

WILL COUNTY METROPOLITAN EXPOSITION AND AUDITORIUM AUTHORITY

Date: October 25, 2023

Authority Memo Number **066-2023 October 25, 2023 Regular Meeting**

The October 25, 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, Donnie Chestnutt, Jane Condon, Bill Kent, Jeff Pierson, Kathy Trizna

Staff: Wade Welsh, Julie Quigley, Rafael Ramirez, Jack Ericksen, Shane Richards, Lisa Murphy, Christine Sturm

Absent: Tim Broderick (excused)

Others: Legal Counsel, David Silverman; City Liaison, Sherri Reardon; Pete Bohler, Sabrina Bohler - R. Berti

APPROVAL OF MINUTES

Authority Memo Number **059-2023 September 27, 2023 Regular Meeting Minutes**

Discussion and Vote:

The Chairman asked if there were any changes to be made to the September 27, 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: J. Pierson moved and B. Kent seconded approval of the September 27, 2023 regular meeting minutes.

AYES: Members Filotto, Chestnutt, Condon, Kent, Pierson, Trizna

Absent: Broderick

Nays: None

Public to be Heard Re: Agenda Items – None.

FINANCIAL REPORTS

Authority Memo Number **060-2023 Operational Bills Paid, Payable and Payable Age Listing**

Discussion and Vote:

The Chair told Board members that the checks paid total in September should actually be \$1,195,530.93.

The check to VenuWorks for the Travis Tritt show for \$102,571.11 was listed twice. It was not paid twice and the second entry was removed.

The Chair noted that the total on the accounts receivable aging report was a negative \$8,069. Quigley said that was due to Diamond Dance Company and Harrah's pre-paying for their events. The actual total for open receivables was just under \$3,000. Filotto said that he did not see anything to question on the Accounts Payable by Vendor report. Welsh told Board members that the check to the City of Joliet for \$5,000 was a refund for an event that was cancelled due to low ticket sales. Welsh said that normally the deposit would not be refunded but since the City is a partner of the Rialto, he refunded their deposit. JFD was very appreciative of the refund and agreed to do CPR training for some of the staff and did not charge for it. No one had questions about the credit card statement for \$2,749.05.

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

Motion: D. Chestnutt moved and J. Pierson seconded approval of the Operational Bills Paid, Payable and Payable Age Listing.

AYES: Members Filotto, Chestnutt, Condon, Kent, Pierson, Trizna

Absent: Broderick

Nays: None

Authority Memo Number **061-2023 Financial Statements**

Discussion and Vote:

The Chair said that through the first three months of FY24, total income is up \$220,000. The 7500 custodial/repair account came into line with the budget and was now \$1,500 over budget. Total expenses were \$120,000 over budget. Net ordinary income was under budget by \$106,000. It should have been a loss of \$197,344 and was only a loss of \$91,449. Net income was expected to be a loss of \$316,000 but was a loss of \$164,000 which was \$152,000 better than budget. Filotto said that the \$44,320 ERTC payment was not grant revenue and should be removed from account 8260 Grant Revenue. He suggested adding an account for those funds. Quigley said she is working with Mike Piehl on how to categorize it correctly within the software. Filotto also asked if the loan payments to VenuWorks have been removed from the F&B account. Quigley said she is still working on that with Piehl. Welsh asked Filotto to have a conversation with HR Cook about the ERTC invoices. He said that VenuWorks wants to have them settled. Filotto said he has the figures in his office. He will call Cook again about the fees.

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

Motion: D. Chestnutt moved and J. Condon seconded approval of accepting the Financial Statements into the minutes.

AYES: Members Filotto, Chestnutt, Condon, Kent, Pierson, Trizna

Absent: Broderick

Nays: None

Authority Memo Number **062-2023 Property Insurance Renewal**

Discussion and Vote:

Welsh told Board members that there was a 9% increase in the insurance premium. Last year, the premium was \$139,769. It will now be \$152,573. Welsh said he was able to get the cost down by 5% from the original quote of 14%. On average, insurance rates across the country rose by 15%. The agent that Welsh spoke to felt that the Chubb policy was very competitive. There will be no change in coverage. The VenuWorks policy still covers the venue for liability. Reardon advised the Board to look at the debris removal line. She felt it was too low. She asked Welsh to talk with the agent to figure out a more accurate figure. Silverman told the Board that payment of the policy should be approved with a contingency.

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

Motion: D. Chestnutt moved and J. Condon seconded approval of payment for the insurance premium for FY2024 contingent upon a review of the policy by Sherri Reardon and any additional recommendations that she may have.

