



## AUTHORITY BOARD MEETING

**Date/Time:** Wednesday, July 26, 2017; 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 Rudy Valdez  
John Phelps Mike Dunn  
Sunil Puri Michael Schirger

**Board Members Absent:** Howie Heaton Tom Walsh  
Marcus Hill

**Others Present:** Alderman, Frank Beach  
Alderman, Chad Tuneburg

**Guests:** Roseanne Haedt; Chartwell Agency

**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  
Julie McIntyre, Office Manager, BMO Harris Bank Center

**Chairman Craig Thomas calls the meeting to order at 12:06 PM.**

**Craig Thomas welcomes Rudy Valdez and Chad Tuneburg as new Board Members.**

**MINUTES** – The minutes from the June 28, 2017 meeting were reviewed and approved.

**MOTION:** *Motion to approve June 28, 2017 minutes made by Mike Dunn, second by Rudy Valdez. Motion passes unanimously.*

## COMMITTEE REPORTS

- **Finance**

**Mr. Sunil Puri, Chair**

Sunil Puri defers to Treasurer's report.

- **Executive**

**Mr. Craig Thomas, Chairman**

Craig Thomas reports that at the planning session in the spring we discussed revamping the standard committee structure and reports. Having other ad hoc committees will allow us to tap into non board members to assist on some projects. Now that all board members are seated, we can start setting these up. A few of the committees we discussed were marketing, facilities, and resident company. We will try to get this addressed and a little more finalized in a more formal fashion at the next meeting.

- **Davis Park**

**Mr. Tom Walsh, Chair**

Craig Thomas states the Board has had concerns as to how to focus programming at Davis Park in an economically viable manner. The big hurdle is because of the lack of infrastructure. The Board previously discussed that there needs to be a financial investment made in the park for it to be a viable outdoor venue. The Board deferred this issue until the hotel project came to fruition and had a better understanding of the impact that building would have on the park. John Phelps confirms that the development agreement with Gary Gorman specifies a role for RAVE in approval of the use of the park. Mike Schirger informs the Board that Gary Gorman has reached out to Tom Walsh for additional meetings.

- **Coronado**

**Mr. Craig Thomas, Chairman**

Craig Thomas reports that we are continuing to have some water issues in the Coronado. The City, our staff and the FOC are involved in the roof issues. Now with the unprecedented flash flooding that we have been having, we have a new issue with the water intrusion on the west side at the doors that face the alley. The concern is how much of a delay can the carpet take and is there something we can do on a temporary basis that would meet the city requirements, fire department requirements, etc.

There is an ongoing effort to define the role between FOC, RAVE, and the City and what roles everyone plays. Craig Thomas met with Todd Cagnoni and will be meeting with the Mayor. The discussion is ongoing and issues are being worked through.

- **Governance**

**Mr. Tim Rollins, Counsel**

Craig Thomas reports he had meetings with the new County Chairman and Mayor to make sure we were all on the same page with the length of the existing appointments of board members. This has all been resolved except for confirming the term expirations for Craig Thomas, Sunil Puri and Mike Dunn. We are working to get this straightened out and move forward.

- **Program Advisory Group**

**Mr. Michael Schirger, Chair**

Mike Schirger reports that we booked a hold on a fantastic show on Monday. We have also been looking into a new event with local talent and a convention with the business of arts. This could fall into a similar category as Wilco. Mike believes that there is significant artistic talent in Rockford and we want to shine a light on them.

- **Capital Improvements**

**Mr. John Phelps, Vice Chairman**

John Phelps states, at the planning meeting, we talked about putting together a task force to do some long range capital planning, improvements and budgeting. John Phelps reviewed the IGA with the City and realized we need someone from the City on that task force as well. The City appointed Kwame Calvin. The committee had their first meeting last week. Our objective this calendar year is, we want to present to the board a 10 year plan of regular maintenance, what likely capital improvements will need to be made, and put some numbers with that.

