

WILL COUNTY METROPOLITAN EXPOSITION AND AUDITORIUM AUTHORITY

DATE: December 21, 2016

AUTHORITY MEMO NUMBER 102-2016

RE: Regular November Meeting Minutes

The November 16, 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 4:00 P.M. with a quorum present and directed the body rise for the Pledge of Allegiance led by Mary Babich.

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

Present: Mary Babich, Mary Beth Gannon, Vicki Murphy, Mike Murray, Dave Thornton, Cindi Tyler, Dan Vera and Council Liaison, Pat Mudron.

Absent:

Others: John Siehl, COO, VenuWorks; Councilwoman Jan Quillman, City of Joliet; Tricia Simpson, RSTF President, Steve Randich, Vice President and members Lynne Lichtenauer, Jen Howard and Tim Shanahan, RSTF members; Ed Rachel, President and Lorin Lynch, Business Agent, IATSE Local 124; and 15 members of the public and the press.

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

AUTHORITY MEMO NUMBER **092-2016 October 26, 2016 Regular Meeting Minutes**

Motion: Babich moved and Thornton seconded approval of minutes of the October 26, 2016 Regular Meeting, as submitted.

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

NAYS:

Note: The Chair invited any additions, corrections or deletions to the October meeting minutes and, hearing none, stated a motion would be in order. With the motion on the floor, the Chair repeated the opportunity for additions, corrections or deletions to the minutes. Hearing none he directed roll be called. The motion passed unanimously.

PUBLIC TO BE HEARD:

Tim Shanahan expressed his concern that Gannon, as an Authority Board member, could choose to encourage the Joliet City Council to deny the \$500,000 requested by Steve Peters of VenuWorks during the Budget Workshop Hearing. Shanahan requested an explanation of Gannon's rationale, considering she had publically sworn an oath to serve the Authority. He asked her plan to fund the theatre, going forward. Gannon replied that she hadn't said "no Rialto funding;" she said funding could be requested on an 'as needed' basis. Gannon said the Rialto should be run like a business; Joliet tax payers have to budget for necessities due to the City mandated water bill rate increases. Gannon said it is unfair to expect City leaders to support the theatre; we shouldn't have waited until the last minute to seek City support. Shanahan said other cities support community facilities that bring in visitors. Why should Joliet be a second class community?

- Tyler said the Board needs to work with the City. Liaisons from the City Finance Department used to attend regular meetings and still receive copies of Board packets and annual audits. The Authority's request for \$500,000 is a small part of the City's overall budget. Tyler agrees the Authority needs to provide diverse entertainment appealing to persons in all sectors of the greater Joliet community, but she noted that our attempts have failed to generate attendance.
- Lichtenauer pointed out that the marquee issue resulting in the return of a \$350,000 donation, plus payment of \$200,000 for a digital marquee board, authorized in good faith after receiving Zoning Board and Joliet Historic Preservation Commission approval. Gannon responded that the bid had been illegally awarded.
- Mike Reardon identified himself as a Joliet taxpayer and former Joliet businessman. He asked Gannon how she could sit at the Authority's table after standing up before the City Council as she did. Reardon said, although Gannon has a right to voice her opinion, she has a fiduciary responsibility to the Authority.
- Randich noted the Rialto Square Theatre is a component of City government and reiterated that City officials receive monthly financial reports and annual audits. A portion of City's Hotel / Motel taxes and Riverboat gaming revenues have provided support of theatre operations. Council Liaison Mudron verified that he receives all reports and Board packets that the Members receive and he reports the same to the City Council.
- Mary Lou Shanahan said the Rialto's Budget Hearing presentation wasn't "last minute." The Mayor and City Manager asked for and received material presented at Tuesday's Budget Hearing prior to the Hearing date. ▪ Shanahan then recalled the December 2014 Authority meeting at which Gannon had said she would cash in her retirement and sell her antiques to support the Rialto and asked if that had been done.
- Mike Reardon said Gannon, as a member of the Finance Committee, should be aware of the state of the Authority's finances. He asked if minutes of Finance Committee meetings were kept and if attendance was recorded. The Chair deferred to Gilligan who responded in the affirmative. Reardon said he would FOIA those records. The Chair, as Authority FOIA Officer, asked Reardon to submit his request and the information would be forwarded.
- Willard McGosky suggested funds could be raised by showing Academy Award winning movies at the Rialto at a \$2.00 ticket price.

