

**AGENDA**  
**SPECIAL FINANCE COMMITTEE**  
**Village of Hoffman Estates**  
**October 16, 2010**

**8:00 a.m.**

**Location: Village Board Room**

**Members:** Karen Mills, Chairperson  
Jacquelyn Green, Vice Chairperson  
Anna Newell, Trustee  
Cary Collins, Trustee  
Ray Kincaid, Trustee  
Gary Pilafas, Trustee  
William McLeod, Mayor

**I. Roll Call**

**II. Approval of Minutes – None**

**NEW BUSINESS**

1. To interview candidates for the Sears Centre Arena Owners Representative position.

**III. Adjournment**

# COMMITTEE AGENDA ITEM

## VILLAGE OF HOFFMAN ESTATES

**SUBJECT:** Sears Centre Arena Owners Representative Candidates

**MEETING DATE:** Saturday, October 16<sup>th</sup>, 2010 at 8 a.m., Village Hall Council Chambers

**COMMITTEE:** Special Finance Committee Meeting

**FROM:** Arthur Janura, Corporation Counsel  
Mark Koplín, Assistant Village Manager/Development Services

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**PURPOSE:** To interview candidates for the Sears Centre Arena Owners Representative position.

**BACKGROUND:** On June 7, 2010 the Village Board authorized a Management Agreement for the Sears Centre Arena with Global Spectrum, LP, Philadelphia, PA. Contained in the management agreement was a provision that the Village would assign an Owners Representative to oversee the Sears Centre Arena and act as a liaison between Global Spectrum and the Village of Hoffman Estates. Mr. Mark Koplín, Assistant Village Manager/Development Services, has been filling the role of interim Owners Representative until a replacement Owners Representative was identified.

On August 2<sup>nd</sup>, 2010 the Village Board approved a professional services contract with the Overture Group, Schaumburg, IL on an hourly basis for the recruitment of a Sears Centre Arena Owners Representative. Overture Group has interviewed and screened a number of applicants. Staff is presenting two candidates for consideration by the Board.

**DISCUSSION:** Candidate profiles developed by the Overture Group and a copy of the Owners Representative Job Description are included for discussion purposes. A Special Planning, Building and Zoning agenda item from March 2010 regarding the Owners Representative is included for historical purposes.

**RECOMMENDATION:** To interview candidates.

# Village of Hoffman Estates

## Job Description

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The Sears Centre Arena is an 11,000 seat multi-purpose family entertainment, cultural, and sports center located in Hoffman Estates, Illinois, a northwest suburb, 25 miles from Chicago.

**Position Title:** Owners Representative

**Department:** Special Planning

**Effective Date:** September 2010

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### SUPERVISORY RELATIONSHIPS

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**Reports to:** Mayor of Hoffman Estates

**Supervises:** Individual contributor overseeing Global Spectrum

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### BASIC FUNCTION

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Under administrative direction from the Village of Hoffman Estates, the Owners Representative will act as the Village of Hoffman Estates representative overseeing Global Spectrum to keep the Village Board apprised of Sears Centre Arena operations.

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### ESSENTIAL DUTIES AND RESPONSIBILITIES

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1. Apprise Village of Hoffman Estates of daily operations, financial reporting, maintenance of property, events, and reviewing Capital Planning needs of Sears Centre Arena.
  2. Represent Village of Hoffman Estates in coordinating and facilitating on operational, financial, and policy matters involving the Sears Centre Arena that reflect the priorities of the Village Board.
  3. Monitor and enforce management agreement with Global Spectrum.
  4. Review benchmarks agreed upon between Village and Global Spectrum.
  5. Oversee Global Spectrum in Continuous Improvement efforts.
    - Strong understanding of Federal and State Grant programs that could be used toward major upgrades and/or renovations that would financially benefit the Sears Centre Arena
    - Working knowledge of working in/with local governments a plus
  6. Perform duties as contained in the management agreement.
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### OTHER DUTIES

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Perform other duties as assigned by Village of Hoffman Estates.

