

WILL COUNTY METROPOLITAN EXPOSITION AND AUDITORIUM AUTHORITY

Date: December 16, 2020

Authority Memo Number **039-2020 December 16, 2020 Regular Meeting**

The December 16, 2020 regular meeting of the Will County Metropolitan Exposition and Auditorium Authority Board was held via ZOOM meetings. Board Chair Bob Filotto called the meeting to order at 4:03pm. Board members and staff were invited to rise for the Pledge of Allegiance to the Flag. There was no public present on the ZOOM call. Present: Bob Filotto, Tim Broderick, Donnie Chestnutt, Jane Condon, Jeff Pierson, Kathy Trizna, and Legal Counsel David Silverman - Mahoney, Silverman, Cross Law Firm
Staff: Val Devine, Karen Leno
Absent: City Liaison Pat Mudron

APPROVAL OF MINUTES

Authority Memo Number **033-2020 November 18, 2020 Regular Meeting Minutes**

Discussion and Vote:

Prior to approval R. Filotto extended thanks to Leno and Devine for their work on resolving the City water bill issues as it was a significant amount of money. In addition, he asked for an update on the Will Co. Cares Act money. Devine reported that an email was sent following up on the \$15,000, no update and Leno confirmed that the \$2,000 COVID NFP portion had been approved but not received. Filotto also asked for and received clarification that we were only responsible to pay the interest on the Cy-Pres loan. Last was the mention of an "Honorary" Board position being considered by the RSTF. Devine reported that it was the case but she could not remember who they were considering. With no other questions R. Filotto moved for a motion, once received he directed roll be called.

Motion: D. Chestnut moved and T. Broderick seconded approval of November 18, 2020 minutes as presented.

AYES: Members Filotto, Broderick, Chestnutt, Condon, Trizna and Pierson

Nays: NONE

Public to be Heard Re: Agenda Items – No response.

FINANCIAL REPORTS

Authority Memo Number **034-2020 December Operational Bills Paid, Payable and Payable Age Listing**

Discussion and Vote:

Filotto gave the report and noted that there was information sent outlining the \$50,000 paid to Korellis and the \$6000 for the Foundation thereby impacting the accounts paid total. He also clarified that the \$316 to him was a refund for Charlie Daniels tickets. Clarification regarding the audit payment was requested. It was stated by Devine that the total audit payment had already been received from the city and we would be paying Wermer directly. The Chair invited discussion and, hearing none, he directed roll be called.

Motion: T. Broderick moved and J. Condon seconded approval of accounts paid in the amount of \$79,907.34 and payables in the amount of \$65,833.48

AYES: Members Filotto, Broderick, Chestnutt, Condon, Trizna and Pierson

Nays: NONE

Authority Memo Number **035-2020 November 2020 Financial Statements**

Discussion and Vote:

Board Chair asked if there were any questions regarding Balance Sheet or P and L. Hearing none, Filotto moved onto the cash flow explaining that we waited until the City Council vote to ensure subsidy an amount which ended up being \$375,000. In addition to the proposal by Interim City Manager, Hock regarding the sale of 5500 raffle tickets which could generate a maximum of \$100,000 additional monies. This amount is NOT reflected in the cash flow. Additionally NO events, weddings or the 2 shows in April and 2 in May are NOT included. This would result in a balance of slightly over \$40,000 at the end of June 2021 and our second City subsidy payment of \$187,500 coming in July. Filotto contacted Mudron about when the proceeds from the raffle might be seen and it was guessed between July and August. With a burn rate of about \$70,000/month, we would be looking at being sustainable through about mid-September. Further discussion about the plans to shut down Bi-Park and how that could impact us if they ask the city for a budget amendment. Additionally, how might people/businesses participating in the car raffle impact our ability to fundraise exclusively for us was mentioned. All of this could result in us going before the Council mid 2021. As a reminder, cash reserves have thus far been depleted and several of the onetime occurrences (\$100,000 form COVID insurance claim, \$70,000 from court rental) will not happened again. As we anticipate a return to normal and bring staff back in addition to reinstating salary cuts experienced by Leno and Devine it is imperative that the cash flow be monitored closely. The Chair invited further discussion and, hearing none, he directed roll be called.

Motion: J. Pierson moved and D. Chestnut seconded approval of the November 2020 Financial Statements

AYES: Members Filotto, Broderick, Chestnutt, Condon, Trizna and Pierson

Nays: NONE

BUSINESS ITEMS

Authority Memo Number **036-2020 Busey Bank Resolution**

Discussion and Vote:

This modification to the original note represents the latest proposal in lieu of an additional \$110,000 loan. WE ARE NOT DOING BOTH. The proposed \$110,000 loan was removed when the bank realized that they never had a legal opinion on file for WCMEAA to borrow for the original \$2million loan, let alone the additional \$110,000. In order to do this we would need a legal opinion and Silverman, our pro bono attorney would be unable to represent us as there would be a conflict of interest with his firm and Busey as they have done work together. In addition, digging deeper into this may not elicit the end result the bank would want and the \$110,000 loan option wasn't the most desirable option.

