



AUTHORITY BOARD MEETING

Date/Time: Wednesday, August 23, 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 Tom Walsh
John Phelps Mike Dunn
Sunil Puri Michael Schirger

Board Members Absent: Howie Heaton Rudy Valdez
Marcus Hill

Others Present: Alderman, Frank Beach
Alderman, Chad Tuneburg

Guests: Beth Howard, Friends of the Coronado

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
Meghan Weiss; Marketing Coordinator, BMO Harris Bank Center
Jessalyn Carlsen; Interactive Marketing and Design Coordinator, 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 12:07 PM.

MINUTES – The minutes from the July 26, 2017 meeting were reviewed and approved.

MOTION: *Motion to approve July 26, 2017 minutes made by Sunil Puri, second by John Phelps. 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 we have worked through and confirmed the Board terms and we have the correct dates now. There is some work going on at the City as far as Sunil Puri and Mike Dunn are concerned but they will be confirmed after this City Meeting. Craig Thomas has a meeting with the Mayor and Todd Cagnoni in regards to the proposed MOU with the Friends.

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

Tom Walsh has not heard from the Board as to whether or not to take the lead on getting a group together to be involved in what is going to be happening at Davis Park. Sunil Puri states he feels we should just stay engaged, maybe not take the lead but stay involved. Craig Thomas suggests reaching out to the City to get an update to see what's happening.

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

Craig Thomas states Troy Flynn will give a substantive report on the Coronado. Friends of the Coronado has an event coming up in a couple of weeks in conjunction with Café Coronado. Beth Howard states the weekend entails: Friday from 7 pm - 11 pm with local bands, a history of the Coronado film, small block party, and food trucks; Saturday noon - 4 pm LOLTOS will be having silent movies, organ demonstrations, tours, children's activities, magician, and face painting; and Saturday night is the traditional Café Coronado.

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

Mike Schirger states there was a formal meeting at his office with Troy Flynn and Kristen O'Halloran discussing the upcoming year. Seeds have been planted over the years that are coming to fruition this year. We are going to be "putting our money where our mouth is" and will be challenged. The many events are not booked yet but there is extreme interest.

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

John Phelps states there was a tour with Bob Strop, our volunteer member on the Capital Improvements Program, of the Coronado which was very enlightening. The next step is to sit down with staff to go through the schedule of maintenance and the life cycle of major equipment and put numbers behind what we anticipate our likely costs will be over the next 20 years. We will then come back to the Board to present it and ultimately present it to the community. This should form the basis to sit down with the City to show them the costs to maintain their facilities once our IGA comes to an end. Craig Thomas did let Todd Cagnoni know this was our intent. John Phelps suggests bringing in someone from SMG as part of the committee to get us to the final step. Craig Thomas states they are still working on the issues with the leaks at the Coronado. John Phelps reports bids have gone out for the roof.

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

Gretchen Gilmore reports we are starting the year off with great momentum. We had Brit Floyd, In This Moment, George Lopez, and a weekend of Jehovah's Witnesses Conferences. We are going to continue to record the City adjustment from when they reinterpreted the Parking Agreement and took away some

of our subsidy so that we can see our true results. Sunil Puri states we would have been \$62K ahead from last year if we would have had the same subsidy as last year in comparison to the \$31K that we are actually ahead this year. Gretchen Gilmore reports the progress we have made with the bookings in the past year, shows the biggest increase is at the Coronado. Since RAVE took over, we have had a 63% increase in event income. On Page 19 of the Annual Report, it shows we have a 40% increase in ticket revenue and rent, a 30% increase in number of ticketed events, a 19% increase in number of ticketed event days, and a 16% increase in attendance at the Coronado. Sunil Puri states there is approximately \$100K difference in the contribution from the Coronado versus the BMO non-IceHogs ticketed events. Craig Thomas reports they are going to be working on updating the City on all that has been done. Troy Flynn is reaching out to Todd Cagnoni to continue meetings to make sure everyone has the same idea of what the goals are. Sunil Puri states he has suggested to Troy Flynn that he reach out to his staff for members to come in to the Board to present their ideas in hopes to re-energize them. This would allow for the opportunity to do a SWAT analysis with them to motivate continued growth. Gretchen Gilmore reports, in regards to SAVOR, that RAVE went in house with food and beverage in FY14 which doubled profits for the organization. Although Savor went down 2% last year, they still did a great job considering the decline with the IceHogs.

MOTION: Motion to approve July 2017 financials made by Sunil Puri, second by Mike Schirger. Motion passes unanimously.

Gretchen Gilmore reports we are anticipating outperforming last year which was our 2nd best year. Our programming for BMO and Coronado are still going strong. We are going to rely on the IceHogs to outperform last year. We have included 3 full-house concerts and 2 self-promoted events in the budget. Anticipate expenses to decrease slightly but not by much. In total, on the Net Income line, we are not surpassing the record breaking FY16 but we are setting the bar high enough to keep everyone focused on improving efficiencies, increasing the bottom line and setting records. The budget is a 50% increase to the bottom line. Sunil Puri reports, after all fees and expenses are paid and after the subsidy, we will show a positive \$619K. He proposes that we set aside \$500K in a sinking fund, if we can, as cash allows. Craig Thomas reports he has told Todd Cagnoni that our goal is to come up with a long term plan of what our needs are and to set aside a set amount each year to prepare. Mike Schirger asks the Aldermen how this need for future funds is being communicated to the City and what is the best way for this to be communicated. Craig Thomas states, when we do a presentation in a few months to City Council, one of the components will be what we are doing now in terms of budgeting and long term planning. Aldermen Frank Beach states we need to just get it written down and more formalized for the Aldermen to respond positively. Rather than it being something we are thinking about, make it something we are expecting to happen. Craig Thomas states he will prepare a cover letter, on behalf of the Board, to include with the presentation for the Aldermen that would talk on an overview level of what our approach will be and can be open for discussion.

