

WILL COUNTY METROPOLITAN EXPOSITION AND AUDITORIUM AUTHORITY

Date: December 20, 2023

Authority Memo Number **078-2023 December 20, 2023 Regular Meeting**

The December 20, 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, Jane Condon, Jeff Pierson, Kathy Trizna

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

Absent: Donnie Chestnutt, Bill Kent (excused)

Others: Pete Boehler, Sabrina Boehler, Tim Scovic, Mario Barones, Steve Randich, Carol Mulvihill

The Chairman informed Board members that Board Member Jeff Pierson had to leave the meeting early. Filotto requested that action item #074-2023 be moved up on the agenda so that there was a quorum present for the vote.

Motion: J. Pierson moved and T. Broderick seconded a motion to amend the agenda to move New Business item #074-2023 before item #072-2023.

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

ABSENT: Chestnutt, Kent

NAYS: None

Authority Memo Number **074-2023 2023-2025 Audit Services**

Discussion and Vote:

Executive Director, Wade Welsh, explained to the Board that a bid for audit services for both the Authority and the Foundation had been posted. Two bids were received, one from Lauterbach & Amen, LLP in Naperville and the other from Wermer, Rogers, Doran & Ruzon. The proposal from Lauterbach was \$6,000 cheaper and could be done three months faster. Lauterbach was referred by the City of Joliet. They do work for 100 municipalities in the area. Filotto said he reached out to a third firm but they declined due to staffing issues. VenuWorks reviewed the two proposals and recommended the change in auditors to Lauterbach. Broderick said he felt like it was good practice to change every so often to a different auditing firm.

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

Motion: J. Pierson moved and T. Broderick seconded the motion to accept the proposal from Lauterbach & Amen, LLP for auditing services.

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

ABSENT: Chestnutt, Kent

NAYS: None

APPROVAL OF MINUTES

Authority Memo Number **071-2023 November 15, 2023 Regular Meeting Minutes**

Discussion and Vote:

The Chairman asked if there were any changes to be made to the November 15, 2023 minutes. He wanted it noted that the \$5,000 check made out to the City of Joliet was a refund to the Joliet Fire Department for a cancelled conference, not a water bill. He also asked if an account was set up for the payments on the F&B loan. Quigley said an account was created for the payments. Filotto said that Condon had mentioned establishing a Statement of Understanding and an Attendance Policy for the Board. He asked her to bring it up in January because of the absence of some of the Board members. Filotto also asked if Dale Evans was forming a committee for the 100th year anniversary planning. Rialto Square Theatre Foundation President, Steve Randich, said that Evans would be looking at more archival material for the celebration. Filotto wanted to make sure that someone was working on the planning of the events. Randich said that the committees and the potential capital campaign will be formed in early 2024.

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 K. Trizna seconded approval of the November 15, 2023 regular meeting minutes.

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

ABSENT: Chestnutt, Kent

NAYS: None

Public to be Heard Re: Agenda Items – None.

FINANCIAL REPORTS

Authority Memo Number **072-2023 Operational Bills Paid, Payable and Payable Age Listing**

Discussion and Vote:

The Chair said that the operational bills paid total through the end of November was \$1,356,000. Several large checks were paid in the month which included: \$172,000 to VenuWorks; \$76,000 to Mills Entertainment; \$324,000 to Nitelite; and a transfer to Old National Bank for \$400,000. Filotto asked if there were any questions regarding bills paid. There were none. Filotto said there were no new accounts listed under Accounts Payable. He asked if anyone had any questions. No one did. He noted that Accounts Receivable Aging Report was showing as a negative \$7,000 due to pre-payments from Diamond Dance, KAR Dance and Rainbow Dance. The true amount was about \$45,000.

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 J. Condon seconded approval of the Operational Bills Paid, Payable and Payable Age Listing.

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

ABSENT: Chestnutt, Kent

NAYS: None

Authority Memo Number **073-2023 Financial Statements**

Discussion and Vote:

The Chair said that the Profit & Loss Summary reflected five months of operations and continues to shine. Total income is a positive \$452,000 which is mainly coming from ticket rebates, facility fees and event related income. Total expenses are over budget by \$202,000. The main line item that is over budget is account #7900 Event Expenses. Net income is a positive \$5,171. It should have been a negative \$455,042 which is better than budget by about \$460,000. Account #7500 Repair/Custodial was a little over budget but it pulled in line with the annual budget. Filotto believes that it should continue to improve over time with

the renovations that are being done on the building. Welsh said two additional shows were added to the line up in November and were the reason why the numbers are doing so well. There were also four rentals of the theatre, and while there is no ticket revenue made from them, everything else goes to the theatre and is not shared with promoters, such as facility fees, TicketMaster fees and Food & Beverage income. Filotto also told Board members that Mike Piehl had provided him with a detailed cash flow statement. He will share the results with the Board after December.

