

WILL COUNTY METROPOLITAN EXPOSITION AND AUDITORIUM AUTHORITY

DATE: January 25, 2017

AUTHORITY MEMO NUMBER 003-2017

RE: December Special Meeting Minutes

The December 29, 2016 Special 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 Dave Silverman.

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

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

Absent: Mike Murray

Others: Dave Silverman, Legal Counsel; Larry Walsh, Jr., Illinois State Representative; City Manager Jim Hock; RSTF Members Lynne Lichtenauer, Bob Navarro and Tim Shanahan, RSTF members; Ed Rachel, President and Lorin Lynch, Business Agent, IATSE Local 124; and members of the public and the press.

Staff: Jack Ericksen, Dale Evans, Jan Gilligan, Leann Hoffrogge and Beth Jados.

PUBLIC TO BE HEARD: None.

NEW BUSINESS:

AUTHORITY MEMO NUMBER **108-2016 Direct Authority Attorney to review Executive Session Minutes and recommend to the Board what can be released**

Motion: Gannon moved and Murphy seconded for Authority Attorney David Silverman to review Executive Session Minutes to determine those that may be released.

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

NAYS:

Discussion: Silverman reported to the Board that Executive Session minutes require review. Silverman will review and advise the Board as to their status.

AUTHORITY MEMO NUMBER **109-2016 Authorization for the execution of a Management Agreement with VenuWorks**

Motion: Tyler moved and Thornton seconded approval of the Management Agreement with VenuWorks, effective January 1 through March 31, 2017 in the amount of \$9,500.00 per month plus expenses not to exceed \$12,000 per month.

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

NAYS:

Discussion: The Chair reported Steve Peters, President and CEO of VenuWorks, had sent copies of the Agreement, an Addendum and an email to Board members. Silverman explained that this agreement is basically an extension of the Short-term Interim Agreement currently in place. The instability of the funding source interfered with the timely transfer from Interim to long-term

contract, therefore it has become necessary to create a new Agreement effective January 1 through March 31, 2017. The contract requires a fee for services of \$9,500 per month and expenses up to \$12,000 per month. The contract can be terminated by either party upon 30 days written notice. The Chair ascertained that members had no questions and that Silverman had nothing further to add. The Chair said a motion would be in order to enter into this 90-day interim agreement with VenuWorks, as the current contract ends December 31, 2016. With the motion on the floor, he invited questions and comments. None were offered. The Chair directed roll be called. The motion passed unanimously.

AUTHORITY MEMO NUMBER 110-2016 Authorization for the execution of an Inter-Governmental Agreement between the Will County Metropolitan Exposition and Auditorium Authority and the City of Joliet

Motion: Thornton moved and Murphy seconded approval of the Inter-Governmental Agreement between the Will County Metropolitan Expository and Auditorium Authority and the City of Joliet, as presented.

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

NAYS:

Discussion: Silverman said the City, through its Attorney and City Manager, returned their proposal for Board consideration. It proposes \$500,000 in two payments of \$250,000, with the first payment contingent upon an executed, one-year agreement with VenuWorks and the second payment contingent upon booking 30 shows between January 1 and June 30, 2017; in addition, payroll taxes must be paid in a timely manner and the Authority may not request further funds from the City in fiscal year 2017. A Council Liaison will continue to be appointed to the Board. The Board will recognize the powers of the Inspector General under their ordinance. Certain financial documents, books and records will be provided, some before payment, some after. Income and expense statements and cash on hand, actual versus budget will continue to be provided, as well as lists of shows. If a forensic audit is required, it will be done at the City's expense. The Dedicated Funding language was expanded to include the Authority's appearance before the General Assembly if required to generate funding through a dedicated tax. If the agreement is breached, the City can suspend its obligations to the Authority. The agreement terminates on December 31, 2017. ▪ Mr. Peters is working on the new interim contract, but it was not completed in time to be considered at this meeting. In response to Tyler question, Silverman said he found nothing in the Agreement that was troublesome. In response to Tyler's question the City Manager said, if the IGA is approved tonight, it will be on the agenda for Tuesday's Council Meeting. The Chair asked if there were any further questions for Legal Counsel. Hearing none, he invited a motion. With the motion on the floor the Chair asked if there were any questions or clarifications. Hearing none, he directed roll be called. The motion passed unanimously.

