

WILL COUNTY METROPOLITAN EXPOSITION AND AUDITORIUM AUTHORITY

Date: June 28, 2023

Authority Memo Number **032-2023 June 28, 2023 Regular Meeting**

The June 28, 2023 regular meeting of the Will County Metropolitan Exposition and Auditorium Authority Board was held at 15 E. Van Buren Street, Joliet, Illinois 60432. Chairman Bob Filotto called the meeting to order at 4:00 pm with a quorum present. Board members and staff were invited to rise for the Pledge of Allegiance to the Flag.

Present: Bob Filotto, Tim Broderick, Donnie Chestnutt (arrived at 4:10), Jane Condon, Bill Kent  
Staff: Wade Welsh, Julie Quigley, Rafael Ramirez, Jack Ericksen, Christine Sturm  
Absent: Jeff Pierson, Kathy Trizna (excused)  
Others: City Liaison, Sherri Reardon; Legal Counsel, David Silverman; HR Cook, VenuWorks; IL State Senator, Rachel Ventura; Carol Mulvihill

*Chairman Filotto opened by saying that Chestnutt was on her way but was stuck in traffic. Non-voting items would be discussed until she arrived. He asked H.R. Cook to begin with his VenuWorks update.*

NEW BUSINESS

Authority Memo Number **026-2023 H.R. Cook, Regional Vice President, VenuWorks Update**

Discussion:

Cook said the ESOP program was progressing nicely. VenuWorks should be 100% employee-owned by the first of the year. VenuWorks CEO, Steve Peters, was looking to step back from the company a bit. A search for a new CEO and some new top-tier leadership was happening. John Siehl, Vice President of Risk Management, was recuperating from his surgery. Show bookings are increasing. Cook said the Joliet market is very strong in ticket sales and bookings. The industry as a whole is seeing a drastic increase in general liability expenses, forcing insurance rates to go up. Reardon said she is an insurance agent and it is due to law suits. Cook said that operations at the Rialto were running very smoothly and he was very pleased. Filotto gave credit to Welsh and the staff.

Authority Memo Number **028-2023 Phase II Renovation Project (HVAC)**

Discussion:

Welsh said that after the last meeting, he had JLK mock up some pricing to start drawings on the Phase II renovation project. He said the HVAC system is on borrowed time. This past week, just under \$10,000 was spent to purchase 330 pounds of refrigerant to fill the system. He said this is just the latest of the long list of things going wrong with the system. His biggest concern is that he is going to have to cancel a show because there is no workable HVAC system. The estimated cost from JLK to begin the process of beginning the Phase II project would be \$415,000 with the total cost being around \$6 million. Another concern of his, is the time line to actually do the work. There will be times that the building will have to be shut down. Currently the months of July, August and September of 2024, which had been flagged for the work and then just recently reopened, are still available and have no bookings. Welsh would like to closed those months for business to get the HVAC repairs done. He said a decision needs to be made very soon. Condon asked how the Board will go about getting the funding for the project. Welsh said all ideas need to be put on the table and considered. Filotto thought that by getting the City and the County to agree to an annual commitment, as was done for the new courthouse, the Board should be able to get a bank to give them a loan.

*(Donnie Chestnutt arrived at 4:10 pm.)*

## APPROVAL OF MINUTES

### Authority Memo Number **023-2023 May 24, 2023 Regular Meeting Minutes**

#### **Discussion:**

The Chairman asked if there were any changes to be made to the May 24, 2023 minutes. No corrections or changes were suggested.

The Chair invited further discussion and, hearing none, he called for a voice vote. No opposing votes were expressed. Motion passed unanimously.

**Motion:** T. Broderick moved and B. Kent seconded approval of the May 24, 2023 regular meeting minutes.

AYES: Members Filotto, Broderick, Chestnutt, Condon and Kent

Absent: Pierson, Trizna

Nays: None

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

## FINANCIAL REPORTS

### Authority Memo Number **024-2023 Operational Bills Paid, Payable and Payable Age Listing**

#### **Discussion and Vote:**

The Chair asked if there were any questions regarding bills paid or accounts receivable. He commented that the checks paid total was a large amount, \$651,000, mainly due to a \$400,000 transfer. He asked about the check made out to Carroll. Welsh said it was Carroll Seating, the company that made the repairs to the theatre seats. The Chair also asked about the check made out to Thornton Tomasetti. Welsh answered that they were the company that did the lead testing on the fire escapes.