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 J. Condon seconded approval of accepting the Financial Statements into the minutes.

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

ABSENT: Chestnutt, Kent

NAYS: None

NEW BUSINESS

Authority Memo Number **075-2023 Stabilization Report**

Discussion:

Welsh said that he had sent the stabilization report done by Bulley & Andrews to Board members on December 18th. There were some corrections and some stabilizations made to the terra cotta on the façade of the building. In 2015, Bulley & Andrews had done some stabilizations on the building. Those temporary stabilizations were still in place. Permanent repairs need to be made. Bulley & Andrews are confident that the City can move forward with the work on Chicago Street without incident. They strongly recommend getting a quote from a façade company to fix the issues. There are a lot of cracks that need to be sealed and some terra cotta tiles need to be replaced. There will be long lead times to get the terra cotta because it will be coming from overseas. They believe that it will take about a year to get the tiles and it will be expensive. Condon asked how much the study cost and if Welsh had gotten an estimate for the repairs. Welsh said it was \$34,000 for the study and he did not get an estimate for the work. Ramirez said that there needs to be a full assessment done on the façade to truly understand what needs to be replaced and what can stay. Filotto asked if the façade work would be done during the shut-down in the summer. Ramirez said that he is trying to get the work done as soon as possible.

OLD BUSINESS

Renovation Project Update: Pete Boehler from R. Berti reported that all roofs, except for the roof over the theatre, are covered and sealed. The roofers will come back to finish the coping work. The roof over the theatre will be done in April. All fencing has been removed from around the building. The north side of the building is being thoroughly cleaned. Preliminary work is starting for the bathroom project and the HVAC project. Filotto asked if the alley work was completed by the City. Ramirez said it was. Welsh said there was no more puddling in the alley, water is flowing down the center of the concrete and going to the drain. Welsh also told the Board that he was notified by Lisa Dorothy that the City was going to open bids to do the vault work in front of the theatre. The work was scheduled to be done in the month of February. During that time, patrons would have to enter the building from Van Buren Street during shows.

Authority Memo Number **076-2023 HVAC Options & Costs Presentation by JLK & R. Berti**

Discussion:

JLK Project Manager, Tim Scovic told Board members that JLK was working on documents for the HVAC system and has put together a calendar for the project. He explained that the air handlers would have to be pre-ordered in order to get them on time due to long lead-times. A custom option is available but it costs on average 70% more but has a shorter lead-time. Boehler has reached out to manufacturers to see about lead-

times for equipment. He said lead-times for equipment are coming down considerably but it could not be guaranteed to arrive on time for the project. Boehler was also getting quotes on custom equipment and some are dramatically less than anticipated. It is necessary to go out to bid for the equipment in mid-January. Bids would close in mid-February and the equipment would have to be ordered by the fourth week of February. The bid process will determine if custom equipment has to be purchased or if stock equipment is available. Welsh said that it would be necessary for the Authority Board to purchase this equipment to get the project going. The \$3.5 million dollars from the County would be available to cover the cost of the equipment, which he estimates to be \$750,000 to \$1 million. Only deposits would be required at first and payment in-full will be due on delivery. Mario Berrones, Lead MEP Engineer, said that large two air handlers were needed for the theatre and the Esplanade. They had 30 to 40 week lead-times which would not fit the construction schedule. He said it was necessary to look at other options, including custom equipment which would cut the lead-time down to 12 to 18 weeks with time for shop drawings to be approved. Nine smaller air handlers have a 12 to 16 week lead-time and would need to be ordered now. Welsh pointed out that the chiller would not be arriving until December 2024. The air handlers could help manage any warm weather that could occur after the building reopens in October. He is making all promoters aware of the situation.

