

**COLLINSVILLE METROPOLITAN EXPOSITION  
AUDITORIUM AND OFFICE BUILDING AUTHORITY  
GATEWAY CENTER  
March 18, 2010  
Regular Board Meeting – 7:00pm**

**Call to Order:**

The March 18, 2010, Regular Board Meeting of the Collinsville Metropolitan Exposition Auditorium and Office Building Authority was called to order at 7:00 pm by Chuck Tennant.

**Attendance:**

MEMBERS:

Present: Jim Ferris, Gene Forneris, Mike Keefe, Bob Kinamore, Frank Klostermann, Chuck Tennant, Ginger Trucano, and Mike Wenos

Excused Absence: John Bitzer

Also present: Cynthia Warke, Executive Director, Tracy Graul, Office Manager, and Kim Jones, Director of Finance

**Approval of Minutes:**

Regular Board Meeting, February 18, 2010

A **MOTION** was made by Forneris and seconded by Trucano to approve the February 18, 2010, Regular Board Meeting minutes. All were in favor. **MOTION** carried.

**Finance:**

**Proposed Operating Budget 2011**

Jones prepared and distributed a financial report, which forecasts yearend revenues and expenses for the FY '10 operating period. The report also reflects the proposed budget allocations for FY' 11 Operating Budget for the purpose of comparison and discussion.

Warke summarized how Gateway Center's finances are anticipated to evolve over the next annual operating period. If projected revenues and expenses hold true, net income after factoring in 50% of the anticipated Tax Increment Financing funds and adding back depreciation will result in a net income amount of (\$433,000). This amount assumes that \$401,000 in capital projects will be invested in over the course of the FY 2011 operating period.

Highlighted Operating Revenues for FY 2011 (Forecasted Information):

- Nearly a 15% reduction in Building Rent and Catering;
- Tax Subsidies are projected to remain flat;

- The Center is planning to promote 2 Bridal Shows within the next annual operating period; Therefore, revenues are anticipated to increase from \$41,308 to \$72,000;
- An overall decrease of just under 4% in Total Revenues.

Highlighted Operating Expenses for FY 2011 (Forecasted Information):

- An increase of 2.8% is forecasted in Personnel. In consideration of the significant reduction in Building Rent & Catering that is being forecasted, and a Net Income amount of (\$433,000), Warke is recommending that a freeze be placed on employee pay increases for the upcoming operating period;
- The organization is being hit with a 15% increase in the cost of employee medical benefits;
- Due to a second Bridal Show being held within the upcoming operation period, expenses associated with in-house events increased from \$17,302 to \$30,000;
- Capital Improvement Projects increased from \$24,612 in FY 10 to \$401,000 in the Proposed FY 11 Operating Period;
- An overall increase of 11.44% in Total Expenses has been forecasted.

Listed below is a breakdown of Capital Projects that have been recommended for FY11, as follows:

- Land Purchase - \$185,000
  - Function Chairs - \$156,000
  - Kitchen Equipment - \$20,000 (contingency funds)
  - HVAC - \$40,000 – (contingency funds)
- Total: \$401,000**

**Current Amount of Total Unrestricted Reserve Funds: \$751,507.56\***

\*This amount does not reflect any net gains in Net Income for FY 10.

Warke commented that the projected operating budget is very concerning. She is recommending that a Building Committee Meeting be held within the next week to discuss any further steps that can be implemented to reduce operating expenses over and above the steps that the staff has taken to date. She suggested that the committee review and discuss all outside service contracts as the first exercise in attempt to identify any potential cost savings that could be implemented in the future. In addition to this measure, Warke feels there are still potential utility savings that could be realized. She plans on holding another meeting with members of the Building Committee in regard to matters related to utility management.

Klostermann said that the majority of Gateway Center's expense is in personnel.

Trucano said it takes staff to operate the facility, especially when the basis of Gateway Center's business is service.

