own, but as we got closer, Kristen was able to have a meeting with the promoters to ask them to take a risk with us. We were able to convince them that we were going to go over the top. Second song of the set, the promotor told Troy Flynn to get them our list. “If this is the way we are treated, get us your list.” This means that the promotor is actively looking to partner with us on many more artists. Financially, Wilco was more lucrative than our average event at CPAC. Our goal is to keep a few of these programs throughout the year to keep the momentum. We feel as though we have a strong network to continue to develop this culture. The food and beverage for the block party was close to \$23K by itself. Due to the rain at the beginning, the block party started out slow. The clouds broke and the crowds came in. We even brought the ushers out to get people inside for the start of Wilco. There were only 400 people inside for Kacey and Clayton, the openers.

Sunil Puri asks how we can utilize our facilities inside to create a block party in the winter. People are wanting to park one time at the theater rather than parking at a place to eat then driving to the theater and parking there as well. A lot of people are coming in with limited time to grab something to eat before the performance. If we could provide them with a place to get some basic foods, it would be a positive for people. Troy Flynn replies we would need to discuss with Friends but he has always seen the corner space as a potential asset to have The Coronado Café. We could do different check points for when customers pick up their tickets they don’t have to walk two blocks, they can just come to the

corner for appetizers and drinks. Mike Dunn states possibly post show as well. Sunil Puri replies that the goal is not to compete with local restaurants, the goal is to be sure that those customers that have not been able to eat, are able to get something more than cookies. Mike Dunn would like Troy Flynn to put together a plan to present to the board for utilizing the corner space. We have invested money in it with a full kitchen and it is not currently making money. We need to start planning now if we are going to utilize it this winter. Troy Flynn states that we have looked at this in the past and we will have something to circulate to the board. Sunil Puri asks if the corner space is full, can the customers come inside the Coronado to the lobby area by the box office to be out of the cold prior to the show. Troy Flynn states the shows typically request that the doors stay shut, we are having staff meetings and setting up merchandise prior to the show. Mike Dunn asks about the space above the corner space being another open area and what the possibilities are of putting in an elevator to open that space up as well. Beth Howard expresses Friends has a lease for that corner space for three more years. She is planning a program called The Century Club to help raise more money for the theater. They will use Savor to staff but she will sell memberships. It will be an ongoing program where they will be creating a pre-concert space. Sunil Puri is wanting the area for all patrons not just a club. Beth Howard states they at one time looked at putting a lounge on the third floor and feels that is the most viable area for something like Sunil is wanting. However, Sunil Puri feels that is not feasible to move that many people up and down on one small elevator. Sunil Puri asks why the club couldn't be moved up to the third floor. Beth Howard states they are going to use the next ten years to build momentum with this club and raise funds for the 100th anniversary of the theater. Howie Heaton questions moving the Friends Club up to the second or third floor and Beth requests that they schedule a time to sit down and discuss things further.

Beth Howard reports that she met with the Mayor of Loves Park and the Mayor of Rockford as well as the County Chairman and discussed with them what is going on in the Theater and what still needs to be done. There was discussion about the established roles of FOC and the RAVE Board. Mike Dunn discusses the MOU and Beth Howard states that FOC and the City are creating a new MOU because the current one is out of date. Mike Dunn states the MOU does not indicate that FOC is responsible for maintenance on the Coronado. "FOC shall be entitled to designate an FOC member to attend all Coronado committee meetings as a guest." "RAVE has contracted with SMG to be the exclusive manager which includes final authority for all operational matters." "RAVE has been retained by the City of Rockford to operate, manage and maintain the Coronado Performing Arts Center and in such capacity RAVE is solely responsible for fulfilling the duties imposed upon it as further defined in the Intergovernmental Agreement between the City of Rockford and RAVE dated July 1, 2001." "Friends of the Coronado is an (f)501C3 organization which was the driving force behind the renovation of the Coronado and currently has its mission to champion the historic Coronado Theater, a time honored symbol of civic pride as a performing arts center and community asset for all to use and share." John Phelps interjects that a meeting should be set up with Craig Thomas, another board member and the Mayor to discuss the concerns presented.

- **Capital Improvements – Mr. John Phelps**

John Phelps reports there will be a meeting next month about the grant and the discussions in regards to Coronado from earlier.

- **TREASURER'S REPORT – Mr. Sunil Puri**

Gretchen Gilmore reports that this is the second best year that we have had with RAVE. There are some negative numbers when comparing this May to last year May because last May we had WWE Smackdown, Beach Boys and Ragtime The Musical. We almost hit budget this May. We had Cirque de

Soleil this year in the budget that did not materialize which was significant. YTD is very positive when you take into consideration where we have come from this year. We are still beating last year's budget. The event contribution page is the Net Income that we get from each event. Our event contribution has increased from last year May. Sunil Puri reports 7 years ago, when we started, the bottom line was about \$2.6 million in the negative and we are now approximately at \$250k in the negative. John Phelps states this year we have had our subsidy reduced, we pay more for parking, we gave up parking revenue, and we pay \$1 per head count that goes to the City that would have made us break even had we kept that for ourselves. Gretchen Gilmore states we are working on the budget and June 30 is our year end. We do anticipate staying on time and presenting a budget to the board in July. The auditors were in doing their preliminary fieldwork and they will be here in September to finish their fieldwork.