The Chair invited further discussion and, hearing none, he directed roll to be called. Motion passed unanimously.

**Motion:** J. Condon moved and T. Broderick seconded approval of the Operational Bills Paid, Payable and Payable Age Listing.

AYES: Members Filotto, Broderick, Chestnutt, Condon and Kent

Absent: Pierson, Trizna

Nays: None

### Authority Memo Number **025-2023 Financial Statements**

#### **Discussion and Vote:**

The Chair asked if there were any questions regarding the financial statements.

Filotto said that the Board continues to do well on the total income line where it is exceeding budget by \$262,000. He said that even with the one-time adjustment to account 8200 of \$357,000, it is still about \$400,000 better than budget. He expected that the budget next year will be a little tighter. Welsh agreed.

The Chair invited further discussion and, hearing none, he directed roll to be called. Motion passed unanimously.

**Motion:** J. Condon moved and T. Broderick seconded approval of accepting the Financial Statements into the minutes.

AYES: Members Filotto, Broderick, Chestnutt, Condon and Kent

Absent: Pierson, Trizna

Nays: None

Authority Memo Number **027-2023 FY24 Budget Discussion and Vote**

**Discussion and Vote:**

Welsh said there were a couple of changes to the budget. He had emailed a revised budget for everyone to review. One was an increase of 20% to the insurance premium due to the higher general liability costs. He said he did not know if that would cover the increase in costs. The other change was to the cost of the grant writer. He budgeted \$1,750 per month in case the Board chose to go with the most expensive option. He said Broderick would discuss those options with the Board.

Filotto said that gross profit projects to be \$243,000 higher. One staff person was added. The personnel costs are up about \$145,000. Total expenses are up about \$200,000. The bottom line before depreciation is \$141,000 which does include the \$475,000 from the City.

The Chair invited further discussion and, hearing none, he directed roll to be called. Motion passed unanimously.

**Motion:** D. Chestnutt moved and T. Broderick seconded approval of the FY2024 Budget.

AYES: Members Filotto, Broderick, Chestnutt, Condon and Kent

Absent: Pierson, Trizna

Nays: None

Authority Memo Number **029-2023 Lighting Bid Discussion and Vote**

**Discussion and Vote:**

Welsh said the lighting project was put out for bid in June. Bids were due on June 26<sup>th</sup>. No bids were received. He had received a quote from Grand Stage for the equipment for \$83,960 and a quote for installation from Block Electric for \$9,425. Grand Stage did not submit a formal bid as they are not qualified to do the installation. Welsh said that even though he has the quotes from Grand Stage and Block Electric, he is still seeking additional quotes. He would like the project to be completed as soon as possible. Silverman said the Board could approve a quote with the stipulation it does not exceed the costs quoted from Grand Stage and Block Electric.

The Chair invited further discussion and, hearing none, he directed roll to be called. Motion passed unanimously.

**Motion:** T. Broderick moved and J. Condon seconded approval of purchasing lighting equipment not to exceed \$83,960 and installation of lighting equipment not to exceed \$9,425.

AYES: Members Filotto, Broderick, Chestnutt, Condon and Kent

Absent: Pierson, Trizna

Nays: None

Authority Memo Number **030-2023 Roof and Masonry Bid Discussion**

**Discussion:**

Welsh said that bid packages for the Roof and Masonry project were due today. It has been extended to July 12<sup>th</sup> due to an issue with the fire escapes. An environmental company was called out to do lead testing on the fire escapes. He is still waiting on the test results. If the results come back positive for lead, it will result in some changes for the bid process.