MOTION: Motion to approve FY18 Budget made by Sunil Puri, second by Mike Schirger. Motion passes unanimously.

GENERAL MANAGERS REPORT

Mr. Troy Flynn

IceHogs Update:

Troy Flynn reports we have the Annual Report to be presented. It chronicles our year. The list of ticketed events are on page 4. The report highlights the path that we are going down including our income, attendance, and event mixtures. The social media and marketing points are important to note. This is a collective look of our reach as an organization. We have a combined reach on Facebook of 8.5 million people in one year. There are some pretty impressive numbers in this report including a 143% increase in followers to Coronado's Instagram, a 46.5% increase on Coronado's Facebook, a 23% increase to BMO's Instagram, and 35% increase on BMO's Facebook. Troy Flynn is going to circulate these to the Greater Rockford area along with hand delivering them to the County and the City. We will continue to create these in future years. Savor also has a page in the report which highlights the remake of one of the stands to a Craft Beer Stand and the returns were great. The IceHogs donated approximately \$156K to different charitable organizations. November 10 is a luncheon put on by Swedish American that will recognize the IceHogs charitable efforts throughout the years. Preseason game is September 28, so single ticket sales go on sale September 14. There are 13 games before December this year. We have reallocated promotional nights and pushed groups to the beginning of the season that normally book in the second half. This should be a stronger October and November than we have seen in the past. We are trying to reach out to some major organizations to do employee outings and fundraising with us. We are scheduling a season ticket holder influencer event to rollout our third jersey. We have three dates on hold right now for bringing in Blackhawks players. Mark Bernard's mother passed away recently and we did send our condolences and flowers.

Marketing Update/Events Update:

Sunil Puri requests Troy Flynn put together a brochure to promote our 2,000 person capacity for banquet events such as dinners and speakers to be distributed to Chairmen, Chambers, and Mayors of neighboring counties. Alderman Frank Beach asks for an official statement write up that he can take to the City Council. Jehovah's Witnesses Conference was two weekends ago and we do have them booked again for next year. This seems to be a good relationship. In September, we have the Labor Day Picnic, RSO, IceHogs Preseason Game, and the Café Coronado events. We have 25 programs on sale currently. We have had specific conversations about the threshold that this market can withstand and this year is going to be one of those years to blow people away and a good year to sell tickets. We are going to test ourselves and our ability to sell and test this market with what it can handle. September 18, we are putting the ice in. In regards to the floor replacement for the stage at CPAC, Chris Smith is not comfortable with the decking so he is researching some other opportunities. We are waiting to hear back from him. We are currently 93% renewed in Corporate Sponsorship and have a significant amount of new cash Sponsorships. We did have one half suite not renew this year.

COUNSEL'S REPORT – Attorney Tim Rollins

No report at this time.

CHAIRMAN'S REPORT – Mr. Craig Thomas

Craig Thomas reports we have the memo prepared that we as a Board asked Troy Flynn to put together in regards to the Hanley Building. Craig Thomas reached out to the City to let them know we would be

providing something to them as to how we saw we could best utilize that lot. Sunil Puri requests we change the wording to depict that the lot would double our parking capacity for season ticket holders. Craig Thomas states there is also a correction in regards to the date. With those changes, Craig Thomas will distribute this letter to the City. Aldermen Frank Beach requests an update after Craig Thomas's meeting with Todd Cagnoni. Craig Thomas has asked Troy Flynn to take a re-look at what we are doing with Friday Night Flix. There are some changes in the perception of crime as well as the loss of sponsorships for Davis Park. Troy Flynn reports he met with RSO regarding their season and began discussing the Golden Ball that they used to have at the CPAC. This was moved and it didn't appear to have been as well attended as they had hoped. Through that conversation, the Black Magic Ball was brought up in which they rented a tent and performed on the street in front of the Coronado. Troy Flynn began looking into the ability to purchase one of these tents for numerous purposes. We could implement at the BMO as well. It would allow us to give a new comfort feature to our customers to get them out of the elements. This would include a stage. Sunil Puri states it would be between \$40-\$50K and it could be easily moved between CPAC and BMO. This would be around 2,400 sq ft. Craig Thomas wants a commitment from the City first that there won't be push back on closing roads. Sunil Puri would like to authorize Troy Flynn to get quotes. Troy Flynn states that we have a fairly good schedule to make this worth looking into sooner than later. Sunil Puri would like Troy to get quotes so that we can vote on it at the next Board meeting.

OLD BUSINESS:

None at this time.

NEW BUSINESS:

None at this time.

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

ADJOURNMENT – The Authority Board adjourns at 1:19 p.m.

Respectfully Submitted,

Jollene Haney