

WILL COUNTY METROPOLITAN EXPOSITION AND AUDITORIUM AUTHORITY

Date: July 26, 2017

Authority Memo Number **052-2017 June 28, 2017 Regular Meeting Minutes** – as corrected  
The June 28, 2017 regular meeting of the Will County Metropolitan Exposition and Auditorium Authority Board was held at 15 E. Van Buren Street, Joliet, Illinois 60432. Chairman Bob Filotto opened the meeting at 4:00 P.M. with a quorum present and welcomed Board members and the public.

Present: Joe Carlasare, Donnie Chestnutt, Jane Condon, Bob Filotto, Jeff Pierson, Kathy Trizna and Council Liaison Pat Mudron

Absent: Tom Osterberger, excused

Others: David Silverman, Legal Counsel; Carl Buck of Rathbun, Cservenyak & Kozol, LLC.; John Olivieri, Olivieri Bros. Architects and Olivieri Real Estate; Ron Romero, videographer; members of IATSE Local 124 and Rialto Square Theatre Foundation Board; members of the public and the press  
Staff: Val Devine, Jack Ericksen, Dale Evans, Patti Fitzpatrick, Jan Gilligan, Leann Hoffrogge, Nancy Lindmark and Marilyn McSteen

**Motion to Amend the Agenda:** Pierson moved and Carlasare seconded a motion to amend the Agenda to move Executive Session to be held immediately following Old Business items. The Chair called a voice vote, heard "Ayes" expressed and asked if anyone was opposed. Motion passed unanimously.

APPROVAL OF MINUTES

Authority Memo Number **041-2017 May 24, 2017 Regular Meeting Minutes**

**Motion:** Carlasare moved and Trizna seconded approval of May 24, 2017 regular meeting minutes, as presented.

Authority Memo Number **042-2017 May 31, 2017 Special Meeting Minutes**

**Motion:** Trizna moved and Condon seconded approval of May 31, 2017 special meeting minutes, as presented.

The Chair called a voice vote. Pierson, who had been absent, abstained. The other members gave positive responses. Motion passed.

Authority Memo Number **043-2017 June 20, 2017 Special Meeting Minutes**

**Motion:** Pierson moved and Carlasare seconded approval of June 20, 2017 special meeting minutes, as presented.

In response to the Chair's request, "Ayes" were heard. Opposing votes were invited. Motion passed unanimously.

Public to be Heard Re: Agenda Items

- A member of the public commented on the Property Management Proposal.

Authority Memo Number **044-2017 Operational Bills Paid and Payable and Payable Age Listing**

**Motion:** Pierson moved and Chestnutt seconded approval of Operational Bills Paid and Payable in the amount of \$319,983.38.

AYES: Carlasare, Chestnutt, Condon, Filotto, Pierson, Trizna

NAYS:

**Discussion:** Evans reviewed the material presented for approval. It was noted that two financial reports were included. Evans said new expenses have been entered into QuickBooks since May 1; data through April 30 will remain in Open Systems software. Small expenses are generally paid from petty cash, however that did not occur in the case of a recent reimbursement. The motion passed.

Authority Memo Number **045-2017 Financial Statements** – To Place on File

**Motion:** Pierson moved and Trizna seconded placement of A.M. 045-2017 Financial Statements on file.

AYES: Carlasare, Chestnutt, Condon, Filotto, Pierson, Trizna

NAYS:

**Discussion:** Evans reviewed financial reports for the first three quarters of FY2017 and concluded with the statement that approximately \$90,000 had been acquired through sponsored events. The FY2016 audit has been completed and will be distributed at the next regular Board meeting. The FY2017 audit has been scheduled for October 2017. • The Chair noted the trend is positive, but improvements can be made. • Evans reviewed the cash position statement that had been distributed. • Representatives from the Authority Board will meet with Foundation Finance Committee in order to clean up 'due to's' and 'due from's' between the two organizations. The Foundation will undertake more fundraisers; Evans recommends RSTF pay event expenses out of event funds in order to limit 'due to's' and 'due from's.' Funds would be tracked through the Authority and shown under the Foundation. The Chair requested a motion to place financial statements on file. Motion passed.