Welsh informed Board members about some information he was given on June 22<sup>nd</sup> at one of the walk-through meetings for the contractors. He said he was pulled aside by a representative from Adler Roofing and told that some of the roofs were still under warranty. He said that Adler had replaced them some years

ago and they were still covered by a warranty. He said Adler would be willing to repair those roofs per the warranty and add another 20 years of warranty. Welsh said he could not locate any copy of the warranty in the office. He and Ramirez had a conference call with Adler Roofing to get more information from them. He said that Adler did not have any details on the warranty and the additional 20 years of coverage was reduced to 15 years. He has asked Adler to provide documentation on the warranty. Welsh said that he does not feel it would be in the long-term interest to only have some minor work done on the roofs. The bids were for a complete tear-off, changing slopes and adding drainage. Local engineer, Dan Malinowski, who is on the project committee suggested that if it was a defect or product issue, then it would be best for the company just to give the cash to the Board to put towards the project. Welsh told Board members that he will look into the matter further and report what he finds. Silverman said it could cost the Board more in the long run if they have to go back to JLK to have them redo all the specs and drawings.

Authority Memo Number **031-2023 Bulley & Andrews Quote to Inspect and Perform Temporary Stabilization Repairs to the Rialto in Advance of the Chicago Street Construction Project**

**Discussion:**

Welsh reminded Board members that Lisa Dorothy, Civil Engineer for the City of Joliet, asked the Board to have the façade of the building inspected before the Chicago Street construction started. He had contacted Bulley & Andrews to provide a quote. Bulley & Andrews had worked on the building in the past and are considered to be the best in the business. They provided a quote to inspect the terra cotta of the façade and perform temporary stabilization repairs. Any major issues would be beyond their quote. The quote was for \$39,071. Welsh told Board members that Dorothy had also asked ComEd to redo the alleyways for the drainage issues. The inspection will ensure that the building is secure for their work also. Condon asked if it had to go out to bid. Silverman said a professional service like an inspection does not have to go to bid but if it was for construction, it would. Welsh said that Bulley & Andrews also pointed out that there were temporary fixes to the terra cotta that were never permanently fixed. They were worried that those areas would only get worse with the jack hammering. Silverman suggested that Bulley & Andrews also work up specs in case the job had to go to bid for the repair work.

**OLD BUSINESS**

**Renovation Project Update:** No additional updates.

**Grant Update:** Broderick said the Board had hired a grant writing firm about three months ago at \$1,000 a month. The firm was found through networking. To date, they have identified a \$100,000 grant plus ten others that could benefit the theatre. The HVAC project is too large for many of these grants so the money would be used for other needs in the building. Broderick said that for the additional \$750 a month, the grant writers would not only identify a grant but they would also write it. He said it would be an unlimited amount of grants for the term of the contract, which would be for another six months. Welsh said he thought the \$1,750 a month was well worth it because the grant writers have the time and the resources to track down and write the grants. Their expertise would more than pay for the cost. Chestnutt asked if they would get paid even if they did not write a grant in a month. Welsh said yes but the Board could reevaluate every six months. He said the grant writers have been great to work with and he feels there is more money out there to be found. Condon asked if these were private grants. Broderick said the majority were. Condon thought the Board should approve the \$1,750 a month. Filotto said no action was necessary as the amount was approved in the FY2024 budget.

**EXECUTIVE REPORTS**

**RSTF Report:** Condon said the Foundation Board hosted a sponsorship event on stage on June 8<sup>th</sup>. It went very well and all those in attendance enjoyed themselves. She gave compliments to Welsh and the staff. Ericksen said that he got great feedback from the sponsors. Condon said there is a new Foundation Board member, Evie Cora. Her background is in marketing and she will be able to help the

Foundation Board in those areas. Condon said the Foundation is also planning a Hispanic event that will take place on Sunday, October 29<sup>th</sup>. The planning is moving along very smoothly. Home for the Holidays is getting off of the ground. Sue Gulas will not be involved with Home for the Holidays. Nancy Lindmark and Leann Hoffrogge will take over the duties that Gulas was handling. The Foundation has made the decision to go back to the way the Teddy Bear Tea was done in the past.

Ericksen said that Nova Soul will be performing again for the Merry Little Soirees on December 11<sup>th</sup>, 12<sup>th</sup> and 13<sup>th</sup>. Lindmark and Hoffrogge will be handling the planning of these events. Ericksen said he heard from Tim Placher regarding the Shamrockin' event. Placher was not interested in coordinating the entertainment next year. The Foundation will come up with a similar event or perhaps something entirely different. Ericksen said the Foundation will be applying for the Route 66 grant through the Heritage Corridor again. Foundation members would like to have a something put on the back of the theatre pertaining to the Rialto and Route 66.

