



AUTHORITY BOARD MEETING

Date/Time: Wednesday, December 20, 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 Sunil Puri
Howie Heaton Michael Schirger
Marcus Hill, Sr.

Board Members Absent: Rudy Valdez Mike Dunn
Fred Wescott

Others Present: Alderman, Frank Beach
Alderman, Chad Tuneberg
Attorney, Tim Rollins

Guests: Beth Howard, Friends of the Coronado
Anthony Cervini, CPA; Auditor, Sikich, LLP
Isaac Guerrero; Local Editor, Rockford Register Star

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

Chairman Craig Thomas calls the meeting to order at 12:06 P.M.

MINUTES – The minutes from the November 15, 2017 meeting were reviewed and approved.

MOTION: *Motion to approve November 15, 2017 minutes made by Mike Schirger, second by Howie Heaton. Motion passes unanimously.*

COMMITTEE REPORTS

- **Finance**

Mr. Sunil Puri, Chair

John Phelps defers to Treasurer's report.

- **Executive**

Mr. Craig Thomas, Chairman

Craig Thomas reports he had a discussion with the City in regards to some concerns with ABM and their vigilance with handling the parking decks. We will be having some follow up meetings with the City to make sure that ABM is aware that some of our expectations are not being met. Alderman Frank Beach requests that any correspondents with the City be relayed to the Aldermen so that they can be of support.

- **Davis Park**

Mr. Craig Thomas, Chairman

Craig Thomas reports the Gorman Project should be proceeding forward. We are hoping around the first of the year to be in a position to have some discussions to remain good partners and be sure to be moving forward in the same direction.

- **Coronado**

Mr. Craig Thomas, Chairman

Craig Thomas would like to personally compliment and thank the staff and Savor for the party they hosted for his law firm. The entire office was highly complementary of the event. Beth Howard reports there is a 90th Anniversary commemorative Christmas ornament created by Kortman's.

- **Program Advisory Group**

Mr. Michael Schirger, Chair

Michael Schirger reports they will be ready to announce an Americana series mid-January. It is going to be a very intimate setting on the stage with limited seating. The first one we have booked is Ryley Walker. He is from Rockford and is highly regarded in music circles. Erik Koskinen is the second in the series that we have booked. He is from Minneapolis. The two other artists will be released soon. This series is to help us establish a base for bigger goals with this market. Troy Flynn reports this is not a typical seated event. There will be a wide range of seating available on the stage such as couches and high top tables and the entrance will be from the back of house. Total number of tickets available will be around 250-300.

- **Capital Improvement**

Mr. John Phelps, Vice Chairman

John Phelps reports they had a good meeting earlier in the month where they went through every item within the buildings and started looking at estimated expenses over the next 20 years. They will then be able to come back to the Board and the community with a detailed explanation of what it will take to maintain the buildings over a 20 year span. Troy Flynn reports we had a corporate visit earlier in the month where they went through similar steps on a broader scale with Mike Walsh.

TREASURER'S REPORT

Mr. Sunil Puri, Chair

Craig Thomas states that we do not have a vote for approval of the Audited Financials on the agenda so we will go over the audit but hold off until next meeting to vote. Gretchen Gilmore reports, through October, year to date we were beating last year; however, last November we had Carrie Underwood. November to November does not look favorable. On the budget side, we have been trending negative

mainly due to the IceHogs attendance. The IceHogs make up about 80% of the deficit. Sunil Puri adds that it is more directly the walk up tickets across the board that are hurting us. Troy Flynn reports we moved promotions and game elements to the front end of the season in hopes to compensate the busy beginning of our season. This was not as fruitful as we thought, so now we have to make up for that in the last two thirds of the season. Troy Flynn met with everyone with a VP title at the Blackhawks for around 2 hours a couple of weeks ago to discuss these concerns and had a meeting with the City and RACVB to talk about developing a campaign to push the end of the season. Sunil Puri states that we have many events in the second half of the fiscal year that will bring our numbers back up, so we should still be close to making budget.

MOTION: Motion to approve November 2017 financials made by Sunil Puri, second by John Phelps. Motion passes unanimously.