Mike Dunn inquired about the Hanley building. Frank Beach replies there is talk about green grass. There is also talk about buying 5 feet between the main common wall building of Magpie because there is a problem with the structure. Sunil Puri states that he would like to see the Board take a stand on turning that into green space. This area is situated directly across the street from the suite entrances and should be a parking area for our suite holders. Rudy Valdez agrees that there should be a position paper written and prepared. It is determined that there should be a resolution next meeting in regards to a position letter.

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

Gretchen Gilmore reports that we wrapped up the year strong in June. We had only budgeted for FNF and Jehovah's because we thought they would be here in June. However, they ended up coming in July. We picked up Best of Preps, Wilco, Deaftones & Rise Against Rehearsals, along with Dwight Yoakum. June was very strong when compared to last June. We continued to have less expenses in June as well. The per caps for Wilco surpassed one of our highest per cap nights, the Cheap Trick concert. The Best of Preps event was a great avenue for us to take to end the year. YTD, we surpassed last year's budget by quite a bit but did not make this year's budget. This is our second best year and the third best for the IceHogs. The budget was based on cost savings so we are running as efficiently as possible. Sunil Puri states we have made great strides since RAVE initially took over. He suggests since we have positive cash flow, we want to ask to put \$500K annually into a sinking fund to prepare for any costs that may come up in the future. Mike Dunn returns to Sunil Puri's comment about having the expenses under control and he states concern with the revenue that SMG is lacking helping us achieve with the "big shows." Troy Flynn responds that we are smaller than a lot of these shows typically play which is around 10,000 seats, so they are difficult to get. We have been finding significant growth in half house shows. Mike states there was a discussion years ago about defining "A" shows and "B" shows based on size. There was an agreement that we would have 3-4 "A" shows each year however this year we only had 2. Had we had one more, we would have made budget. Craig Thomas feels this should be articulated in a manner such as: "Out of those shows that we got last year, which of those would not have come here but for SMG using whatever leverage or might they have to get it there. Our sense is none." "What we feel we are missing is that SMG should have the ability and represented they had the ability to use their leverage to get shows to come in here that otherwise wouldn't." Sunil Puri wants these concerns in writing as a warning. Craig Thomas states this will be formalized more as time goes on. This concern has been addressed many times with Lon Rosenberg on an ongoing basis. Craig Thomas believes the process should play out differently than Sunil Puri is requesting, considering we have a great relationship with SMG. Gretchen Gilmore clarifies that the decline actually came from the lack of IceHogs profits. The events at the BMO and the Coronado actually increased from previous years. Craig Thomas reiterates

that even though this was their third best year, they did decline from their trajectory. We did not have the numbers because of many different factors such as losing games, the lack of Blackhawks stars, the Blackhawks didn't play as well, but most significantly is a loss on walk up traffic on Friday's and Sunday's. Troy Flynn is hopeful that having the schedule earlier, we will be able to focus on ways to make that better. Sunil Puri requests Gretchen Gilmore put together a report for next meeting on a comparable report split between BMO Sales, Coronado Sales, Food Sales and IceHogs Sales year over year.

***MOTION: Motion to approve June 2017 financials made by Rudy Valdez, second by Mike Dunn. Motion passes unanimously.***

## **GENERAL MANAGERS REPORT**

### **Mr. Troy Flynn**

IceHogs Update: Troy Flynn reports we are 90% renewed on season tickets. We are 85% with renewal and new cash for sponsorships. We initially engaged in deals heavy on trade when we were in a worse financial state years ago, now we are working to change that to cash deals. This industry is leaning more toward "experiences," meaning we can't control the wins and the losses but we can control how fans are going to experience things. We are working on a new interactive in-game phone app. We have 81 days until hockey. We are currently hitting all of the fairs that we typically do. We are going to have Hammy out all over the place. Our promotional nights are being planned out with a few new ones. Blackhawks convention went very well. Our director of tickets received 30,000 hockey based email addresses that we will be able to use. We have started purchasing new gear for the store. We are looking to open up the ice for youth practices or adult league practices on Mondays and Thursdays for probably the first three months of the year. Troy Flynn expects to pull in \$25-\$30K extra through rentals. Sunil Puri expresses concern about the added wear and tear that this type of use will cause. Troy Flynn also reports we are working on a Hockey Tournament coming in with a private league at some point in the season.

