

WILL COUNTY METROPOLITAN EXPOSITION AND AUDITORIUM AUTHORITY

DATE: October 26, 2016

AUTHORITY MEMO NUMBER 092-2016

RE: Regular September Meeting Minutes

The Regular September 28, 2016 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 4:01 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, VenuWorks; Tim Shanahan, RSTF member; and members of the public, as well as members of the press.

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

AUTHORITY MEMO NUMBER 083-2016 August 17, 2016 Special Meeting

Motion: Tyler moved and Babich seconded approval of minutes of the August 17, 2016 Special Meeting, as submitted.

AYES: Babich, Gannon, 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 requested the roll call for approval. The motion passed with seven members voting for the motion.

AUTHORITY MEMO NUMBER 084-2016 August 24, 2016 Regular Meetings

Motion: Murphy moved and Tyler seconded approval of minutes of the August 24, 2016 Regular meeting, as submitted.

AYES: Babich, Gannon, 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.

PUBLIC TO BE HEARD:

In response to Kathy Spivey's question, Ericksen said approximately 400 people attended the *Sound of Music* interactive movie. Tyler commented that it was a great event with the audience singing along enthusiastically.

FINANCIAL REPORTS:

AUTHORITY MEMO NUMBER 085-2016 Operational Bills Paid and Payable, to place on file

Motion: Thornton moved and Babich seconded approval of 085-2016 Operational Bills Paid and Payable in the amount of \$186,089.15.

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

NAYS:

Report: The Chair invited comment from Evans and Interim Director, Berry; both declined comment. The Chair asked if Board members had any questions. In response to Gannon's question, Evans said reduction of employee work hours is ongoing. ▪ The Chair invited questions on paid and payables. 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. The motion passed unanimously.

AUTHORITY MEMO NUMBER **086-2016 Financial Statements**, to place on file

Motion: Gannon moved and Tyler seconded placing 086-2016 Financial Statements, on file.

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

NAYS:

Note: The Chair invited comment from Evans who directed attention to Page 3. Audit preparation usually delays entry of the current fiscal year, however due to segueing into VenuWorks July and August were entered. Line 4, Non-Operating Income/Expense show Foundation funds raised in the first two months of this quarter: \$116,938. Under Commercial Operations, he explained Line 21's negative amount was due to the loss of a tenant. The new tenant will pay no rent until October First. Theatre Operations, Line 32 is a positive number thanks to donations received into the Foundation. Theatre/Rotunda Rentals includes three weddings and TV filming that concluded in July. ▪ Two Rialto movies were scheduled: *The Wizard of Oz*, in July, was sponsored in the amount of \$2,000, attended by 356 patrons with expenses at \$2,168.85. Evans said those who believe movie expenses in the amount of \$2,000 to be exaggerated are mistaken. *The Sandlot* was cancelled due to lack of ticket sales. Cash Flow Projections: The position remains difficult. \$535,000 in payables was due in August with \$29,000 in the bank. Evans expressed appreciation to the Foundation and Development Department for their diligence in reaching out to those who support the Rialto. In response to Thornton's question, Evans said the schedule in Board packets as of September 23rd is correct to date. Thornton asked if reprioritizing finance responsibilities would require the audit to be moved back. Evans said Wermer, Rogers usually schedules the audit field work for the end of October, but it is flexible. ▪ Evans reported that VenuWorks Controller, Mike Piehl had been on site and was provided 2016 financial statements through end of June, the 2015 audit and cash flow statements. Electronic trial balances were sent for the same periods. A History of the Foundation and capital improvement issues were provided to Piehl, as well. Piehl and Evans discussed the software program in use by the Authority and the VenuWorks program. A change in fiscal year may, or may not be required. Should it be necessary, Board action would be required in November in order to notify and coordinate with Open Systems IT personnel the conversion of previous years to calendar years and to reset the program for calendar years going forward before December 31st. Letters were mailed to vendors thanking them for their patience during this time and asking them to bear with us as we are trying to address our obligations. The Chair asked if there were any questions regarding the financial statements. Hearing none, he requested a motion to place this item on file. The cash flow statement was placed on file with a unanimous vote.

OLD BUSINESS:

AUTHORITY MEMO NUMBER **072-2016 Sale of Two Rialto Square**, to place on file

Report: Real Estate Committee Chair Murray reported meeting with Evans, Ericksen and Terry D'Arcy to consider the real estate and determine whether Two Rialto Square is draining or contributing to Authority revenue. Based on the meeting and Evans' data, Murray believes the building is making a positive contribution and we are not in a financial position to do anything that would jeopardize revenue. Murray added that owning real estate involves some liability and the matter may be revisited, but he recommended deferring the sale of Two Rialto Square at this time. The Chair added that he had spoken with Murray, Evans, Biedron and Berry; all are in agreement, therefore the Board is being notified that this matter will go no further. The research done in due diligence regarding the property was educational and will remain proprietary.