**Executive Director's Report:** Welsh told the Board that he was asked by VenuWorks to check the hoist on the Duchess chandelier. They have an inspection program required by their insurance agency to check anything that uses an electric motor. Ramirez has been trying to get someone in the building to inspect and service the hoist that is used for the Duchess. The hoist is original to the chandelier. One company that came out to look at it, advised not to lower it. They had two options for the hoist. One is to put in a brand new hoist which will allow the chandelier to be raised and lowered. This could cost in the six figures. The second is to just leave it alone and have it inspected yearly. A boom lift would have to be rented once or twice a year to clean it and change light bulbs. The company did recommend having the chandelier weighed to determine the actual weight. The chandelier supposedly weighs 5,000 pounds. The company thinks it may weigh only 1,000 pounds. Welsh told the Board that the chandelier is being firmly held in place by a clamp, hook and pin system and is secure. He will keep the Board updated as he gets more information.

**Chairman's Report:** The Chair welcomed Joliet City Councilwoman, Sherri Reardon, as the new City Liaison. He complimented the Foundation on the sponsor event. He felt it was nicely done. He welcomed Illinois State Senator, Rachel Ventura, and thanked her for joining the meeting.

Filotto told Condon that he would like to see a cash flow statement before deciding to use the SVOG money. He asked Quigley if she could provide one by next meeting. Quigley said she is working on one with Mike Piehl. She hopes to have it done by the end of the week and should have it completed for the next Board meeting. Condon asked if any of the SVOG money has been used. Welsh said only the \$74,000 for the fire escapes and the \$94,000 for the lighting have been approved.

**Committee Reports:** No reports.

**City of Joliet Liaison's Report:** Reardon had no report but she wanted the Board to know that the City is discussing the Rialto's vault issues. There is a discussion about the \$100,000 that the Board was shorted. She said there was a possibility of a higher amount from the City going forward.

**Lobbyists' Report:** Condon said she had spoken with Broderick regarding the lobbyists. She feels the Board is not getting the value from them at this point. Welsh says he knows they were instrumental in getting the \$5 million grant and the \$500,000 grant but they have not secured any money since he started. Filotto felt they should be providing a monthly status report for the Board. Senator Ventura said she is not hearing from the Rialto lobbyists. She said the lobbyists should be putting the Rialto before her, especially during budget time. Lobbyists who do that are the more successful ones. She told the Board that if they are in front of her time after time, they will be on her top list. She said legislators do not ignore those that are on their top lists. Condon asked if the Board was locked into a contract with the lobbyists. Welsh said the Board can get out of

the contract with a 30 day notice. Broderick felt they needed to update the Board on a monthly basis in writing on the projects they are engaging in. Condon felt that a search for a new lobbying group should be done. Broderick agreed. Ventura recommended picking a lobbyist that has experience working for historical sites and buildings.

PUBLIC TO BE HEARD: Carol Mulvilhill asked if the lobbyists could come to the meetings. She felt they should be aware of what the theatre needs. Welsh told her he checks in with them on a monthly basis.

Ventura said she attended the meeting today so she could introduce herself to everyone. She is the State Senator for the 43<sup>rd</sup> District and is a fan of the Rialto. She will help where she can. She wanted to encourage the Board to continue using the grant writers because there is money out there for historical properties. She told them that they should look into the CPACE program which allows a business to borrow against its own mortgage for energy efficient upgrades. It is a federal program which coordinates through a State rep that works with the County. The County and federal government pick up the costs. There is no cost to the bank. The business then pays itself back. She also let the Board know that it can ask the City of Joliet for \$250,000 and the City is obligated to give the money to them. It is part of the statute that was set up when the WCMEAA was created. Ventura also gave the Board the name of a former lobbyist for the County, Julie Curry, who is very well known and has many great contacts. She said Curry could be a resource for the Board.

**Motion:** The Chairman requested a motion to adjourn the regular meeting. T. Broderick moved and B. Kent seconded the motion.

AYES: Members Filotto, Broderick, Chestnutt, Condon and Kent

Absent: Pierson, Trizna

Nays: None

The meeting adjourned at 5:14 P.M.

Minutes respectfully submitted by Christine Sturm, Recording Secretary.

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Kathy Trizna, Board Secretary

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