AYES: Members Filotto, Chestnutt, Condon, Kent, Pierson, Trizna

Absent: Broderick

Nays: None

NEW BUSINESS

Authority Memo Number **063-2023 HVAC Project & Cost Estimate/Timeline**

Discussion:

Welsh said that when Phase II of the renovation project was planned, it included the HVAC and sprinkler systems. Since the new insurance company is not pressuring the Board to install a sprinkler system, the sprinkler system will now be taken out of Phase II. JLK reworked the totals and the estimate is now \$6.8 million. The price has gone up \$700,000 over the past year from the original quote of \$6.1 million. The quote does not include the design work for the HVAC system that was approved a few months ago which was \$400,000. That cost will now come down since the sprinkler system is being taken out. The time frame for the project is three and a half months and the theatre will have to be shut down. The theatre's schedule has been blocked off from July 1, 2024 until October 15, 2024. JLK feels that the project can be completed with some contingencies during this time frame but it will be extremely tight. The current air handler and chiller will be kept active in case it is not possible to get the new equipment on time.

Welsh said that the following funds have been secured for the project: \$3.5 million from Will County; \$575,000 from the 2023 City of Joliet grant; \$149,000 from the Will County ARPA grant; and \$475,000 from the 2024 City of Joliet grant. He estimates that another \$2-\$2.5 million will be needed for the project. He asked if the Board is comfortable with moving forward on the project and if they felt confident that the additional \$2.5 million could be acquired. Welsh said that he needs to get approval immediately in order to get the project going and stay on schedule. Filotto said that \$1 million from the SVOG funds could be used but another \$1.5 million will have to be raised. He said the Board cannot go to the State requesting more funds until the money that they have already received has been spent.

Filotto also stated that the Board needed to consider the employees. He said that he would like to use the additional SVOG money to pay the employees during the shut-down. He said the Board needs to do the calculations to see what it would take to compensate the employees during this time. Chestnutt agreed that the employees needed to have options while the theatre was shut down. Welsh said he wants the employees to know what will happen by January 1st.

Welsh also told Board members that R. Berti will stay on as construction manager for Phase II of the project. He stressed that the HVAC equipment needed to be ordered before the holidays but the bidding for subcontractors could be done in the Spring. Silverman said that the equipment also had to be put up for bid. Board members expressed support for moving forward with Phase II.

Authority Memo Number **064-2023 City of Joliet Grant Agreement**

Discussion and Vote:

Filotto said he wished to thank Kevin Sing for coming up with the idea for the yearly grant from the City. The City will no longer require a yearly presentation from Board members to ask for the \$475,000. It will now be a grant for capital improvements. Filotto said that he and Welsh met with the City of Joliet Finance Committee. It was agreed by this document to allocate the funds to capital improvements and to provide a report and documentation of improvements made. Reardon said the grant is renewable and will be a standing line item in the budget. Condon expressed concern about the funds being exclusively for capital improvements when the Board struggles to balance the budget. She said the Board still needs to find a steady stream of revenue. Chestnutt said that by having the money go to capital improvements, it will allow Welsh to focus on bringing in quality shows instead of worrying about maintenance expenses. Filotto believes that the Board would be able to work with the new grant agreement.

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

Motion: J. Condon moved and D. Chestnutt seconded approval of Chairman Filotto to accept and sign the City of Joliet Grant Agreement.

AYES: Members Filotto, Chestnutt, Condon, Kent, Pierson, Trizna

Absent: Broderick

Nays: None

Authority Memo Number **065-2023 GFWC Office Rental Extension**

Discussion:

Welsh told Board members that the lease for the GFWC expires in November of 2024. They would like to renew their lease and were looking for a two-year extension. If the Board was not willing to renew, the GFWC would need time to look for another office to rent. Welsh said he was not confident in getting other renters for the second floor due to the current condition of the offices. Filotto said that considering what the GFWC pays for rent and the amount spent to clean the offices and the bathrooms, he could not recommend extending the lease. The Board agreed with not extending the lease of the GFWC.

OLD BUSINESS

Renovation Project Update: Pete Bohler said that the roofs over the Rotunda, Esplanade and some of the smaller roofs are completed. The roofers are currently working on the roof on the north side of the building. The next roof scheduled to be worked on is the roof over the bathrooms. The roof over the theatre auditorium may have to be done in the Spring. Some of the material the roofers are using has to be applied in weather warmer than 40°F. The biggest issue the roofers are facing right now is on the roof above USF. There was structural damage done by how the RTU I-beams were connected to the building. R. Berti needs to consult with the structural engineer on how to repair the damage. He said there was no danger posed to anyone or anything. He thinks the repairs will be done in the next week or two. He said that the masons and plumbers are almost finished with their work. Another pipe covered in a small amount of asbestos was found and will be removed. Everything is still on schedule to finish on the target date except for the theatre roof. Condon asked if all of the contingency dollars have been spent. Bohler said that all of the allowances given in some areas have been spent. He said that he is confident that there won't be any more unexpected expenses. Welsh said that having R. Berti onsite has been very helpful in dealing with the other issues that have arisen. They tented over the electrical panel to protect it from the water entering the building through the alley.

