

WILL COUNTY METROPOLITAN EXPOSITION AND AUDITORIUM AUTHORITY

Date: February 28, 2024

Authority Memo Number **014-2024 February 28, 2024 Regular Meeting**

The February 28, 2024 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, Jane Condon, Bill Kent, Kathy Trizna

Staff: Wade Welsh, Rafael Ramirez, Jack Ericksen, Leann Hoffrogge, Shane Richards, Lisa Murphy, Christine Sturm  
Absent: Jeff Pierson (excused)

Others: HR Cook, VenuWorks; Sean Mikos, City of Joliet Deputy Director of Public Works; Christa Desiderio, City of Joliet Deputy City Manager; Pete Bohler, Carol Mulvihill

The Chairman requested that the presentation by the City of Joliet be moved up on the agenda.

Authority Memo Number **008-2024 City of Joliet Presentation**

**Discussion:**

Joliet Deputy Director of Public Works, Sean Mikos, and Joliet Deputy City Manager, Christa Desiderio, were in attendance to present more information on the City's Chicago Street Reconstruction project. More information can be found online at: [joliet.gov/business/downtown](http://joliet.gov/business/downtown). The City will be installing new sanitary sewer lines, storm sewer lines, water main lines and removing rock before the Chicago Street project begins. Advance vault contract work was being done now so pedestrians can access buildings during road construction. Traffic control is one of the biggest concerns during the project. It will be necessary to close roads while the sanitary sewer lines are being put in. Water lines will be installed after the sewer line installation is completed. Replacement of the sanitary sewer lines stops at Cass Street while the water lines will continue to Webster Street. The City expects the work on these lines to be completed in 2024. Road construction will begin in 2025. Work will start at Jefferson Street in June/July of 2024 and continue to Webster Street and finish in November 2024. The parking lot across the street from the Rialto will be used as a staging area. The library parking lot will be modified to allow for truck deliveries for the local businesses. During this time, IDOT will also be resurfacing Cass Street in 2024. Construction updates will be provided through press releases. Bidding for the project will begin within a month or two. Construction should start in June/July of 2024.

Desiderio advised Rialto management to refer everyone to the Ottawa Street parking deck during construction. The City will be trying a pilot program during Restaurant Week for free valet parking. If it goes well, it could be provided throughout the construction period. There will be service interruptions of power and water. The City will try to give business owners a couple of days' notice about the outages. The City will also be working with Joliet City Center Partnership on grants for business being affected by construction. The targeted end of the project is Thanksgiving of 2025.

**APPROVAL OF MINUTES**

Authority Memo Number **005-2024 January 24, 2024 Regular Meeting Minutes**

**Discussion and Vote:**

The Chairman asked if there were any changes to be made to the January 24, 2024 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 January 24, 2024 regular meeting minutes.  
AYES: Members Filotto, Broderick, Chestnutt, Condon, Kent, Trizna  
ABSENT: Pierson  
NAYS: None

Public to be Heard Re: Agenda Items – None.

#### FINANCIAL REPORTS

Authority Memo Number **006-2024 Operational Bills Paid, Payable and Payable Age Listing**

##### Discussion and Vote:

The Chair said that the operational bills paid for the month of January totaled \$1.6 million. Checks made to R. Berti & Son Contractor and VenuWorks accounted for 92% of the total, with \$1.042 million being paid to R. Berti and \$323,000 being paid to VenuWorks. Condon asked about the \$1,000 paid to BRT Outdoor LLC on January 10<sup>th</sup>. Welsh was not certain and said he would have Mike Piehl find out. Filotto asked about the credit card charges report payable to VenuWorks. Welsh said that he would get that from Piehl.

Accounts payable by vendor totaled \$94,000. Filotto said he saw no vendors in question. The accounts receivable aging report totaled \$23,156 but was actually around \$31,000 due to prepayments. Welsh wanted the board to know that Adler Roofing was asking to pay \$10,000 per year for four more years on the naming rights for the Rialto stage. The original agreement was \$20,000 for three years. The total amount will still come to \$60,000. Broderick asked if it was the same amount spread over five years rather than three. Jack Ericksen confirmed it was. Chestnutt asked if Adler would be willing to extend for two more years since the terms are changing. Ericksen said he could ask Chris Adler if he would be willing to do that. Filotto said he would like the matter explored further before the Board takes any action.

The Chair invited further discussion and, hearing none, he directed roll to be called. No opposing votes were expressed. Motion passed unanimously.

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

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

ABSENT: Pierson

NAYS: None

Authority Memo Number **007-2024 Financial Statements**

##### Discussion and Vote:

The Chair said that he continues to be impressed by the numbers in the Profit & Loss summary. Total income is up \$600,000; expenses are up \$178,000; net ordinary income is a positive \$101,073 which makes it over budget by \$443,000; net income is under budget by \$380,000. Filotto said he had no other comments on the balance sheet.

The Chair invited further discussion and, hearing none, he directed roll to be called. No opposing votes were expressed. Motion passed unanimously.