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### POSITION QUALIFICATIONS

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**Education:** Bachelor's degree (BS/BA) from four-year college or university or a minimum of eight (8) years of proven administrative and supervisory experience in the management of a convention center, sports arena, or similar facility.

**Experience:**

- Strong working knowledge of complex budgets, Capital Plans, and P&L statements
- Extensive experience in managing large public or private facilities, such as an arena or convention center, including building operations, maintenance practices, and safety requirements of large crowd assembly.

- Knowledge of convention, entertainment, and sports, including strong understanding of procedures, operations, and financial administration
- Must have strong interpersonal skills and ability to deliver presentations to internal and external groups.

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## **COMPETENCIES/SKILLS**

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- Superior communications skills, both written and verbal
- Above-average leadership and organizations skills
- Ability to sort through and manage competing priorities
- Manages stressful situations effectively to preserve working relationships
- Demonstrates ability to work effectively with diverse people, including public, elected officials, and corporations



# The Overture Group

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## Candidate Profile

**Candidate: Paul Rathje**

**Position: OWNERS REPRESENTATIVE, VILLAGE OF HOFFMAN ESTATES**

### STRENGTHS

- Personality style: Professional, creative, pro-active, approachable, positive attitude, even-tempered
- Proven leadership abilities in directing staff and fostering new ideas
- Analytical, solution oriented with sound decision making skills
- 29 years experience in facility operations and event execution
- Directed operations at Wrigley Field and provided operational planning and support services for high profile events
- Industry connections both locally and nationwide
- Ability to perform and make sound decisions in difficult, stressful situations
- Experience in facility operations, personnel management, public and media relations, facility and labor contracts, marketing and sales.

### KEY ACCOMPLISHMENTS

- Directed a variety of improvement projects for Wrigley Field including premium seat additions, suite renovations, disabled seating and restroom additions, and playing field upgrades.
- Co-developed the Cubs "in-house" crowd management and staffing system, resulting in cost savings and improved operational control
- Developed various operational related initiatives related to Wrigley Field including Crisis Management Plan, Health and Safety Manual for Stadium Employees, staff training and development programs
- Implemented improved, cost efficient stadium cleaning procedures, resulting in fewer spectator accidents
- Successfully directed operations, event staff/security for various events including the first night game at Wrigley Field, the first concerts at Wrigley Field (Jimmy Buffett, The Police), visits by dignitaries including two United States Presidents, 1990 Major League All-Star Game and Cubs post-season games in 1984, 1989, 1998, 2003 and 2007.

- Successful direction of event operations and support services for Safety Service Systems, Inc., in support of the Harley Davidson 105<sup>th</sup> Anniversary Celebration, the Obama Election Night Rally and the EA Maui Invitational Basketball Tournament.

### **REASON FOR JOB CHANGE**

Looking for a different yet challenging opportunity to use my experience, background and skills

### **RECRUITER NOTES**

Paul Rathje has a varied background with a strong emphasis in facility management and event operations. Following an internship with the Columbus Clippers Baseball Team in Columbus, Ohio he was hired full-time as an Assistant Director of Operations working in a variety of roles. Hired by the Chicago Cubs in 1983, he initially oversaw the in-house security staff and co-developed a new staffing model bringing the entire event staff in-house. Paul took on more operational duties and was promoted to Director, Stadium Operations in 1998. During his tenure, in addition to major league baseball, he oversaw the first ever concerts at Wrigley Field, movie and commercial filming, presidential visits and many other special events. In 2008 Paul took on a new challenge with Safety Service Systems, Inc., providing operational planning and support services for client events including the Harley Davidson 105<sup>th</sup> Anniversary Celebration in Milwaukee, the Obama election night rally in Grant Park, and the EA Sports Maui Invitational Basketball Tournament.

Paul is from the south suburbs and currently resides in Peotone. He is married with two grown children. He served on the Peotone Village Board from 1993 through 2005 having been elected to three four-year terms. Paul is a graduate of Northern Illinois University with a B.S. degree in Business Management and received a M.A. degree in P.E.-Sports Management from The Ohio State University.