MOTION: Motion to approve May 2017 financials made by Mike Dunn, second by Howie Heaton. Motion passes unanimously.

GENERAL MANAGERS REPORT

Mr. Troy Flynn

IceHogs Update: Troy Flynn reports it is 108 days until the start of the Hockey Season. We do have the schedule in hand, however we are still fine tuning it. Travel looks to be impactful this year but looking for ways to minimize that. There was a meet and greet with the new coach. Troy Flynn went to the SMG General Manager Meetings in Long Beach, California. We were recognized in the AHL recently for our increase in Corporate Sales as well as our Season Ticket Holder Renewal Rate. The team store has been ranked 5th out of 30 in the AHL. Season Tickets are a little over 75% recovered. Corporate Sponsorships are 78% renewed and we have increased new cash business. We are redeveloping our branding as far as how we are tying in to the community and taking some cues from how we handled Wilco.

Marketing Update/Events Update: Troy Flynn reports we are hosting the Best Of Preps dinner and awards ceremony with special guest Duncan Keith. This is the first year that we have it and we have it locked up for next year with the option for a third year. We have been attempting to host large banquets for a while now. It is a 1,000 plate seated dinner and Duncan Keith will come out to speak to the athletes.

June started with Friday Night Flix. Our show was Moana based on a Polynesian theme. We brought out a local hula troop who brought the little kids up to do some hula dancing. There was approximately 1,500-1,600 guests. Kristen picked up a tech rehearsal for us. They are launching their tour in Chicago and they needed a place to set up their sound and lights for their tech group to practice. That occupied a lot of space for us earlier in the month. We couldn't get a play out of it because of the radius clause. Additionally we had Dwight Yoakum, Wilco and Best of Preps. July we have Friday Night Flix, Brit Floyd, In This Moment, George Lopez, and Jehovah's Witnesses. All of these events except for the Jehovah's Witnesses will have block parties associated with them. The Jehovah's Witnesses event is one we have had in the past and we were able to lock them in again.

At the GM Meetings in Long Beach they asked for a shark tank competition with new ideas generating revenue that can be transferred to all of the buildings. SMG manages over 250 buildings in the US. The Wilco Coronado presentation was Top 8. We were included in a huge PowerPoint presentation to be

recognized for our efforts right next to the Superdome where they held the Super Bowl. We were the smallest venue by far to be included in the mix.

We did have a promoter come back to us on the Combat Sports. Because we are a municipality, we have an ability to promote these sports and Troy Flynn is going to follow up with a proforma so everyone can see what the numbers would look like and the risk associated with it. We currently don't see a lot of Combat Sports in our area because of the state guidelines on how they are to be held, but as a municipal venue we are able to act as the promoter and then subcontract different groups. A Roscoe Native UFC Fighter was able to come in to the cage we had set up and make a promotional reel to Bellator and UFC to get the marketing idea out there that we are a viable option for them. We are small for a UFC fight but perfect size for Bellator.

Troy Flynn reports new bookings are Corner Stone of Rock, Laugh-A-Thon, WWE, 2 half house shows in th BMO, Sesame Street, Price is Right, as well as the First Women's Conference again. Meghan Weiss went to the SMG Marketing Summit and came back with a whole list of things we have been dissecting and figuring out how to implement. In September, in regards to our enhanced security measures, we have engaged State, Federal and Local to do a practical scenario on site with live reaction and response. We have a follow up meeting in late July to discuss the steps.

To touch on the Hanley Building fire, Troy Flynn met with the Incident Command Chief and escorted firemen up to the roof and through various parts of the building. We sustained approximately \$27k in damage from the roof burning from embers being blown as well as water damage. Stanley Steemer has been cleaning up around the BMO. This will be covered by insurance. We are going to use some of our trade with RRStar to put out a thank you to the first responders for taking such quick action to prevent the fire from spreading on our roof.

We are using some of our grants to do an HD upgrade including our scoreboard and our video system. Our whole game presentation will be enhanced which will have impacts across the board. We currently have live broadcast but it is SD and not good quality and this will increase it to an HD broadcast. We are also discussing enhanced security items such as camera systems and replay items. It appears we are close to having two "club boxes" sold in the Coronado which will be new revenue generators.

COUNSEL'S REPORT – Attorney Tim Rollins

No report at this time.

CHAIRMAN'S REPORT – Mr. Craig Thomas

No report at this time.

OLD BUSINESS:

Mike Dunn states he is concerned that Troy Flynn may be under the impression to not solicit banquet events for BMO. He wants to make sure everyone is on the same page. Troy Flynn states his understanding is not to solicit under 1,000 plates in the BMO. The board reassures Mike Dunn that it was voted on. Troy Flynn states that we cannot host anything under 1,000 plates in the BMO but the

Coronado discussions have been that we need to be above market rate and we are not going to move the chairs. John Phelps states we need to research what policies that we think we have passed as a starting point and then start the discussion about what our policies should be.

NEW BUSINESS:

None at this time.

MOTION: Sunil Puri made a motion to adjourn; seconded by Howie Heaton. The motion passes unanimously.

ADJOURNMENT – The Authority Board adjourns at 1:20 p.m.

Respectfully Submitted,

Jollene Haney