BOARD AND PUBLIC TO BE HEARD

Board Member Comments

▪ The Chair recapped his term on the Board. He thanked Dave Silverman for his guidance and support throughout the year, the Mayor and City Manager for suggesting consideration of third party management in lieu of a general manager. He also thanked the Third Party Management Committee consisting of Board members Babich, Gannon, Murphy, Murray, Thornton, Tyler [and Vera]; RSTF Board President Simpson; RSTF member and former Rialto Square Theatre Executive Director, Lynne Lichtenauer; Council Liaison Mudron and Finance Manager Evans for the time and

effort each one put into the search. He thanked members of the public who reached out to the Mayor and their Council representatives, wrote letters to the editor, in support of this important endeavor. He thanked, former Herald-News editor, Kate Schott and H-N General Manager, Steve Vanisko, and Scott Slocum, Monica Desantis and Kevin Collins of WJOL Radio, for their support and cooperation. He thanked Council Members Mike Turk, Pat Mudron, Jan Quillman, Terry Morris, John Gerl and Bettye Gavin who voted to support the Rialto and the community business leaders who joined in support of the Rialto and Downtown Joliet with Terry D'Arcy and Jim Roof. He also thanked AlphaMedia and its local stations for sponsoring and participating in the eleventh annual live performance and WJOL Radio broadcast of *It's a Wonderful Life*. ▪ With his goals met, the Chair announced his resignation from the Authority Board.

- The Chair reported that Mike Murray had submitted his resignation a couple of weeks ago.
- Tyler announced that her term has ended and she, too, will be stepping down. She thanked Rialto staff and Volunteers and our supporters in the community, the Foundation, VenuWorks and City of Joliet leadership. She thanked the other Board members with whom she served. She will continue to support the Rialto and she looks forward to seeing the Rialto flourish in the future. The Chair thanked Tyler for her support as Vice Chair and for her years of service.

- Thornton announced that his term had expired. He will not seek reappointment and will be stepping off the Board. His association with the Board began in 1982 when he performed his first of several audits. His interest continued and in 2005 he accepted Mayor Schultz' appointment to the Authority Board having served two terms as Secretary and four years as Finance Committee Chair. He is very pleased with the direction the Rialto has taken with VenuWorks. Thornton said no one has worked harder than Dan Vera who invested countless hours on the Rialto's and the Authority's behalf. Thornton will continue to support the Rialto. He thanked his fellow Board members who have been great to work with, the staff and the public who support the theatre. The Chair thanked Thornton for his service as Board Secretary and for his tenure on the Authority Board.

- Murphy served on the WCMEAA Board as a gubernatorial appointee whose appointment expired on December 1, 2016. Murphy said she is extremely proud to have served with the majority of her fellow Board members over the last three years and 10 months. The Board has worked hard to reveal and correct many of the Rialto's internal and financial issues. There is more to be done, but Murphy will not seek reappointment. She hopes future Board members will bring true diversity in programming to the stage. By doing so, it will solidify the Rialto's role as the region's centerpiece of culture in the performing arts. The Chair thanked Murphy for her tenure on the Board.

- Babich said she is the longest serving Board member and the Rialto is very dear to her. If it takes the entire Board to resign to get the City's support for the Rialto, she will do it for the love of the Rialto and, hopefully, to see the Rialto succeed. We are going out together as colleagues. Babich thanked those who come to meetings and ask questions. The Chair thanked Babich for her tenure as the longest serving member and said there was no stipulation that members resign, but we are stepping off as a team.

- Gannon thanked her fellow Board members for their service and wished the best to those who follow. She thanked Silverman for his kindness and professionalism. She applauds the City for holding the Rialto to the flames; making sure there is transparency in the financials – the monthly packet is not transparent enough. Gannon is resigning from the Board, but will continue to attend meetings and ask questions. The Chair thanked Gannon for her service on the Board.

- Silverman asked that each member who has resigned to write a letter to the appointing authority in order to allow the appointing authority time to fill open positions, Silverman will take Mayoral

resignations to the City. Resignations of Gubernatorial appointees will be sent to the office of the Governor.