Anthony Cervini presents the audit reports from Sikich. This report is for the results of the audit of R.A.V.E. as of and for fiscal year ending June 30, 2017. As a result of the audit, Sikich has issued two reports for the Board's consideration; the Annual Financial Report/Audited Financial Statements and the Auditor's Communication to the Board. Page number 1 of the Audited Financial Statements is the Independent Auditor's Report. Management is responsible for the preparation and fair presentation of these financial statements in accordance with Generally Accepted Accounting Principles. The auditor's responsibility is to express an opinion on these statements based on their audit. They are pleased to present to the board that they have issued a clean, unmodified opinion of the financial statements as of June 30, 2017 and 2016. Their unmodified opinion is the highest level of assurance that they can provide and it means that the financial statements are fairly presented on all material respects and is free of material misstatements. The MD&A is very thorough and prepared by Gretchen Gilmore. This has three years of comparative data and includes management's underlying analysis and reasoning for why numbers have changed over the years. Page number 3 shows the basic financial statement's Statement of Net Position or Balance Sheet. Looking at the 2017 column, one thing for discussion is the Unearned Grant Revenue. These are funds that were received in 2017 but were not expended and therefore are deferred. The Net Position section is split between Net Investment in Capital Assets as well as Unrestricted. The Unrestricted Net Position increased by about \$572K but was offset by about a \$910K decrease in Net Investments primarily driven by the fact that depreciation on existing assets outweighs any new capital additions for the years. Changes in net position show a decrease of \$337K in FY2017 where FY2016 it increased \$868K. Looking at the line directly above that you will see the one time debt forgiveness. Factoring that amount out of FY2016's numbers, FY2017 is about \$60K better in a year to year comparison. On page 19, we have added Note 11 – Self-Promotion Fund for the receipt of \$163K. These funds are recorded as deferred revenue and is intended to be used to purchase programs at CPAC.

GENERAL MANAGERS REPORT

Mr. Troy Flynn

IceHogs Update: Troy Flynn reports we had 16 event days so far this month and we will finish off with 4 more. Obviously we are not satisfied with where we are with things on the IceHogs side right now. Troy had meetings with the Blackhawks, the City, and RACVB; and they are all looking to help. One of the first things we are doing with the Blackhawks is by having a table in the United Center during the Notre Dame vs Wisconsin Hockey game they are hosting on January 21, 2017. We have spoken with the City and RACVB about continuing our branding of Our Town Our Team. We are currently 3rd in the division and 7th in the conference. We have hired a new broadcaster out of Ontario, California. Joey Z is going to be in the booth going forward. We have Santa and Mrs. Clause coming out, cooler backpack giveaway, youth hockey night, bomber hat giveaway, and fleece blanket giveaway as elements coming up yet in

December. We have started a campaign that goes Northwest into Wisconsin and one that goes into Chicago. These are going to direct you back to a website. We are also looking into engaging some local restaurants to work with us on this new campaign. We are spending a lot of time evaluating this to make sure we aren't spending money foolishly.

Marketing Update/Events Update: Troy Flynn reports through December we have Tommy Emmanuel, Big Church Night Out, TCS Hockey, 2 Holiday Pops, Sounds of the Holidays, Christmas Wonderland, and Harlem Globetrotters. All of our programs are trending well and we have had some that have outperformed our expectations. Jeff Dunham is nearly a clear sell out. REO Speedwagon has around 16 tickets left. Alan Jackson and Cirque Du Soleil have been announced. Alan Jackson was selling very well out of the gate. Cirque has 6 shows in the BMO and it is playing to the long sides of the arena. October through December will see around 80,000 guests through our doors. Pollstar is an industry publication that ranks event venues based on ticket sales. We submitted our numbers this year so that we can use them to evaluate ourselves as well as a marketing tool. We can use these numbers to draw in promoters. The Nutcracker with Rockford Dance Company was at the Coronado years ago. It looks like we will be hosting it again in 2018. Turnkey is an online marketing element that sends email questionnaires to purchasers of online tickets to evaluate their experience. As of yesterday, we are still ahead of all SMG averages and the Coronado is a top achiever. The City does receive these notifications as well. We have recently had some unpleasant homeless interactions that have been brought to our attention. We have made the City aware. We are going to be setting out our expectations for the City and ABM to allow them to correct our concerns. Chad Tuneberg reports he has been in contact with the Police Chief in regards to a group that has been riding downtown on dirt bikes and four wheelers. They have caused concerns at a few events already.

The boilers are still being replaced in the Coronado. We had significant roof damage on December 5 that caused a large portion of the roof at the BMO to delaminate due to the strong winds. Mike Walsh and Troy Flynn went on the roof to check things out when we were having issues with our internet and found the wind was picking up the roof by about 6-8 feet. This is covered by insurance less our deductible. Regional operations came in on the 12th to discuss capital improvements and our emergency preparedness plans. We, as a venue, are more advanced than the requests that we are getting from corporate. We do have some work that we are looking to do and will use the data from the drill done earlier in the year to get grants to help fund this work. We have hired a new part-time front of house/conversion person to assist with some elements from an operational perspective.

COUNSEL'S REPORT

Attorney Tim Rollins

No report at this time.

CHAIRMAN'S REPORT

Mr. Craig Thomas

Craig Thomas reports that he has had conversations with the Blackhawks aside from Troy's conversations. They are engaged in trying to be more aggressive with how we leverage our relationship with them for ticket sales.

OLD BUSINESS:

None at this time.

NEW BUSINESS:

None at this time.

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

ADJOURNMENT – The Authority Board adjourns at 1:01 P.M.

Respectfully Submitted,

Jollene Haney