NEW BUSINESS:

AUTHORITY MEMO NUMBER **087-2016 Revisions to WCMEAA Bylaws**

Motion: Tyler moved and Thornton seconded adoption of A.M. 087-2016 Revisions to WCMEAA Bylaws, Article III, Section 8. Committees, as presented.

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

NAYS: Gannon

Discussion: The Chair informed those present that three standing committees had been established to assist the General Manager and Building Operations Manager, however VenuWorks, as third party management, will be responsible for those matters. Legal Counsel Silverman recommended conflicting language regarding standing committees be eliminated from Bylaws, Article III, Section 8. Committees. Should there be a need for a committee, a committee of the whole could be called, as was done with the third party management committee. Tyler noted that experts from the community could still be included, if needed. Gannon said the original language of the first sentence is more democratic than the proposed revision. The Chair said legal counsel recommended deletion of "appeal / appealed" because it is not an appeal process. In addition he stated that any Board member may question any proposed action and this is reiterated in the last sentence, below.

Please note: words and phrases to be struck from or added to Section 8 appear in boldface print.

The Chairman, ~~subject to appeal~~, shall establish such committees as may be deemed necessary and appropriate for the efficient functioning of the Board and appoint committee members who need not be member(s) of the Board. Committee members shall be determined and voted upon by the Board. ~~at the time of election of officers.~~ Additional members may be added at the discretion of the Board. ~~Standing committees shall be chaired by a member of the Board.~~ **Each** A Committee may conduct meetings, hold hearings, and report to the Board on that portion of the Authority's business pertaining to said committee. A committee may exercise the power of the Board only as specifically authorized by the Board. If the existence of any committee or the membership thereof shall be ~~appealed~~ **questioned** by any Board Member, the question shall be put to the Board.

Tyler had questioned part of the Bylaws previously and will review the document and her notes in that regard. Murray had commented on sections typical of other Board Bylaws that are not included in the Authority document. Those suggestions will be presented to the Chair for consideration. The chair ascertained that members were aware of what was being voted on and asked if there were other questions. Hearing none he said a motion to adopt the revisions to the Bylaws, Article III, Section 8, for approval was in order. The Chair restated the motion and asked if there were any further questions. The motion carried with a vote of six for and one against.

AUTHORITY MEMO NUMBER **088-2016 Sign Renovation, Sand and Paint**

Motion: Murray moved and Tyler seconded acceptance of the Theatre Sign Renovation Project, Component 1, Sanding and Painting bid in the amount of \$36,960.00 from Ireland, Ltd., Joliet, IL.

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

NAYS:

Discussion: The Chair reported Ericksen's successful Route 66 Cost-Share Grant was matched by a Rotary Club Grant and additional funds will be provided by the Volunteers. Specifications for the Marquee Renovation Project were written and advertised in the Herald News on September 6th and 7th. Bids were received, publicly opened, read aloud at 10:00 A.M. on September 27th and are being presented for approval. Ireland, Ltd., Joliet, IL, was the sole bidder for the sand and paint component of the vertical blade and marquee with a bid of \$34,960.00. ▪ Biedron reported that Ireland's bid met project specifications. He said another company arranged for their lift truck to be brought to the theatre to determine whether it could be used for the work. Its reach was inadequate and they declined to bid due to the high cost of renting the required equipment. Two companies that bid on other components told Biedron this component would have to be outsourced, therefore they declined to bid. The Chair thanked Biedron for his assistance in preparing bid specifications and for reviewing the bid. He invited a motion; with the motion on the floor he restated it and, invited further questions. Hearing none, he directed roll be called. The motion was unanimously approved.

AUTHORITY MEMO NUMBER **089-2016 Sign Renovation, Lexan Panels and Re-Lamping**

Motion: Murphy moved and Babich seconded acceptance of the bid from Grate Signs, Inc., Joliet, IL, for Theatre Sign Renovation Project Component 2, Lexan Tracks, Letters and Numerals, \$7,100.00, and Component 3, Re-lamping the Vertical Blade and Marquee, \$8,630.00, for a total of \$15,730.00. AYES: Babich, Gannon, Murphy, Murray, Thornton, Tyler, Vera

NAYS:

Discussion: The Chair reported Ericksen's successful Route 66 Cost-Share Grant was matched by a Rotary Club Grant and additional funds will be provided by the Volunteers, therefore specifications for the Marquee Renovation Project were written and advertised in the Herald News on September 6th and 7th. The following Bids were received, publicly opened at 10:00 A.M. on September 27th and read aloud: Correct Digital Displays, Sheridan, IL, Component 2, Lexan Tracks, Letters and Numerals, \$6,944.00, and Component 3, Re-lamping Vertical Blade and Marquee, \$11,942.00 (Total, \$18,886.00); Express Signs & Lighting Maintenance, Inc., Shorewood, IL, Component 2, Lexan Tracks, Letters and Numerals, \$14,800.00, and Component 3, Re-lamping Vertical Blade and Marquee, \$14,200.00 (Total, \$29,000.00); and Grate Signs, Inc. Joliet, IL, Component 2, Lexan Tracks, Letters and Numerals, \$7,100.00, and Component 3, Re-lamping Vertical Blade and Marquee, \$8,630.00 (Total, \$15,730.00). ▪ Biedron reported all bids met project specifications. He recommended the two components be awarded to a single company for project coordination to assure prompt completion. The marquee is scheduled to be lit immediately following the November Board meeting, approximately 5:00 P.M. November 16, 2016. Correct Digital was low bidder on Component 2, Lexan tracks, letters and numbers; Grate Signs was low bidder on Component 3, re-lamping. The Grate Signs total for Components 2 and 3 is \$15,730.00, \$1,156.00 less than Correct Digital's combined total. The Chair thanked Biedron for his assistance in preparing bid specifications and for reviewing the bids. He invited a motion; with the motion on the floor he restated it and, invited further questions. Hearing none, he directed roll be called. The motion was unanimously approved.

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

Motion: Tyler moved and Babich seconded approval to table the Last Quarter 2016 Budget. AYES: Babich, Gannon, Murphy, Murray, Thornton, Tyler, Vera

NAYS:

Discussion: The Chair reported the budget process has begun. A draft Performa was prepared based on Evans' projections and shows booked in the last quarter. Evans financial statements report the July and August preliminary numbers. The budget was a finance office priority that took precedence over preparation of audit materials. In reply to Thornton's question, Evans said the FY2016 audit may be delayed. The Chair invited a motion to table the Budget. With the motion on the floor he ascertained there were no further questions and that all members knew what was being voted upon before directing roll be called. This Item was tabled by a unanimous vote.

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

Finance Committee: Gannon said the Board needs to know what bills are unpaid. Murray said a Cash Flow Statement with payables age listing is included in the financial statements, pages 24 through 48. The payable age listing by vendor begins on Page 31.

Personnel & Insurance Committee: Nothing to report.

Real Estate Committee: Nothing to report.

RST Foundation: The Chair noted that the Foundation and Development department work closely together. Erickson reported that, at this time, their work is concentrated on planning and advancing 'Twas the Month before Christmas events. ▪ He reported that meetings with the Community Group members have been very beneficial.

Interim General Manager: Berry reported meeting with individual staff members on job duties and current projects and reaching out to prospective Rialto clients. He observed the *Rialto's Sound of Music* event and was pleased to report that venue staff performed well and clients had a good experience. ▪ Race Fan Rally presented a good opportunity to participate in a downtown event. ▪ Phone activity has increased during the month. ▪ The Kacey Musgraves fan club coordinators were pleased with the initial sale to fan club members. ▪ Staff events coordinator and marketing assistant were given a tutorial in VenuWorks' electronic calendar; show data has been input. Staff crowd management training is being planned. Berry has met with Foundation Board members, the CED, HCC&VB, JATOE and Volunteer Board Presidents, Stagehand Local 124 officials and local media. He is seeking sponsorships to support Programming and Development.

Board Chair: The Chair welcomed and thanked John Siehl and Tim Berry of VenuWorks and thanked HCC&VB for a good meeting regarding partnerships. ▪ He has been visiting Two Rialto Square tenants to inform and reassure them of the building's status; all have expressed their respect for Biedron. He added that two more potential tenants are considering 2RS. ▪ The Chair thanked City Manager Hock and Mayor O'Dekirk for the materials and equipment provided for the extension of the parking area to Van Buren Street. He thanked the Herald News for Sunday's editorial and Okon for his articles.

BOARD AND PUBLIC TO BE HEARD

Board Member Comments

- Board members expressed their encouragement by many positives changes in process.
- Mudron shared those feelings and commented on the fact so few members of the public had attended the meeting.

Public Comments

- Michael Morgan commented that the bars are cash only. Siehl said that will change, but we must, first, determine what it will take to make credit card sales possible.
- Kathy Spivey spoke of a private rental event she attended with a local group.

EXECUTIVE SESSION

Executive session was not required.

ADJOURNMENT:

Motion: Murray moved and Tyler seconded adjournment.

The chair called for a voice vote and, hearing no dissenting votes, declared the meeting adjourned at 5:10 P.M.

Minutes respectfully submitted by Jan Gilligan, Administrative Secretary.

David Thornton, Secretary