Marketing Update/Events Update: Troy Flynn reports Best of Preps went very well. Everyone in attendance was served in 20 minutes. This put us on the map for hosting banquets and they will be coming back. Their production group was very complimentary. We own all of the tables and chairs now however we needed to rent some flatware. In July, we hosted FNF, Brit Floyd, In This Moment, George Lopez and the beginning of Jehovah's Conference. From last month to this month, Kristen O'Halloran has locked in 15 more programs with a wide variety of talent. In August, we have 8 event days all with the Jehovah's Witnesses. Troy Flynn sat down with RSO to work together on some marketing. He also reached out to the schools to see if they were wanting to bring the graduations back as well as some scholastic events and some other "techy" kind of events. The budget will be ready shortly, definitely by the August meeting. October 11, we are going to be doing a response exercise. It is a training drill that encompasses area hospitals, Rockford PD, Rockford Fire, EMS, etc. This is going to be a staff training day. It is an emergency response day like what we do every year. There will be a table top drill in September to discuss what is going to happen during the October drill. We are waiting on the grants to be released for the HD upgrades which should be this week. This is one of our last projects with the grants. We will be receiving HD cameras and updating all of our wiring. The walk through was yesterday for the roof of the Coronado. Once the contract is awarded the work will begin sometime in September. We are going to try to work with the City to rush that. We have also found some problems with water leaking in the

BMO as well. There are cracks in the concrete where it is now falling down to the locker room and the offices in the lower level. This is going to be approached as well. We did the patch from the fire but we found some more holes from the excessive rain. This should be covered by insurance. In the Coronado in August, we will be replacing the stage. We are also going to do the Terrazzo in the main lobby. We are waiting on a second quote. In the BMO, we have some exposed pipes in the floor from where we run the refrigerant to keep the ice cold. We are going to have to chisel it out to get the pipes back down. We will get this fixed prior to the install of the ice in late September. The Club Package at the Coronado was pitched to a second group yesterday and they seemed very interested. This is the 4 seats to every event with other perks. Troy Flynn has his final meeting with LaMonica on Friday to hopefully lock in their sponsorship. Troy Flynn, Mike Peck and Mark Bernard have discussed initiatives for this year. Our slogan this year is Our Town Our Team. The Blackhawks are pleased with the relationship we have with the players and Mark Bernard is trying to get their schedule squared away to get some of our former players that are still playing for the Blackhawks to come into town to do signings, red and white practices, and exhibition games. Sunil Puri suggests that we put some sort of advertising on the buses that take passengers to the Chicago airports. Troy Flynn states we are currently working through our deal with Van Galder and that was part of the discussion we have been having. Craig Thomas states we have a marketing limitation that we cannot market in Chicago because of the Chicago Wolves. We could possibly put the advertisement on the bus because it originates from Rockford and goes through Chicago. Troy Flynn states there is not a limitation on digital marketing so we have been focusing on that to reach the Chicago area. Troy Flynn is also looking into putting advertisement on a billboard on I-90.

#### **COUNSEL’S REPORT – Attorney Tim Rollins**

No report at this time.

#### **CHAIRMAN’S REPORT – Mr. Craig Thomas**

No report at this time.

#### **OLD BUSINESS:**

None at this time.

#### **NEW BUSINESS:**

None at this time.

***MOTION: Sunil Puri made a motion to adjourn; seconded by Mike Dunn. The motion passes unanimously.***

**ADJOURNMENT** – The Authority Board adjourns at 1:31 p.m.

Respectfully Submitted,

Jollene Haney