#### OLD BUSINESS

**Discussion:** [Silverman vacated his seat at the table due to a conflict of interest. Attorney at Law, Carl Buck of Rathbun, Cservenyak & Kozol, stepped in.] Condon reported she had met with John Olivieri to review the modified Property Management Proposal, a document that was distributed directly to Board members. Responsibilities and costs have been reduced. • Devine reported she / VenuWorks has instituted a policy of responding immediately to tenant requests and positive changes have resulted. VenuWorks is familiarizing themselves with the space. VenuWorks will take an accurate inventory of the space. People from the community have initiated contact. After speaking with Olivieri earlier, she is confident that plan can be agreed upon. • Olivieri reported that he had watched the previous Board meeting video. He reviewed the responsibilities of a fulltime property manager to oversee repairs, maintenance and improvement, financial monitoring, tenant relations, vacant space improvements and long-range planning. Rialto staff / VenuWorks oversee repairs, maintenance / improvement and financial monitoring very well, therefore he has proposed to supervise tenant relations, vacant space improvements and long-range planning, reducing compensation from \$10,000 to \$1,900 a month. • The Chair noted the modified proposal reduces fees from \$80,000 to \$25,000 for the first year. Olivieri said this is very unusual, but he is confident that they will be able to work well with VenuWorks' staff, but because it will be trial, it is a one-year agreement. By next spring, any necessary changes will be known and a new contract can be discussed. In response to the Chair's question, Olivieri said the responsibility for marketing and filling the building is theirs. Carlasare introduced Carl Buck, who stated that he is working on behalf of Rathbun, Cservenyak & Kozol, and had stepped in as conflict counsel to provide the Board an opinion and legal services relative to the negotiation of the contract. He said

their engagement would for the purposes of completing that project. The Chair added that this a pro bono service. • Condon commented that Olivieri's confidence in VenuWorks to carry out building responsibilities gives the Board confidence, as well, but she feels the Board should put a report policy in place to help them determine how well the management plan is working. Carlasare said a real estate committee should be formed. Olivieri said his company needs a contact person with the authority to accept offers. • The Chair appointed Carlasare and Condon to serve on a Building Committee. He thanked them for the time and effort they put into this matter and John Olivieri for his openness to the Authority's needs and limitations. Pierson added his thanks to the extra effort put forth. Buck said he was in possession of the original contract and will get the revisions from the committee and will work with the committee and, through them, with Mr. Olivieri and VenuWorks. Olivieri had printed two copies of the revised proposal which were given to Buck and Condon.

Authority Memo Number 040-2017 VenuWorks' Proposed 2017-2018 Fiscal Year Budget

**Motion:** Condon moved and Carlasare seconded approval of the 2017-2018 Fiscal Year Budget as presented.

AYES: Chestnutt, Condon, Filotto, Pierson, Trizna

NAYS: Carlasare

**Discussion:** Evans explained revisions to tenant leases in the revised Budget were due to a tenant who had planned to vacate renewing the lease; several tenants with month-to-month lease agreements have continued for some time and there was nothing to indicate that would change; and a tenant requested an unanticipated lease extension to coincide with their fiscal year. In response to Carlasare's question, Ericksen said the Foundation has committed to raise the \$165,000 shown in the next fiscal year: additional seating has been added to Teddy Bear Tea and VenuWorks is providing more marketing support of the holiday events than has previously been the case. In response to a question regarding the Co-Pro amount, Devine offered to call Tim Sullivan, as specifics had not been shared with her, but members of the Board asked her to give her understanding in that regard. She said it is likely that, based on further review of local market data, \$50,000 was deemed a more realistic estimate than \$80,000. • The Chair requested a motion which passed with five affirmative votes and one negative vote.

#### EXECUTIVE SESSION

**Motion (as amended):** Carlasare moved and Trizna seconded moving the meeting into executive session to discuss matters of pending litigation and lease negotiation(s).

AYES: Carlasare, Chestnutt, Condon, Filotto, Pierson, Trizna

NAYS:

At 4:46 P.M. the members, legal counsel and executive director exited to another room to discuss the matters identified above.

**Motion:** Condon moved and Chestnutt seconded the meeting into open session at 5:14 P.M. The Chair called a voice vote. When the majority voted affirmatively, the Chair asked if anyone was opposed. No one responded. Motion passed.

Note: Upon reopening the meeting it was clarified that there had been no matter of pending litigation to discuss.

#### NEW BUSINESS

Authority Memo Number **046-2017 Current Tenant's Lease Negotiations**

**Motion:** Pierson moved and Carlasare seconded approval of the following lease term revisions: Reich, Jumbeck, Stole, L.L.P., Storage Space Lease in the amount of \$0.00; Fabrizio, Hanson, Peyla & Kawinski, P.C., at a rate of \$12.50 per square foot through May 31, 2019 and Fidelity National Title Co., LLC, six-month lease extension with a termination date of June 30, 2018.