# The Overture Group

## Candidate Profile

**Candidate:** Cindy Kamradt

**Position:** OWNERS REPRESENTATIVE, VILLAGE OF HOFFMAN ESTATES

### STRENGTHS

- A special events and venue operations professional with 20 years of senior management experience in the sports and entertainment industries specializing in arena operations.
- She has managed all facets of arena operations with expertise including: architectural design review and analysis; operational reviews; parking and traffic operations planning; procurement of furniture, fixtures and equipment; start-up operations; event planning, management and operations; facilities management; programming, booking and marketing; security and crowd management; human resources design and management; employee communications and relations; recruiting, HRIS/payroll system management; development of third-party RFPs; asset management, budgeting and financial forecasting.
- Active member in IAAM, the industry association and currently hold two (2) association positions.
- She has coordinated and managed third-party contracts for public assembly buildings in the Chicagoland area and has a great reputation and is well respected. She has confidence of knowing the 'players' and has the knowledge and expertise of these values.
- Proven leader.
- Well networked in the public assembly industry, both locally and nationally.
- Knows the local and national promoters and understands the industry contracts and P&Ls.
- She is well versed in all areas of operating arena, to including, ticketing, marketing, and food and beverage. She has experience working directly with Levy Restaurants and Ticketmaster.
- Personality style: Professional, confident, creative, excellent multi-tasking abilities, discreet and honest.

### KEY ACCOMPLISHMENTS

- Created the industry standard in-house staffing operation, At Your Service, for the United Center and US Cellular Field, responsible for the management of both facilities.

- Successfully opened and operated over 15 arenas/stadiums/events across the country.
- She has a successful 20-year career, with a wealth of experience in operating sports venues.
- She started a successful consulting company.
- Successfully consulted with over a dozen nationally recognized sports and entertainment clients.

### **REASON FOR JOB CHANGE**

She started her own firm CLK Consulting, LLC in February 2010 and would have Hoffman Estates as a primary client.

### **RECRUITER NOTES**

Cindy Kamradt is a special events and venue operations professional with 20 years of senior management experience in the sports and entertainment industry. She also is an Adjunct Professor at Northwestern University in the Masters of Sport Administration program.

Cindy was the Vice President of Operations for International Facilities Group, LLC (IFG) responsible for all operational consulting services, before spinning off from IFG in February 2010 to form CLK Consulting, LLC. Prior to IFG, Cindy honed valuable management and venue opening skills early in her career. She was the Executive Director of Event Services for the Jobing.com Arena (formerly Glendale Arena) in Glendale Arizona, where she coordinated start-up and oversaw numerous departments. Earlier she was the Administration Manager for the Salt Lake Organizing Committee for the Winter Games 2002, where she managed the Athletes Village and its nearly \$20 million budget; General Manager of the United Center and US Cellular Field (formerly Comiskey Park) At Your Service, the start-up in-house event staffing company; and Director of Human Resources of Arlington International Racecourse in suburban Chicago. Cindy's recently returned from a three-month project with AEG-China, to assist with the opening of the Mercedes Benz Arena (Shanghai World Expo Culture Center) for the Shanghai World Expo 2010.

Among the dozen consulting clients, Cindy has been working with the New York Yankees and the City of Orlando (Orlando Magic's Amway Arena) for the past three (3) years and continues to advise them on operational issues through CLK Consulting, LLC.

Cindy resides in Chicago, Illinois. She is a bachelor's degree in human resource management for the Business School of Northern Illinois University.



**COMMITTEE AGENDA ITEM  
VILLAGE OF HOFFMAN ESTATES**

**SUBJECT:** Discussion regarding the typical duties of a Contract Administrator and options on how the Village can fill that role for the Sears Centre Arena

**MEETING DATE:** March 1, 2010

**COMMITTEE:** Special Planning, Building and Zoning

**FROM:** Mark Koplin

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**REQUEST:** Discussion regarding the typical duties of a Contract Administrator and options on how the Village can fill that role for the Sears Centre Arena.

