

WILL COUNTY METROPOLITAN EXPOSITION AND AUDITORIUM AUTHORITY

DATE: November 16, 2016

AUTHORITY MEMO NUMBER 097-2016

**RE: Regular October Meeting Minutes**

The October 26, 2016 Regular Meeting of the Will County Metropolitan Exposition and Auditorium Authority Board was held at 15 E. Van Buren Street, Joliet, Illinois 60432. Board Chair Daniel Vera called the meeting to order at 4:02 P.M. with a quorum present and directed the body rise for the Pledge of Allegiance led by Tim Berry.

Board Chair welcomed all in attendance and directed roll be called.

Present: Mary Babich, Mary Beth Gannon (4:14 P.M.), Vicki Murphy, Mike Murray, Dave Thornton, Cindi Tyler, Dan Vera and Council Liaison, Pat Mudron.

Absent:

Others: John Siehl, VenuWorks; Lynne Lichtenauer and Tim Shanahan, RSTF; Lorin Lynch, IATSE Local 124 Business Agent; and members of the public and the press.

Staff: Tim Berry, Interim Executive Director, Mike Biedron, Jack Ericksen, Dale Evans, Jan Gilligan, Leann Hoffrogge, Annette Parker and Trish Stoner.

**AUTHORITY MEMO NUMBER 092-2016 September 28, 2016 Regular Meeting Minutes**

**Motion:** Babich moved and Thornton seconded approval of minutes of the September 28, 2016 Regular Meeting, as submitted.

AYES: Babich, Murphy, Murray, Thornton, Tyler, Vera

NAYS:

**Note:** With the motion on the floor, the Chair asked if there were any additions, corrections or deletions to the minutes. Hearing none, he directed roll be called. The motion passed unanimously. ▪ The Chair thanked Evans and Gilligan for the electronic distribution of Board packet materials and asked the members their thoughts. Murphy said e-copies make sense as it saves staff time. She also appreciates the ability to review the material via smart phone at her convenience. In response to the Chair's question, Mudron said City Council packets are distributed electronically. He had printed the documents and brought them to the meeting and asked if printed copies would always be provided. Murray said anyone who wants print copies can print and carry them to meetings. It was the consensus of members present that other boards with which members are or have been associated with distribute materials electronically. Tyler said she had printed and brought with the pages she wanted to reference. There were no requests for hard copies. The Chair said this is a positive step forward.

PUBLIC TO BE HEARD: No comments were offered.

FINANCIAL REPORTS:

**AUTHORITY MEMO NUMBER 093-2016 Operational Bills Paid and Payable**

**Motion:** Tyler moved and Murphy seconded approval of 093-2016 Operational Bills Paid and Bills Paid and Payable in the amount of \$180,573.75.

AYES: Babich, Gannon, Murphy, Murray, Thornton, Tyler, Vera

NAYS:

**Report:** Evans reported bills paid and payable in the amount of \$180,573.75. The Chair invited questions regarding any line items and any bills. Evans said the report stands as written. The Chair confirmed everyone was aware of our cash position and repeated the invitation for questions. Hearing none, he stated a motion to approve was in order. With the motion on the floor, he invited further questions and, hearing none, directed roll be called. Motion passed unanimously.

AUTHORITY MEMO NUMBER **094-2016 Financial Statements**, place on file

**Motion:** Babich moved and Tyler seconded placing 094-2016 Financial Statements on file.

AYES: Babich, Gannon, Murphy, Murray, Thornton, Tyler, Vera

NAYS:

**Note:** In Evans' review of financial statements he noted Page 3, Line 5, Net before City Subsidy, shows a \$3,200 surplus. This was due to the transfer of \$4,850 from Foundation to Authority for the marquee project which, once remitted for payment of work provided, left a negative balance of \$1,637, which was a positive swing of \$216,000 compared with last year. The Chair asked if there were any questions or clarifications regarding the financial statements. Hearing none, he requested a motion to place this item on file. Motion passed unanimously.

#### OLD BUSINESS:

AUTHORITY MEMO NUMBER **090-2016 Budget through December**

**Report:** Berry reported work on the budget had advanced, but was deferred in order to prepare material to be presented to the City of Joliet by weeks end, for distribution at the Finance Committee's November First meeting. VenuWorks and Evans prepared estimates of the year end deficit and independently arrived at estimated losses of \$695,000 to \$700,000. Berry said the Rialto has provided a very honest projection of the deficit and finances necessary to operate the facility in a professional manner going forward. In response to Murray's question, Berry said the estimate is what it would take to run the operation. In addition to a subsidy or grant, sponsorships, plays, food and beverage sales, Foundation monies and other revenue streams would be needed. Murray observed that, unless the deficit is addressed, the future cannot be assured. The Chair and Berry agreed deficit reduction would become the profit margin. In response to Murphy's question Berry said \$700,000 is needed to address the deficit; \$600,000 annually would fund the operation. In response to Thornton's question, Berry said Evans sent letters to those vendors to whom we owe money. The Vice-Chair noted that each letter specified the amount owed the vendor. Calls continue at a slower pace than before the letters were mailed. ▪ A.M. 090-2016 remains on the table.

