



PEORIA CIVIC CENTER®

PEORIA CIVIC CENTER AUTHORITY
Minutes of August 23, 2018
Meeting FY18 No. 12

Chairman DiGiallonardo called the regular meeting of the Peoria Civic Center Authority to order at 4:00 p.m., Thursday, August 23, 2018 at the Peoria Civic Center in Meeting Room 401.

VOTING AUTHORITY MEMBERS PRESENT:

Commissioner Matthew Bartolo
Commissioner Robert Manning
Commissioner Joseph Dalfonso
Commissioner Pratima Gandhi
Chairman Paul DiGiallonardo
Commissioner Greer-Batton

VOTING AUTHORITY MEMBERS ABSENT

NON-VOTING AUTHORITY MEMBERS PRESENT:

Commissioner Laith AlKhafaji

NON-VOTING AUTHORITY MEMBERS ABSENT:

Commissioner Sid Ruckriegel
Commissioner Don Welch

SMG/PCC STAFF PRESENT:

Rik Edgar, General Manager
Danette Snopek, Director of Finance
Will Kenney, Director of Operations
Sarah Luthy, Director of Food & Beverage
Jess McMullin, Director of Sales & Marketing
Stephan Hefler, Box Office Manager
CJ Goddard, Accounting Manager
Jarod Lukehart, Group Sales Manager

OTHERS IN ATTENDANCE:

Dave Stuckel, PCCA Legal Counsel

Chairman DiGiallonardo called the meeting to order at 4:00 pm. He requested that a roll call be taken. Quorum present.

Chairman DiGiallonardo requested a motion to approve the minutes of the July 20, 2018 PCCA meeting minutes.

Motion to Approve Meeting Minutes of July 20, 2018 Meeting:

Moved: Commissioner Greer-Batton. Seconded: Commissioner Dalfonso. Passed unanimously by voice vote.

General Manager Report:

General Manager Rik Edgar reported that World Pollstar has ranked the arena in the top two hundred arenas in the world and the theater was ranked #105th in the United States. Monthly operating net income improved from FY17. In business development we have a new advertising sponsorship for the Broadway Lounge. This lounge is for season ticket holders only, so they may come in and have refreshments. Also in the arena, we have contracted another advertising sponsorship for the Loft. Convention Sales has done a great job filling the facility during the off season. The arena has been closed due to the LED lighting project and the new loft being built. In the theater Lauren Daigle is expected to sell out her Saturday night concert. In the arena, WWE saw the best attendance since 2015 with a 25% net revenue increase.

Food & Beverage Report:

Director of Food and Beverage Sarah Luthy reported June sales 31% from concessions and 69% from catering. Catering department assisted with the themed Lion King Preview Party held in the theater lobby and received rave reviews. Signature Equipo Vision concession sales were up 60% from last year, with late night sessions; concessions broke with the normal and served waffle cones, which were a huge success. When they return in January they will incorporate churro's also.

Facility and Operations Report:

Director of Operations Will Kenney reported that natural gas usage continues to remain lower than previous years, electrical usage was up slightly but that was due to the facility being busier than past years. Staff has been busy getting the facility ready for the season. Maintenance has completed 138 work orders. Will attended the SMG Operations Meeting in Philadelphia, with a focus on security and emergency management. Tabletop presentations will be held here with staff to see how they react in certain situations.

Marketing Report:

Marketing Coordinator Clare Zell reported that Lion King individual tickets go on sale on August 17th. We will host a presale event with refreshments starting at 8:00 a.m. for patrons choosing to come to the box office instead of waiting for online sales at 10:00 a.m. For our Broadway season ticket patrons, they will have exclusive access to presale codes. This was tried with Jay Leno and was extremely successful. A new program will be implemented starting with Lauren Daigle. A gift of appreciation that is unique to the artist.

Convention Center Sales Report:

Director of Sales and Marketing Jess McMullin reported that the sales team for the month of June acquired sixty-four leads, wrote sixteen proposals, and executed twenty signed contracts. IHSA has extended their contracts through 2022 for their Drama and Group Interpretation State Finals. We have been working for the last several years on bringing in conventions for the month of June, which is our slowest time of the year. This year we had five new conventions and The Best of Prep banquet for

Convention Center Sales cont:

over nine hundred and fifty and have already rebooked for next year. The worldwide publication of Trade Show Executive magazine featured the Peoria Civic Center in their June edition.

Booking Report:

Stephan Hefler, Box Office Manager, reported that we announced two events in June. Jay Leno in the theater for November and Harlem Globetrotters in the arena for December. Three new shows will be announced next month. Fall bookings are looking very strong with shows ranging from country to comedy. Have also been working on Broadway Theater Series for 2020.

Sales and Marketing Committee:

Commissioner Dalfonso reported that the committee had met in July. Committee members have been providing leads for potential sponsorships for the arena LOFTS to Beau Sutherland. The new program of allowing our season ticket holders first chance a purchasing tickets for upcoming events is just another way of thanking them for their continued support. In conjunction with the Cara Allen from the PACVB and Clare Zell, marketing coordinator for the PCC, have been working on networking ticketed events with text messaging alerts, ticket giveaways and promotional campaigns. PACVB is also working on fine tuning the Economic Indicator to gauge the impact that the PCC has in the area. The strategic plan goals for FY18 have been met and exceeded. Fine tuning the strategic plan for FY19 and will be presented at the August PCCA meeting. With no surveys returned, there is no customer service score was available for the month of June, YTD average 9.2.