**BACKGROUND:** On December 18, 2009, the Village became owner of the Sears Centre Arena through the Deed in Lieu of Foreclosure process. The Village issued a Request For Proposal and received comprehensive proposals from the country's two largest professional arena management companies. Currently, the Village is negotiating a management agreement with Global Spectrum for the Sears Centre Arena, while Global Spectrum manages the building under an interim agreement. The Village has also negotiated agreements with other third party service providers, including Global Spectrum affiliates for ticketing and the sales of contractually obligated income.

**DISCUSSION:** Under a third party management agreement, the Contract Administrator position is a necessary role and key to facilitating the smooth running of arenas, entertainment, and sports venues. The arena manager requires a single point of contact from the client to interface with on a daily basis on any number of issues. The Contract Administrator's primary focus is to act as the interface between the manager and owner and keep the Village Board apprised of arena operations.

The Contract Administrator interfaces on a daily basis with a focus to maximize the many efficiencies and synergies between the arena, its third party operator, and the Village as they pertain to daily operations, event frequency/diversity, financial reporting and cash flow, maintenance of property and systems, and over the long term, addressing the capital planning needs of the asset. Due to the competitive nature of the industry/business, certain information must be proprietary and some job functions often necessitate that decisions must be made by the Contract Administrator, on behalf of the owner, in a very compressed timeframe. Acting in the Village's interests is paramount at all times. The person could have an office at the Sears Centre Arena, the Village Hall, or both.

**DISCUSSION: (Continued)**

Acting as the "owner's representative", the Contract Administrator provides coordination, facilitation, and when necessary, leadership on operational, financial, and policy matters involving the Sears Centre Arena to reflect the priorities and philosophies of the Village Board, staff, and key venue stakeholders. This role is typically filled by an individual, with that person as the primary liaison between the Village and Global Spectrum on a day-to-day basis. Contract administration requires the monitoring and enforcement of the management agreement with the arena manager, along with any other agreements for ticketing, food service, sale of commercial rights, and some of the higher profile service contracts, to protect the Village's interests and to ensure accountability for all agreements. If the management agreement includes qualitative and quantitative incentive provisions, the Contract Administrator would collect, review, and advise on the achievement of any benchmarks. Responsibilities would also include following up on any deficiencies identified throughout the year, including any items identified in the annual audit.

The principle areas of responsibility include advising on booking of events, reporting (financial and other), advocating for the Sears Centre Arena, event settlements, coordinating the major revenue/service providers (ticketing, food/beverage, sale of commercial rights), and to address any customer service issues with Global Spectrum. This person would lead and participate in the development and implementation of Sears Centre Arena goals, objectives, policies, and priorities, as well as to monitor, interpret, and evaluate the efficiency and effectiveness of service delivery methods. They would also look at internal procedures, staff workloads, and relationships with an eye for continual improvement, including partnerships with Village operating departments and private companies that provide service to the Sears Centre Arena. Knowledge and familiarity with grant programs at the state or national level would be a plus as grants for major renovations or upgrades would be beneficial to the overall finances of the Sears Centre Arena. Knowledge of and experience in working in/with local governments would be a plus, along with the intricacies and nuances of doing business in the public sector.

The skills necessary for this job include knowledge of and ability to analyze complex budgets, capital plans, and profit and loss statements, ability to understand complex contracts and agreements, and knowledge of arena operations. This person should have extensive and management level experience in managing large public or private facilities, preferably at a public assembly venue. A knowledge of the convention, sports, and entertainment industry, and familiarity with procedures, operations, and related financial administration would be very helpful. This person should possess great interpersonal skills to work closely with Global Spectrum, elected officials, Village departments, and the public (including event promoters at times). The ability to communicate clearly and concisely, both orally and in writing, and to make presentations to internal and external groups is important. Attendance at all or some events (i.e. the major events) would be desired and/or required.