#### NEW BUSINESS:

AUTHORITY MEMO NUMBER **095-2016 City Grant Request**

**Report:** The Chair referenced Berry's report, above, and stated that he had met with Mayor O'Dekirk yesterday and reported that it was a very positive exchange. As the Mayor had stated some months ago, no funding decision would be made before the third party administrator had submitted a report. The report will be presented prior to Tuesday's meeting; copies will be presented to the press. VenuWorks will present six or seven slides to dovetail with the proposal. The Mayor asked the Authority Board to make a presentation at the first of the Budget Workshops, the date to be

announced at Tuesday's meeting. The Chair asked all Board members to attend that meeting. The Foundation Board is integral in the process and will be asked to attend. ▪ In response to Murray's request, it was explained that the City stipend had been created when John Mezera was City Manager. The Board had never before made a formal grant request. The outgoing Chair had informed the Chair the procedure had been for the general manager to contact the City Manager to learn the amount being considered. The Chair then contacted former City Manager Thanas who said the amount had been decreased from \$700,000 to \$600,000 during an economic decline in 2008-2009 when stipends for all City-supported not-for-profits were reduced. The Chair had met with the City Manager last year and has scheduled a meeting with City Manager Hock for next Wednesday, after which he will, again, meet with the Mayor.

#### **AUTHORITY MEMO NUMBER 088-2016 Committee and Executive Reports**

**RST Foundation:** Ericksen reported Foundation Board members are well aware of the financial situation and that, in addition to their regular meeting schedule, they have held additional meetings and are taking action that include the following, which are "no cost" opportunities. A limited number of "Proud Supporter / Rubens Rialto Square / THE SHOW WILL GO ON" decals will be available for a minimum donation of \$25.00; the decals were underwritten by Heartland Bank. The other Opportunity is a raffle, "Your Name in Lights," for \$20 per ticket or 10 for \$100, the winner will have their name / message on the marquee from December 19 through 28. The Foundation, with a lot of staff support, is presenting a strong lineup of 'Twas the Month before Christmas events. 'Twas sponsorships are going very well and raffle packages are being created.

**Interim General Manager:** Berry reported the Center for Economic Development celebrated their 35<sup>th</sup> anniversary at the Rialto and yellow buses brought 2,000 students to matinees. ▪ The marquee restoration is underway; Berry expressed his thanks to Vera, Biedron and Ericksen. ▪ Berry began an outreach to various community leaders to spread the word that we are want to present programming that will appeal to diverse segments of the community. A meeting with Harrah's representatives was productive. Like the Rialto, a majority of Harrah's clients are from outside the region and there was a good discussion about reaching non-local residents with information on events and opportunities. We have met with Harrah's several times to discuss ways of developing our properties and collaborative efforts in terms of programming and creating packages that would be of interest to out-of-towners. ▪ VenuWorks booked a Ronnie Milsap performance, 7:30 P.M. Friday, December 2. ▪ Staff has been diligently seeking sponsorships for programming and development. ▪ The effects of deferred maintenance on the facility have been discussed; these are important aspects of the facility that must be monitored. ▪ The Rialto has had great relationships with the Center for Economic Development, the Chamber of Commerce and City Center Partnership; Berry is working to maintain collaborative efforts with these and other groups. VenuWorks recognizes the Rialto is part of an economic engine and part of the revitalization of downtown Joliet. These and other relationships, such as recent interaction with the vice president of IHeartRADIO are vital for the Rialto's future. Berry reported he had conversed with Derrick Brown of iHeartRADIO regarding potential collaborations. Brown is very busy, but generous with his knowledge and time. Berry found Brown to be very interested in their discussion of gospel plays. Further discussions regarding Brown's contacts in radio and in the African American community are planned.

**VenuWorks' Chief Operating Officer:** Siehl reported corporate office personnel have been very actively working this account in order to determine the Rialto's logistics, staffing and its operational, physical and booking needs, as well as many hours on business plan development and budget. Siehl commented that he had worked out budget numbers, as had Evans and there was less than \$200.00

difference in their bottom line numbers. Siehl said VenuWorks and the Rialto are on the same page and VenuWorks staff believes they have a very good feel for the financial component as they go forward with the grant request. The Rialto is at the top of their list, discussed daily – usually more than once. He added that he's happy to be back.