- The Chair thanked everyone for their support, constructive criticism, advice and counsel. He thanked senior staff and Volunteers and wished VenuWorks success at the Rialto. He invited comment from Council Liaison Pat Mudron.
- Mudron expressed his surprise at the preceding comments. He acknowledged the efforts on the part of the Board, City Manager Hock and City Legal Counsel Martin Shanahan in the preparation of the IGA. He thanked everyone in the room for coming to Authority meetings and asking questions and for coming to City Council meetings. Mudron noted that, in the year and a half that he has been Council Liaison, there has been a lot of change and a lot of issues, but we are on the right path. He said the right thing is going on for the good of the theatre. It isn't known if the new Board will be as dedicated as this Board: All of these members of have more than proven their dedication. As the Liaison, as a citizen and as a Rialto patron, he knows we're on the right track and the Rialto will have a good future. The Chair thanked Mudron for his dedication as Council Liaison. Mudron has never missed a meeting, served on two Board sub-committees and never missed any of those meetings. He appreciates what Mudron has done for the Board and the Rialto and thanked him for his service to the Rialto and Joliet.
- Silverman hopes everyone in this room, in the City and the County appreciates how much hard work this Board has accomplished in the last year. The Chair has dedicated uncounted hours to the purpose of this Board. People are unaware of what Vera has accomplished as a Chairman and what this Board has accomplished. ▪ Silverman recalled being a kid at the Rialto popping popcorn with his uncle when he was the manager. Silverman got married here and his grandfather's trucking company delivered the big chandelier in the 1920's so he has a personal tie to the Rialto. It's been a rough couple of years for everyone here, but he encouraged everyone to just hang in there – it's sometimes good to know when it's time to step away and it's just as important as knowing when to step in. This Board is giving a new Board new opportunities so all can move forward. The Chair thanked Silverman for accepting his invitation to step in a year ago and for providing legal counsel during the events of the past year.

Public Comments

- Shanahan thanked the Board. He said the heavy lifting is done. You got us to the one yard line and we just have to punch the ball through. He apologized for all the ridicule and negativity Board members have taken. He said, as volunteers, your hearts are in the right place, but social media can be ruthless. He thanked the Board for getting the Rialto to this point.
- Bob Navarro wanted to publically acknowledge the work of this Board over many years and the time and effort members have put in. The last couple of years have been particularly challenging and there are still challenges ahead. All Board members have worked hard, but he commended Babich for her 17 years.
- Lynne Lichtenauer introduced herself as a resident of the area with a passion for, and long relationship with, the Rialto. On behalf of the Foundation, Lichtenauer thanked the Board for their dedication. She knows what it takes; it isn't easy and everyone coming in will soon wonder how you did this! Lichtenauer thanked each Board member, by name, for what they have given to the Authority Board. As a Foundation member, she appreciates the wonderful relationship between the two boards. As a Board, the Foundation is looking at the finances and payables. She can't wait for VenuWorks to get here – they're a wonderful company. She thanked the staff who have been through a lot and the Volunteers who do so much for the theatre. On WJOL Radio, she thanked the

Mayor and all those who voted for the funding. They're making an investment in the Rialto and the City. The Chair joined Lichtenauer in praising staff, Volunteers and our Stagehand and Operating Engineer Unions, both of which have worked with management for years.

- Alex Rodriguez thanked the Board for their dedication and service. It is because of this Board that our future generations of children will enjoy this theatre.
- Michael Bily thanked the Board for the wonderful job they have done. This theatre is part of the City's history. He noted the one-year Agreement contained the language, "in any year." Silverman said it was, initially, a multi-year contract and that phrase was probably overlooked when the terms of the Agreement were revised. He thanked Bily for pointing out the discrepancy.
- Carol Mulvahill thanked Silverman and the Board for all they have done for the Rialto and most especially the Chair for their service. She commented that she thought it was unfair of the Mayor to tie money he controls to Boards and preventing them from doing the job they volunteered and were appointed to do. The Chair thanked her, but reminded those present that there were many Boards before this one; members resign and others are appointed.
- Ed Rachel thanked the Board for all they have done and said it's been a pleasure to work with them and with Rialto staff. In response to his question Silverman said the resignations are not final until they have been submitted to the appointing authority.
- Dale Evans spoke of the importance of dedicated funding to the Rialto's future. Many taxes have been levied to support Illinois civic centers. Evans would like to see Joliet treated as Chicago regarding taxes. The State Legislature has been given the Metropolitan Exhibition and Auditorium Authority the power to levy taxes without referendum. Most people aren't aware of these taxes: If you've eaten at a Chicago loop restaurant, stayed in a downtown Chicago hotel or flown into or out of O'Hare or Midway Airports, you've paid a tax, part of which supports "McPier." If you pay IL Income Tax, you have supported exhibitions in McCormick Place. The Rialto needs a county-wide tax on top of current municipality taxes. A 1¢ tax would generate \$5 Million per year providing funds to repair the infrastructure of the 90 year old facility.

EXECUTIVE SESSION

Executive session was not required.

ADJOURNMENT:

Motion: Tyler moved and Thornton seconded adjournment.

The chair called for a voice vote and, hearing no dissenting votes, declared the meeting adjourned at 5:04 P.M.

Minutes respectfully submitted by Jan Gilligan, Administrative Secretary.

Board Secretary

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