The bank gave the option of spreading the payments between 60, 72 and 84 months. The 60 month option is being considered because the first monthly payment doesn't being until 8/10/2024. It should be noted that once the payments begin they will increase a significant amount, more so annually, to about \$100,000. The hope being by that time we will be back to pre covid profitability or to position us to go before the city. The Board was reminded that original loan forgiveness had been extended through September but no payments had been made in October-December as this modification was being created. In order to avoid the loan being "classified" which has a negative impact on the banks as well as us, all paperwork must be completed and signed no later than December 31, 2020. To summarize that there has been full disclosure to the WCMEAA Board regarding: 1. this is a modification of an existing loan, NOT a new loan, 2. the new payment terms have been fully disclosed and 3. a resolution proposed and vote so that we can get this back to the bank in the next week. Chestnutt questioned what the new dollar amount would be. She was directed to the document sent in an email earlier in the day. Condon asked for clarification about the \$110,000 which Filotto reiterated was in the original modification but is now off the table. The Chair invited further discussion and, hearing none, he directed roll be called.

Motion: D. Chestnut moved and T. Broderick seconded approval authorizing the modification of an existing loan with Busey Bank

AYES: Members Filotto, Broderick, Chestnutt, Condon, Trizna and Pierson

Nays: NONE

Authority Memo Number **037-2020 Progressive Energy (natural Gas/Electric) contract Renewal**

Discussion and Vote:

In reference to discussion from last month regarding Progressive Energy, Devine reminded the Board that they had originally voted to proceed with this company 3 years ago so in theory, the use of the company had already been vetted. Leno outlined the sample document sent outlining the impact of a cancellation fee which basically describes cancelling early means paying for the balance of the energy purchased to begin use at a lower rate. Chestnutt asked about fluctuation over the past years which would need to be determined by say reviewing a Com Ed website. Discussion ensued about attempting to figure out what the energy costs to ascertain what length of a contract should be signed. Ultimately, it was concluded that it is too hard to predict and that regardless, the penalty would offset the savings. Filotto asked if we are being asked to approve today, which it is as it expires prior to our next meeting and if Chestnutt's concerns were enough to make her unable to vote, to which she replied, no. Condon then asked if we were locking in at 48 months or were the other timeframes still an option. Chestnutt reminded that we had decided at the last meeting difference was so small we should lock in at 48 which Broderick and Filotto also remember. Filotto again asked if there were too many issues preventing approval and it was stated, no. The Chair invited further discussion and, hearing none, he directed roll be called.

Motion: T. Broderick moved and D. Chestnutt seconded approval authorizing of entering into a 48 month agreement with Progressive Energy.

AYES: Members Filotto, Broderick, Chestnutt, Condon, Trizna and Pierson

Nays: NONE

Authority Memo Number **038-2020 2021 WCMEAA Regular Meeting Schedule**

Discussion and Vote:

Filotto pointed out that in November and December the Authority meets on the 3rd versus 4th Wednesday of the month. The Chair invited discussion and, hearing none, he directed roll be called.

Motion: J. Pierson moved and D. Chestnutt seconded approval of the 2021 WCMEAA Regular Meeting Schedule

AYES: Members Filotto, Broderick, Chestnutt, Condon, Trizna and Pierson

Nays: NONE

EXECUTIVE REPORTS

RSTF Report: Devine reported that next RSTF is currently scheduled for January pending pandemic status. Condon clarified that Rex Easton was being considered as the Honorary Board Member.

Executive Director's Report:

FOX is back filming for a new TV series. Crew is new and the process has been a bit rough as we learn to work together. Devine asked the board to echo that anyone with complaints about the impact the event has had on the streets/parking downtown that they address them with the city as they are the ones who approve and profit from these permits. Due to, as of Tuesday, 2 positive COVID test results, shooting was halted. This will impact the ability to present the organ concert which will be cancelled but we do have a back up plan which will honor our commitment to our sponsors and still provide something for the community to watch for free. We have been nominated by the Chamber for the Business Award. Thanks to the \$500,000 awarded to us in the Build Illinois Bond Fund. Devine reported that she had reached out to the League of Historic American Theatres and had found an architect to assist with drawing. Silverman mentioned he thought there might be specific process with

reference to us as an agency of government that needed to be adhered to when soliciting for an architect and that he would look into that. In the meantime, all other preparatory documents had been secured for the grant process. Devine asked if there were any questions and there were none.

Chairman’s Report:

Filotto reported that K. Arko has taken on another position. Condon asked with who and Devine reported that she will be working for the Anderson Animal Shelter (Fox Valley Area) as they embark on a \$15 million capital campaign. Filotto asked on an update on the vacant Board seat. Devine reported that her last conversation with Bertino-Tarrant that all paperwork had been approved by her office. Devine reminded the Board that this appointment (Bill Kent from ServPro) lives in Bertino-Tarrants District but the Rialto is located in McGuire’s hence complicating the process. It is her understanding it is now in the Governors hands. In discussions with P. Mudron there is a thought that Jim Capparelli could become the next City Manager and subsequently Marty Shannahan as Corporate Council. Filotto asked if any Board members knew Capparelli, Broderick answered yes and that should this appointment happen that a meeting should be scheduled with Filotto, Devine and Broderick to bring him up to speed on the Rialto and gauge his support. Filotto assured the Board that he would be closely monitoring the cash flow during the upcoming months.

Committee Reports: No reports.

PUBLIC TO BE HEARD – No response.

Motion: Board Chair requested a motion to adjourn the regular meeting. T. Broderick moved and J. Condon seconded the motion.

AYES: Members Filotto, Broderick, Chestnutt, Condon, Trizna and Pierson

NAYS: NONE

The meeting adjourned at 4:52 P.M.

Minutes respectfully submitted by Val Devine, Recording Secretary.

Kathy Trizna, Board Secretary

*Unapproved minutes distributed in Board Packets are subject to change.
Approved minutes shall be posted on www.rialtosquare.com /Public Information/Approved Minutes.*