**Board Chair:** The Chair reported that Gilligan had distributed executed and sealed copies of the Authority Bylaws Revised September 28, 2016 for each member and Council Liaison Mudron, suggesting that outdated copies be discarded and replaced with the current revision. [Note: An executed, sealed, copy was mailed to Legal Counsel on October 27<sup>th</sup>.] ▪ The marquee project is underway and progress is made daily. When it rains, painting continues on the underside of the marquee. The project is expected to be completed by November 16<sup>th</sup>, the target date for a ceremony featuring the marquee and thanking those who participated in project funding. The Chair thanked Biedron for his part in coordinating the project. Biedron notified Grate Signs that painting is expected to be completed by the end of next week, allowing installation of Lexan message strips and re-lamping to begin. Even if inclement weather delays the completion of the vertical blade, the marquee could be lit for the ceremony. ▪ The Chair commended Hoffrogge for the Potbelly restaurant event with 25% of all sales from 5:00 to 8:00 P.M. going to the Volunteer Organization. Hoffrogge said it was a great event, in spite of tremendous competition generated by the Chicago Cubs' first World Series game. ▪ Stoner noted rental bookings are becoming constant. ▪ Parker reported she is working on sponsorships and raffle packages for 'Twas. ▪ The Chair advised those present that he and Mayor O'Dekirk had had a positive meeting. The Mayor said he is very pleased by the many positive comments about VenuWorks and is looking forward to their presentation. The Mayor offered to meet with the Board to discuss his thoughts and vision should the Board desire such a meeting. The Chair said the Authority Board is in partnership with the City and that City support is critical to the theatre. There is and has been transparency with the City receiving monthly Board packets and annual Authority and Foundation audits for more than 20 years. ▪ The Chair advised those present that he has met with others, including the group headed by Terry D'Arcy, D'Arcy Motors, and Jim Roof, First Midwest Bank, all of whom recognize the importance of the Rialto to the City. ▪ The Chair announced a meeting has been scheduled with Counsel Liaison Silverman regarding the agreements between governmental bodies. Board members' suggestions were passed along to Silverman with full disclosure to VenuWorks' Chief Operating Officer Siehl. ▪ The Chair reported that another tenant meeting will be held tomorrow. In closing, the Chair invited questions and comments.

## BOARD AND PUBLIC TO BE HEARD

### Board Member Comments

- Murray thanked the Chair for his dedication to the Rialto as evidenced by the meetings regarding City funding. The theatre wouldn't make it without the City and there wouldn't be any downtown economic development without the Rialto. The only way it will work is to take down fences, build bridges and work together.
- Gannon shared that a handicapped parking space outside the theatre had been designated. Although she had not seen the designated space she said it was on the corner of Chicago and Van Buren Streets. Mudron confirmed that it had been approved, but he was not aware that it had been posted.
- Babich thanked Siehl for all VenuWorks had done for the Rialto and the Chair for his efforts for the theatre.

- Thornton thanked Siehl and Berry for all their work on behalf of the Rialto; he is very excited about the future of the theatre and the Chair for being the James Brown (hardest-working-man) of the government unit.
- Tyler thanked the staff, especially during this time. She asked that Board members be notified of the date of the presentation so everyone can show up and support each other as a team in recognition of all the work the Chair has done to bring us to this point. The Chair agreed, adding that it's definitely a team that includes the Foundation Board, the Volunteers, senior staff and employees.
- Mudron said the Rialto is open on Friday the 25<sup>th</sup> and he hopes the Rialto lobby will be open, as in the past. As for the grant, he feels a request should always have been presented with facts substantiating the request.

#### Public Comments

Members of the public: supported the Chair's dedication in bringing the needs of the Rialto to the Mayor; reported on the great show presented by The Hit Men; reminded everyone to buy their 'The Show Will Go On' decals. Erickson displayed a decal and said they're available in the office and the box office and are being sold by Foundation members; not all the Stars are on the Rialto stage, our vendors are stars – they believe in the theatre and are making it possible to continue; The Hit Men was a good show, as were the matinees and seeing the theatre full of kids; Out of Bounds was a great show about bullying – more students should have seen it.

Siehl said VenuWorks is convinced that once the theatre's financials are stabilized we will go gangbusters! Siehl added that this is THE most beautiful theatre he has seen in America, and he's been all over the U.S. –the Rialto also beats the theatres he's visited in Europe. VenuWorks is incredibly proud to have the Rialto and will work to get it stabilized.

#### EXECUTIVE SESSION

Executive session was not required.

#### ADJOURNMENT:

**Motion:** Murray moved and Babich seconded adjournment.

AYES: Babich, Gannon, Murphy, Murray, Thornton, Tyler, Vera

NAYS:

The chair called for a voice vote and, hearing no dissenting votes, declared the meeting adjourned at 5:25 P.M.

Minutes respectfully submitted by Jan Gilligan, Administrative Secretary.

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David Thornton, Secretary