Capital Committee:

Commissioner Bartolo reported that the committee had met in July. A proposal for the Cooling Tower Fan Replacement and Repairs in the amount of and not to exceed \$43,000.00 be awarded to Johnson Controls. The Capital Committee reviewed and recommends that the PCCA board moves forward with this project.

Motion to approve the recommendation of \$43,000.000 to Johnson Controls

Motion was made by Commissioner Bartolo. Seconded by Commissioner Gandhi. Chairman DiGiallonardo called for a roll call vote. Motion passed unanimously.

Will Kenney gave an update on two ongoing Capital projects: The Lexus Club Remodel is scheduled for completion by mid-August. Beau Sutherland will host a grand opening sometime at the end of August. Also the arena LED lighting project has started with Oberlander coming in and starting with the to removal the old lighting and will start installing the wiring and controls for the new lights. Delivery date for the new lighting is August 6th.

Finance Committee:

Commissioner Gandhi reported that the committee had met and turned the floor over to Director of Finance Danette Snopek. June financials consisted of 28 actual events versus 29 budgeted with event income over budget by \$63,000. Indirect expenses were under budget by \$16,000. In the convention center, three banquets occurred versus three budgeted. The Illinois Department of Aging Spring Conference and Signature Equipo Vision were both unbudgeted conventions. Attendance at Signature Equipo Vision was 6,700. In the arena WWE performed over budget and attendance was 3,200. In the theater we had four dance recitals. The Lion King Preview Event kicked off the Ameren Illinois FY19 Broadway series. Indirect Expenses were under budget and for Non-Operating Income was under budget by \$84,000.

Presentation of FY19 Operating and Capital Budgets:

Commissioner Gandhi turned the floor over to Director of Finance, Danette Snopek for the presentation of the FY19 budget. The proposed FY19 budget projects a 5.65% increase for operating revenues and a 7.54% increase for expenditures. Operating loss before depreciation has been budgeted approximately \$390,512. Revenue for FY19 forecast for event income is \$5.011 million, which a 3.4% decrease compared to the projected FY18 event income. The theater is anticipating more than a \$500,000 increase in revenue vs. FY18 primarily due the upcoming Ameren Broadway Series. The four-event series is anchored by a 15-performance run of Disney's The Lion King with additional performances of Stomp, Finding Neverland and Rent. In addition to the Ameren series, we anticipate increased booking and revenues in the family and concerts categories at the theater. The Arena is projecting more than double the concert revenue in FY2019 vs. the previous year. Cyclical trends in the market led to lower than typical concert yield in FY2018, but that trend is expected to a positive course correction. Based on the most recent three-year history, we are expecting an increase in Bradley Men's Basketball attendance and revenue. Conversely, we are incorporating an anticipated decline in attendance and revenue from our other venue tenant. Overall the arena is budgeted for an \$11,245 increase over prior year. The Convention Center is adjusting their business model to capitalize on industry trends and create a stable annual revenue stream. Conventions remain the primary base with 40% of the business, followed by consumer shows, banquets/meetings and trade shows. This category is expected to remain consistent with previous budgets. Expenses 2019 are as follows: Total personnel costs have been budgeted to increase by approximately 6.5%. The primary cause in the increased cost of healthcare. Total Full-time Employees have been reduced by 4% versus FY17 to counter additional expenditures. The major categories that will see increases besides personnel costs are electricity, repairs/maintenance, and meetings/conferences and operating supplies. There is a new Storm Water expense that has been added by the City of Peoria with a budget of \$31,671 for FY19. In total, the budget for indirect expenses is just over \$6.635 million, which is an increase of 7.54% versus FY18 but only increased by 0.94% versus FY17.

Chairman DiGiallonardo called for a motion to open the public hearing on the FY19 budget.

Motion to Open Public Hearing on FY19 Budget:

Motion was made by Commissioner Gandhi. Seconded by Commissioner Manning. Chairman DiGiallonardo called for a voice vote. Motion passed unanimously.

Chairman DiGiallonardo asked for public comment from the floor. Seeing none, he called for a motion to close the public hearing.

Motion to Close Public Hearing on FY19 Budget:

Motion was made by Commissioner Manning. Seconded by Commissioner Bartolo. Chairman DiGiallonardo called for a voice vote. Motion passed unanimously.

Old Business: None

New Business:

Commissioner Welch reported that next week, we will be showcasing the PCC to ISAE; this is an organization of event planners from around the state. The PACVB has received the Economic Impact Study from the state showing that the seven counties that the PACVB represents, a total of six hundred and twenty-eight million dollars of tourism spending dollars in these counties. In this area alone, they have generated over seventeen million dollars in tax revenue.

Public Comment:

Mr. David Evers, 417 W. Greenway Place, Peoria, IL. He is a member of the American Society of Refrigeration and Air Conditioning Engineers. They are responsible for writing the energy standard codes and are advocates for energy efficiency. He thanked the PCC and the PCCA for all the efforts that have been put in place for energy efficiency and consumption.

Noting there was no need for an Executive Session; Chairman DiGiallonardo reminded everyone that the next PCCA meeting will be held September 27, 2018 at 4:00 pm, in meeting room 401. A reminder will be sent out one week prior to the meeting.

Adjournment:

Chairman DiGiallonardo requested a motion to adjourn.

Motion to Adjourn:

Moved by Commissioner Bartolo. Seconded by Commissioner Manning. Passed unanimously by voice vote.

Meeting adjourned at 4:18 p.m.