Welsh said that the second payment to R. Berti for \$891,000 is now due. He has gotten final approval from the State for the \$5 million grant but does not have access to the funds yet. He asked if the Board would approve of paying R. Berti from the SVOG funds. The money would be reimbursed by the State grant once he submits the invoices. He was unable to submit invoices to the State until the grant funds were released. Filotto agreed to use the SVOG funds to pay R. Berti. Silverman advised Filotto to request a motion to amend the operational bills paid to include the check to R. Berti.

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

Motion: J. Pierson moved and D. Chestnutt seconded approval of amending the Operational Bills Paid to include the check to R. Berti Building Solutions for \$890,699.15.

AYES: Members Filotto, Chestnutt, Condon, Kent, Pierson, Trizna

Absent: Broderick

Nays: None

EXECUTIVE REPORTS

RSTF Report: Condon said that the *Espiritus en el Teatro* event was being held on October 29th starting at 2:00 pm. There were not a lot of advanced sales but it is expected to be a large walk-up crowd. The festivities will be held in the Esplanade and Rotunda. There will be a mariachi band, food vendors and other miscellaneous vendors. The Disney movie "CoCo" will be shown in the theatre. Condon thanked Bob Diedrich, Anna Rocha-Gray and Cesar Cardenas for their help in planning the event. She said they were crucial to the planning and did a great job.

Condon told the Board that Jack Ericksen has done an excellent job in bringing in sponsorship dollars for *Home for the Holidays*. She said that both *Teddy Bear Teas* have sold out. The event will once again be catered. The food service for the University of St. Francis will be providing the food for \$7,500. There will also be some new activities to freshen up the event. Everything is moving along well for the *Merry Little Soirees*. The Tuesday and Wednesday evening Soirees have strong sales. The Monday Soiree sales are currently a little slow. Stacy Sienko, Music Director for the Cathedral of St. Raymond, is planning the *Very Rialto Christmas* event. St. Ray's Choir will be performing. Condon asked the Board members sign up to volunteer for some of the *Home for the Holidays* events. Reardon recommended advertising *A Very Rialto Christmas* at St. Ray's. She said that Sienko is very popular with the parish.

The Foundation Board is also working on another Route 66 grant for \$35,000 which would be for more signage. The grant recipients should be notified in November or December. Condon told members that RSTF Board President, Steve Randich, feels that the Foundation and the Authority Boards should join together to do a capital campaign for the 100-year anniversary. She also wondered if the Board thought a consultant would be needed to coordinate the planning. Chestnutt asked if a committee needed to be formed. Condon said that Dale Evans is very involved with the planning and is working with people to get a committee together. Pierson asked if the capital campaign discussion could be put on the agenda for next month so Board members have time to think about it.

Executive Director's Report: Welsh said he is getting the original circuit breaker refurbished to have on hand as a backup. The cost will be \$3,500. He has gotten a quote of \$16,000 for battery inverters for the emergency lights. He will be asking the Foundation for the funds to do this as soon as possible given the recent electrical issues.

Chairman's Report: The Chair congratulated David Silverman on his 40th wedding anniversary. He thanked Sherri Reardon for all of the work that she has been doing for the Board.

Committee Reports: No reports.

City of Joliet Liaison's Report: No report.

Lobbyists' Report: Condon said that she, Broderick and Welsh will be meeting with the lobbyists to discuss streams of revenue with Will County Executive Jennifer Bertino-Tarrant on Friday, October 27th at 11:00 am. The lobbyists are going to see if the County would be willing to initiate legislation for a hotel/motel tax to benefit the Rialto. They will also be asking the County for some type of revenue stream similar to what the City is providing.

Condon said that there are now meetings via Zoom every two weeks with the lobbyists. Filotto said that he has been told that the Board is overpaying the lobbyists. He said that a more reasonable range would be \$3,000 a month.

PUBLIC TO BE HEARD: None

Motion: The Chairman requested a motion to adjourn the regular meeting. J. Pierson moved and J. Condon seconded the motion.

AYES: Members Filotto, Chestnutt, Condon, Kent, Pierson, Trizna

Absent: Broderick

Nays: None

The meeting adjourned at 5:08 P.M.

Minutes respectfully submitted by Christine Sturm, Recording Secretary.

Kathy Trizna, Board Secretary

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