FINANCIAL REPORTS:

AUTHORITY MEMO NUMBER **098-2016 Operational Bills Paid and Payable**

Motion: Tyler moved and Thornton seconded approval of 098-2016 Operational Bills Paid and Bills Payable, in the amount of \$196,714.21.

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

NAYS:

Report: Evans reported paid and payables in the amount of \$196,714.21 for approval. The chair asked if there were any questions. Evans responded to Thornton confirming payroll tax remittances are up to date. After inviting further questions and hearing none, he said a motion would be in order. With the motion on the floor, he ascertained that everyone knew what was being voted upon and directed roll be called. The motion passed unanimously.

AUTHORITY MEMO NUMBER **099-2016 Financial Statements**

Note: Due to other priorities, Financial Statements could not be prepared. October Financial Statements will be distributed upon completion.

OLD BUSINESS:

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

Report: Completion of the Budget through December was deferred due to preparation of the 2017 Budget submitted to City officials at their November 10th Budget Hearing.

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

Report: The Chair reported Timothy Berry has access to the material presented to City officials at the November 10th special meeting. Berry said he would provide copies to those requesting them.

NEW BUSINESS:

AUTHORITY MEMO NUMBER **100-2016 2017 Meeting Schedule**

Motion: Tyler moved and Thornton seconded approval to meet at 4:00 P.M. on the fourth Wednesdays, January through October, and the third Wednesdays of November and December 2017.

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

NAYS:

Discussion: The Chair explained that the proposed schedule is a continuation of previous years. The 2017 Schedule will be posted as required by OMA.

AUTHORITY MEMO NUMBER **101-2016 Committee and Executive Reports**

RST Foundation: No report.

Interim General Manager: Berry reported the Authority's contract with Ticketmaster expires in November. He informed the Board, should they choose to terminate their contract, corporate management offered to transfer the Rialto to the VenuWorks-Ticketmaster agreement. The Rialto would, then, benefit from a reduction in Ticketmaster fees. Board members expressed their appreciation. ▪ *'Twas the Month before Christmas...at the Rialto* events are in the final stages of preparation for a successful month. ▪ Berry advised the Board his report stands as written. [The initial distribution contained an abbreviated report due to a clerical error. Corrected hard copies were distributed at the meeting. E-copies have been distributed to those Board packet recipients not in attendance.]

Board Chair: The Chair thanked VenuWorks for their offer regarding the Ticketmaster agreement. He appreciates the work that went into the City Council presentation. He said Berry has electronic copies which are available to any individual or business group that requests it. ▪ The lighting of the marquee will take place following this meeting. Two local Union contractors were awarded refurbishing the marquee and vertical blade: Ireland, Ltd. (painting) and Grate Signs (relamping and messaging components); the project was financed by a grant from the Department of the Interior Route 66 Challenge and the Joliet Rotary Club for their matching grant, Jim Roolf and First Midwest Bank and The Rialto Volunteers. He also thanked Ericksen, Beth Jados, Biedron and Evans for their work on the project.

BOARD AND PUBLIC TO BE HEARD

Board Member Comments

▪ Murray thanked VenuWorks, Steve Peters, John Siehl and Tim Berry, for their efforts in developing the materials necessary for the report presented at the City's Budget Hearing. The packet was beautiful and we will remain optimistic. It is his hope that the Board and the City can

continue to converse. He said we will respect the decision, whatever it is. Murray added that Board Members have a fiduciary responsibility to the Will County Metropolitan Exposition and Auditorium Authority. He closed with a suggestion to Gannon that she consider resigning from the Board if she cannot reconcile the needs of the Authority over her personal interests.