Welsh said that JLK provided a sheet with a breakdown of all the costs. The project would cost \$6.8 million dollars. The initial estimate originally included a sprinkler system which is being put on hold since the insurance company is not requiring one be installed. The sheet also shows what money is available for the project and what potential money may become available. The Board currently has \$4.2 of the \$6.8 million dollars. The remainder of the money would need to be found by the summer. Welsh said he talked with Rialto Square Theatre Foundation Board President, Steve Randich, to see what the Foundation could contribute. The 2025 grant from the City of Joliet could also be used. He said that the lobbyists are ready to talk to the legislators in Springfield about a capital project on behalf of the Authority for another \$2 million. The lobbyists feel that they could secure that money. Welsh told the Board members that R. Berti has offered to store any equipment that arrives early in their warehouse. Boehler wanted to stress to the Board that the 70% additional cost would only apply to a few items, not all. Scovic also mentioned that the 70% is on the custom equipment only and not on any labor.

Authority Memo Number **077-2023 Staffing Options for HVAC Shutdown**

Discussion:

Filotto said that it is the position of the Board that the Rialto staff should not be harmed in terms of compensation or benefits while the theatre is shut down for the HVAC project. He said that there is just under \$2 million left from the SVOG money. The intent of that money was to support the employees during the pandemic and Filotto feels that the Board has benefited from that money. It was determined that \$316,350 would be needed to pay employees during the shut-down. Welsh added that there is also the \$207,000 from the Employee Retention Tax Credit with another \$30,000 to come. He said it was very important to make sure that employees were able to retain their benefits.

EXECUTIVE REPORTS

RSTF Report: Condon said that Home for the Holidays was very successful. She complimented Jack Erickson who brought in nearly \$130,000 in event sponsorships. Condon asked Randich to provide additional information on the event. Randich said that over 7,000 raffle tickets were sold, which was 2,000 more than last year. He thanked the Authority Board for donating baskets for the raffle. Both Teddy Bear Tea seatings were sold out with a total attendance of 395 people. More tables were added to the Merry Little Soiree events, which added about 50 more people than last year. He noted that several Rotary Club members came to help sell raffle tickets which was very helpful. He said he would have the final totals in January and believes that the Foundation should net over \$100,000. Condon said that 470 more people attended the Home for the Holiday events this year. She and Randich thanked the Rialto staff for all their hard work during the events.

Randich said that the Foundation had applied for a \$35,000 Route 66 grant through Heritage Corridor Destinations President & CEO, Bob Navarro. He has not heard if the Foundation has gotten it. The money would be used for a sign along the back wall of the theatre. It would be designed to look like something seen in the 1920's. It is a vinyl material that would be applied to the building with heat but look like it was painted onto the brick. Ericksen said it would recognize the 100-year anniversary of the Rialto and Route 66.

Executive Director's Report: Welsh commended the staff for working very hard during the holiday events. He said they had just finished up with 11 shows in 11 days. He said the American Legion Band concert was sold out and went very well as compared to last year. Operational issues were worked out to make the event run more smoothly.

Chairman's Report: The Chairman told Board members that he was contacted by Bob Rubens, grandchild of Claude Rubens - one of the brothers who built the Rialto. Rubens said that in the 1970's, before the Rubens family sold the theatre, he had removed two pieces of furniture from the building, a Louis XIV chest and a bronze clock which were stored in his garage for years. Rubens wants to donate them back to the theatre if they are able to be protected appropriately. Filotto said that he would like to bring some of the other Board members to take the trip to Naperville to view the pieces, possibly in mid-January.

Committee Reports: No report.

City of Joliet Liaison's Report: No report.

Lobbyists' Report: Condon said that the lobbyists were asked to evaluate the fees that they are charging the Authority. She said they lowered the fees from \$5,000 per month to \$4,000 per month. Filotto said there was no need to vote on the change since money for the lobbyists was already a budgeted item. Broderick said that the lobbyists have been very compliant with the new standards that the Board has requested. He has seen the increase in the communication with the lobbyists double and triple. He considers the quality of those communications to be very robust. Condon said the focus of the lobbyists right now is to find a stream of revenue for the theatre.

PUBLIC TO BE HEARD: Pete Boehler told the Board that he has a new appreciation for what the staff and volunteers do after volunteering to scan tickets for the *It's a Wonderful Life* show. He was very impressed with everyone.

Broderick said that he was very appreciative with the cooperation that he got from Randich, Welsh and others in helping to submit the application for the Saving America's Treasures federal grant. The federal grants require a lot of work. He said there was really good direction and collaboration with the consultant. The application has been submitted for \$750,000. Recipients will be awarded in August of 2025.

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

AYES: Members Filotto, Broderick, Condon, Trizna

ABSENT: Chestnutt, Kent, Pierson

NAYS: None

The meeting adjourned at 4:58 P.M.

Minutes respectfully submitted by Christine Sturm, Recording Secretary.

Kathy Trizna, Board Secretary

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