**Audit Proposal**

The board was furnished a document that reflected the proposal amounts for each of the accounting firms that submitted a proposal for the preparation of Gateway Center's annual financial statements.

Proposals were received from C.J. Schlosser & Company; Larson Allen; Rice Sullivan & Company; and Scheffel & Company.

After a brief discussion, the board felt that it was in the best interest of Gateway Center to select Schlosser & Company to prepare the Center's annual audit for a 3-year period. Their proposal amount for FY 2010 was \$16,500, FY 2011 - \$16,750 and FY 2012 - \$17,000.

Members of the board and staff commented that Scheffel & Company has been wonderful work with; however, Schlosser & Company has a good reputation and this coupled with economically reasons is why the Finance Committee is recommending the change in accounting firms.

A **MOTION** was made by Ferris and seconded by Klostermann to select C.J. Schlosser & Company. All were in favor. **MOTION** carried.

### **Building/Capital Purchases/Site/Vehicle**

Warke and Forneris updated the board regarding the function chair bids. Due to technicalities with the bids the Building Committee is recommending that Gateway Center re-bid the chair project. Therefore, no formal action of the board was taken in connection with Resolution #336.

Forneris briefed the board in regard to a manufacturer's defect that was recently discovered in connection with Gateway Center's existing Global chairs. It appears that the stacking mechanisms located on the legs of the chairs are pinching the vinyl material, which is causing the material to tear.

The staff plans to inventory all of the Global chairs to determine how many have torn material. Then the manufacturer's representative and the distributor will be notified about this matter.

**Personnel/Benefit/Retirement/Grievance/By-Law** - None

### **Insurance**

Wenos informed the board that an Insurance Committee Meeting would be held soon to discuss Business Interruption insurance coverage.

### **Marketing/Public Relations**

A meeting will be held with a few representatives of the Anderson Hospital Auxiliary regarding the 2011 Festival of Trees within the next month.

**Directors Report** - None

**Unfinished Business** - None

**New Business** - None

**Executive Session** - A **MOTION** was made by Forneris and seconded by Ferris to move to Executive Session to approve Executive Session meeting minutes at 7:31 p.m. All were in favor. **MOTION** carried.

A **MOTION** was made by Trucano and seconded by Klostermann to adjourn Executive Session and move back into the Regular Board Meeting at 8:17 p.m. All were in favor. **MOTION** carried.

**Gateway Center:**

A **MOTION** was made by Kinamore and seconded by Trucano to approve the monthly operating expenses of Authority for the month of February 2010 in the amount of \$191,843.88.

The following transfers were approved:

Revenue Deposit – To Operating Account - \$187,234.47

Revenue– To Principal & Interest - \$4,609.41

Regions Credit Card – To Principal & Interest - \$10,066.41

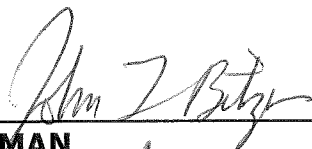
All were in favor. **MOTION** carried.

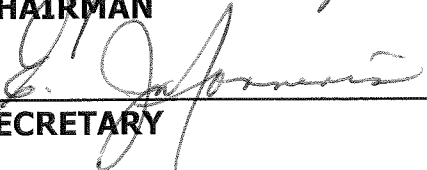
Executive Board Meeting, February 18, 2010

A **MOTION** was made by Trucano and seconded by Klostermann to approve the February 18, 2010, Special Board Meeting Executive Session. All were in favor. **MOTION** carried.

**Adjournment** - There was no further business to come before the board. A **MOTION** was made by Trucano and seconded by Klostermann to adjourn the meeting. All were in favor. **MOTION** carried. The Regular Board Meeting was adjourned at 8:20 p.m.

**A Budget Hearing is scheduled for 6:30pm and a Regular Board Meeting at 7:00pm on Thursday, April 15, 2010**

  
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**CHAIRMAN**

  
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**SECRETARY**