- Tyler thanked VenuWorks for their presentation and professionalism at the Budget Hearing; thanked Murray for his comments at the Hearing and just now; and the Chair for representing the Board at the Budget Hearing.
- Thornton said he had attended the City Council Budget Hearing and thanked VenuWorks management for their determined support of the Rialto. He recognizes the importance of keeping the partnership between the City and the most beautiful theatre in the world. It's been a process; the City has more than 30 year's investment in the Theatre.
- Babich said VenuWorks is a great company – give them a chance. Their financial controls are impressive. New management / new leadership is coming.

Public Comments

- Mike Morgan thanked Dan Vera for following the recommendations of the ad hoc marquee committee.
- Michelle Stukel expressed her displeasure regarding Gannon's regarding Gannon's actions and statements.

- Tricia Simpson read the following statement into the record:

It's perplexing that a building that inspires so much emotion and awe is also the source of so much contention and divisiveness. It defies logic. There is clearly no will at the moment to work together to solve the problem or it would be solved. And if it was an easy problem it WOULD be solved.

We're so close to really turning a corner with a company that has the depth and expertise and financial controls we've needed for years.

I'd also like to say the Chairman of this Board has started and finished most days over the past 18 months thinking about, talking about, texting about and probably dreaming about the Rialto and how to move it forward and put it on a path of long-term stability. And I know this because I've been on the other end of those calls and texts more than a few times.

I'm an optimistic person by nature and but after the last two City Council meetings when the Rialto was the topic of much discussion it started to dawn on me that we might really see the doors of this theatre close. And VenuWorks, the company that has all the resources and financial controls to really make a go of bringing this theatre back from the brink and making it a source of community pride instead of conflict may have no choice but to leave Joliet without finishing the job they very much want to do.

So let's not mince words about what's at stake. We're at the point where everyone with a vested interest in the future of this theatre must ask themselves if they've done enough. And that's not limited to the people in this room.

- Have we done enough to steward the theatre in a fiscally sound manner?
- Have we done enough to reduce the amount owed to our vendors?
- Have we done enough to welcome our patrons and the public and make coming to the Rialto the memory of a lifetime?
- Have we done enough to advocate on behalf of the theatre and bring people to the cause in a constructive way?
- Have we done enough to communicate with stakeholders?

- Have we done enough to find common ground and seek compromise?
- Have we – the Foundation -- done enough to raise money to support the theatre?

And have we done enough in the best interest of this theatre to ensure that it will survive and thrive? Everyone with a stake has to answer that question for themselves, but we do have time to keep working on a solution to pull this theatre out of the ditch and at least put it on the path for VenuWorks to have a fair shot at success – which ultimately means success for all of us.

And to be clear, the Foundation will do everything in our power to help reduce the debt but everyone in this room bears responsibility for doing what they can to raise money. This is an all hands on deck situation which goes well beyond asking Jack Ericksen or me how much money has been raised.

But play out the scenario in front of us if we don't do enough. At best the Rialto stays on life support. At worst is an unplanned shutdown with no clear plan for restarting which is a far more costly option in terms of time, money and the negative multiplier effect that will have on this community including future economic development.

We will go from being the city on Route 66 with the great museum and the amazing 90-year-old theatre around the corner to the town that couldn't pull together and rally around the one icon the community treasures. And for those of us who work downtown or conduct business downtown or for the people who visit from all over the world the Rialto will sit as a silent, dark monument to the community that couldn't get it done.

I will work for a solution until the clock runs out, but we might light up the marquee tonight just to have it go dark in a few weeks if this community can't put aside its differences and rally around the theatre.

As General Colin Powell warned when the US was planning the invasion of Iraq -- if we break it, we own it. If this theatre goes dark there's no cheap, fast or easy fix. It won't be a good headline and it will reverberate far beyond the front page of the Herald News.

A temporarily underutilized Rialto with a clean financial slate and a fair shot at future success is far less costly than a Rialto with the lights off and the doors locked.

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 4:55 P.M.

Note: The Regular November meeting was not recorded.

Minutes respectfully submitted by Jan Gilligan, Administrative Secretary.

David Thornton, Secretary