AYES: Carlasare, Chestnutt, Condon, Filotto, Pierson, Trizna

NAYS:

**Discussion:** The Chair called a voice vote. Members voted in the affirmative. Motion passed without opposition.

Authority Memo Number **047-2017 Interim 2017 Budget**

**Motion:** Pierson moved and Trizna seconded approval of VenuWorks' Interim 2017 Budget as submitted.

AYES: Carlasare, Chestnutt, Condon, Filotto, Pierson, Trizna

NAYS:

**Discussion:** The Chair noted that the interim budget showed a loss of \$173,000. He stated that counsel advised the interim budget should be approved, as a matter of good practice; the Chair requested a motion. With the motion on the floor, he directed roll be called. Motion passed.

Authority Memo Number **048-2017 Deputy FOIA Officer**

**Motion:** Pierson moved and Trizna seconded approval of the appointment of Patti Fitzpatrick as deputy FOIA officer.

**Discussion:** Since Gilligan's hours have been reduced to 24 hours every 80-hour pay period, she can no longer be counted on to receive and evaluate FOIA requests or to collect and distribute in accordance with FOIA requirements. In response to the Chair's question, Devine said Patti Fitzpatrick would be available. In response to the Chair's question, legal counsel suggested that the appointment should be made. The Chair requested a motion and, with the motion on the floor, called a voice vote. Ayes responded. The Chair invited opposing votes. None was voiced. Motion passed.

Authority Memo Number **049-2017 Workshop to Discuss Rialto Square Theatre Dedicated Funding**

**Motion:**

AYES: Carlasare, Chestnutt, Condon, Filotto, Pierson, Trizna

NAYS:

**Discussion:** The Chair referenced Evans' request to hold a workshop to discuss dedicated funding at 4:00 P.M. on July 12, 13 or 14 and inquired as to members' availability. It was determined that the Board would meet at 4:00 P.M. on Wednesday, July 12<sup>th</sup>.

**EXECUTIVE REPORTS**

**RST Foundation:** Vice President Steve Randich has notified approximately 50 individuals who may be interested in purchasing the marquee sign or know someone who would be. • The Christmas at the Rialto fundraiser will feature holiday entertainment from November 13 through December 16. • The American Red Cross will hold a Blood Drive on Route 66 in the Rialto Rotunda on July 26<sup>th</sup> from 1:00 to 7:00 P.M. McSteen introduced J.D. Ross, President of the Illinois River Valley Chapter who thanked the Rialto staff and Board for their cooperation. • Ericksen added that the former Shake, Sparkle, Stir event has been renamed, Celebrate the Season.

**Executive Director's Report:** Devine reported Rialto Music Mondays drew 173 patrons and four dance recitals and four rehearsals were held. The Rialto theatre / staff participated in Star Wars Days, Paws on Route 66, New Orleans North, two group tours and farmer's market tours. Participation in the August 5<sup>th</sup> Kidzfest and paranormal tours are planned. Shows for November 13 and February 3 have been confirmed. • Ongoing internet issues in the Rotunda new wireless access points have been installed; the Point of Sale system is expected to function. • The theatre is undergoing a thorough spring cleaning. • Marketing position interviews continue. • Devine will speak with a grant writer tomorrow. • Our show count is 33 (38 including school performances). • Website content is being reviewed in house; the web designer continues to format the design. We hope to have the new website fully functional in early August. • A part-time employee will be added to our engineering staff to reduce overtime hours. • In response to the Chair's question, Devine said we have no reason to expect cancellation of the Olivia Newton John show; she was just featured on the cover of People Magazine with positive statements about continuing her tour. The Chair thanked Devine for her report and said her Friday emails are appreciated.

**Board Chair:** The Chair thanked Board members and members of the public who attended the City Council meeting at which the requirements that would allow the second half of City funding to be provided to the Rialto. The check has been received.

#### ELECTION OF OFFICERS

**Motion:** Condon moved and Carlasare seconded maintaining the slate of officers currently serving.  
AYES: Carlasare, Chestnutt, Condon, Filotto, Pierson, Trizna  
NAYS:

**Discussion:** The Chair advised those present that the Authority Bylaws state officers are to be elected at the regular June meeting "every other" year (which happens to be odd numbered years) to serve two-year terms. He opened the topic for discussion. Condon said she would offer that we keep the slate as is. Carlasare said he would second that. Legal counsel suggested, and the Chair invited, other nominations. There were no other nominations. With the motion on the floor, the Chair directed roll be called. Motion passed unanimously.

#### Board and Public to Be Heard

All members of the public who wished to speak were allowed that opportunity.

#### Adjournment:

**Motion:** Condon moved and Chestnutt seconded adjournment.  
The Chair called a voice vote; the motion carried unanimously. The meeting adjourned at 5:34 P.M.

Minutes respectfully submitted by Jan Gilligan, Recording Secretary

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Kathy Trizna, Board Secretary

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