**DISCUSSION:** (Continued)

The Village should consider granting the Contract Administrator some level of authority to make or facilitate Global Spectrum's response to certain event-related financial decisions and commitments, based on parameters (to be prescribed by the Board) along with interactions with the elected officials and Village administration. To explain, settlement of an event requires decisions to pay or "divvy up" show revenues and expenses with the promoter that are based on the parties' mutual interpretation of the business deal. As the Board has been learning with this project, event contracts, especially concerts, are unique relationships, which are governed not only by the terms of the deal, but also by common industry practices coupled with the overarching desire for the venue operator to maintain good relationships with each event promoter. Additionally, the booking of events is not a simple practice. Complex negotiations take place, often in extremely short time spans to strike a deal, so responses to promoters must be quick. Deal structure/economics vary by show type. It can be as simple as a straight rental deal with very little risk to the building, but there are times when the Sears Centre Arena will be involved in some sort of a "co-promotion" where the building (Village), in agreed upon proportions with the promoter, takes some element of "show risk". This could be a circumstance where the building risks its rental fee, or its rent and house expenses, or it could be a greater risk situation (called an "up and down") where all risk between the parties is split 50/50. Additionally, there are circumstances where Global Spectrum and the Village might explore the merits of "buying" a show where the building takes all the risk and receives 100% of the reward. In the cases where the building takes an element of risk, Global Spectrum will advise the Contract Administrator of the opportunity, who in turn would consult with Village officials before making a decision and communicating it to Global Spectrum so they can go forward and make the deal assuming some level of risk.

The Contract Administrator could convene regular meetings with Ad Hoc Sears Centre Advisory Committee for the purpose of sharing information and relevant information related to the Sears Centre Arena. Financial monitoring could include the Sears Centre Arena budget, reviewing and/or approving all expenses prior to payment or reimbursement, and approving the list of bills and invoices per adopted procedures. All of this could be done in coordination with the Finance Director. Attendance at event "settlements" (often on the event night) is important to ensure the proper settlement of event revenues and expenses. Due to the possibility of illness or unavoidable absences, the Board may also want to designate a backup.

The Contract Administrator position may not require full time hours, and over time could require perhaps 12-20 hours per week, depending on the event schedule. These hours would be variable from week to week and some/many of the hours may be outside of the traditional 8:00 a.m.-5:00 p.m., Monday through Friday, work week. Options to fill this position on a full time or part-time/hourly basis include:

- ◆ Hiring a new employee that could be recruited through industry trade ads or an executive recruitment firm.
- ◆ Hire a qualified consultant with the necessary skill sets.
- ◆ Assigning a current Village employee.

A blended approach may also be possible to combine two or more of the above.

**DISCUSSION: (Continued)**

The Contract Administrator would provide reports and work directly with the Village President and the Board of Trustees, the Village staff, and the Ad Hoc Sears Centre Advisory Committee, while coordinating activities and initiatives with Village operating departments, as necessary.

If the Village hires an outside party to fill this position, the unused funds from the remaining portion of the IFG contract that was approved and included in the 2010 Village Budget is available. This position could also be considered a contracted individual, considered under "professional services" as recognized in Global Spectrum's contract and as a line item in the Sears Centre Arena budget, and considered an operating expense of the building.

Another related function previously discussed by the Board was a desire to have an independent third party perform "spot audits" on a quarterly basis. This is not traditionally part of the Contract Administrator's duties and may require 4-5 days per quarter and involve a review of quarterly financials and profit and loss statements for Global Spectrum, the ticketing company, the food and beverage company, Front Row Marketing, and perhaps parking and other major service contracts. Mary Beth Hardina with IFG has demonstrated financial knowledge and is experienced in looking at arena financial statements, and could be considered. Another option would be to consider having the Village auditor perform this work quarterly to become more familiar with the Sears Centre Arena with an ancillary benefit of reducing surprises during the annual audit. Again, a blended approach may also be possible.

Whatever direction the Village Board decides to proceed, we will request formal proposals with a detailed scope and costs/rates specified, along with any other requirements. Formal agreements or contracts would be brought back to this Committee.

We will be happy to provide clarification on any items at the Committee meeting or answer any questions.

**RECOMMENDATION:**

For discussion purposes only.

cc: Ben Gibbs (Global Spectrum)  
Joe Briglia (IFG)