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

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

ABSENT: Pierson

NAYS: None

## OLD BUSINESS

### **Renovation Project Update:**

Welsh told Board members that out of the \$5 million budgeted for the roof project, \$2.9 million has been spent through December 31, 2023. He asked Michael Judy, the accountant for R. Berti, to give an estimate on the cost to finish the roofing project. The estimate came back at \$3.9 million, leaving a savings of \$1.1 million. Welsh feels that the Board needs to have conversations with the State reps about putting the \$1.1 million toward the other projects. Welsh said that the original quote for the bathroom renovations was \$500,000. Now, two years later, R. Berti has estimated the cost to be \$778,000. Welsh would like to use \$300,000 of the remaining \$1.1 million on the bathrooms and \$800,000 toward the HVAC project. Chestnutt asked if there was a possibility that there may be more savings with the upcoming projects. Pete Bohler thought that the cost of the bathroom project was pretty well set but there could be some savings on the HVAC project. Welsh said that line item #7 on the bathroom estimate which was for the sprinkler/fire alarm costs would be eliminated, saving \$12,500. Bulley & Andrews provided an updated cost estimate for the HVAC project which came in at \$7.9 million, up from \$6.8 million. The HVAC project is not expected to take as long as originally thought, and could result in \$300,000 savings. Welsh made the Board aware that the HVAC estimate does not include the construction manager fees that would be paid to R. Berti. The project could end up being around \$8 million.

Welsh said that R. Berti has some strong concerns about the schedule for the HVAC project. Nothing can start until all asbestos has been removed from the building. Welsh has not gotten a final report showing where the asbestos is located and exactly how much is in the building.

Welsh said that he cannot recommend moving forward with the HVAC project since all the funding is not available and the work will probably run past the October 2024 deadline. He said that since the building will be shut down in July and August, the focus should move to the bathroom remodel and asbestos removal. Welsh feels that the asbestos work and the removal of the obsolete HVAC equipment in the building should be done with the \$3.5 million that the Authority Board has received from the County grant. The HVAC project should be put off until July of 2025. Welsh cautioned that there is the risk that the current HVAC systems could fail, causing shows to be cancelled. Welsh said that R. Berti's biggest concern was the condition of the cooling tower since the bottom is rusting out. Once the weather warms, the building engineers will fill the cooling tower tank. If it fills and the water does not leak out, they believe that it should be good for the rest of the season. Welsh said that options for reinforcing the bottom are being considered. R. Berti believes that the boilers will remain functional since there are two.

Welsh said that by delaying the HVAC project until next summer, there would no longer be a need for a custom system because a 40-45 week lead-time would be doable. This could possibly result in another \$300,000 in savings. Welsh recommended that the Board vote NO on purchasing the air handlers and fan coils at this time.

## NEW BUSINESS

### **Authority Memo Number 009-2024 Approval of Electrical Repair Bid and Award of Contract**

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

Rameriz said that he put out a bid for an arc flash study and a one-line diagram. Three bids were received from Elliot Electric, Block Electric and Meade Electric. During the bid process, Ramirez was informed by Elliott Electric that there is another option to the one-line diagram called an SKM output. The SKM output is a computer program which prints out a schematic diagram of the building's electrical system. A one-line diagram is done by an electrical engineer. Ramirez put out an addendum for bidding on the SKM. Elliott Electric's bid came in the lowest because they were the only ones to bid with an SKM output. Ramirez feels that the SKM would satisfy the building's needs. A schematic diagram of the building is needed when electrical engineers come into the building to work.

The Chair invited further discussion and, hearing none, he directed roll to be called. No opposing votes were expressed. Motion passed unanimously.

**Motion:** J. Condon moved and T. Broderick seconded motion to approve and award the contract for the Electrical Repair Bid to Elliott Electric for \$25,510.

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

ABSENT: Pierson

NAYS: None

Authority Memo Number **010-2024 Approval of Air Handler Units Bid and Award of Contract**

**Discussion and Vote:**

The Chairman asked for a motion to deny the approval of the air handler units bid and award of a contract due to the recommendation of management.

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 D. Chestnutt seconded a motion to deny the approval of the bid for the air handler units and awarding of a contract.

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

ABSENT: Pierson

NAYS: None

Authority Memo Number **011-2024 Approval of Fan Coils Bid and Award of Contract**

**Discussion and Vote:**

The Chairman asked for a motion to deny the approval of the fan coils bid and award of a contract due to the recommendation of management.

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 D. Chestnutt seconded a motion to deny the approval of the bid for the fan coils and awarding of a contract.

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

ABSENT: Pierson

NAYS: None

Authority Memo Number **012-2024 Board Attendance Policy Discussion**

**Discussion and Vote:**

Condon requested a motion to dismiss the discussion of a Board Attendance policy.

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

**Motion:** J. Condon moved and T. Broderick seconded approval of the motion to deny the discussion on the Board Attendance Policy.

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

ABSENT: Pierson

NAYS: None

Authority Memo Number **013-2024 Reserve Fund**

**Discussion:**

Welsh told the Board that Piel made him aware of a reserve fund that is included on the balance sheet but not in the P&L statement. This fund was established by the Authority at some point and takes 50 cents from every

facility fee collected and puts it into a fund dedicated for stage and backstage upgrades. Welsh said that the Foundation just recently spent nearly \$50,000 on backstage upgrades. He said there is currently \$130,000 in this fund. He is asking to be allowed to pay for the lighting upgrades in the theatre out of this account. He would also like to pay for the electrical upgrades from this account as well. The total needed for the lighting and electrical upgrades would be \$106,000 - \$86,000 for the lighting and \$25,000 for the electrical.

Going forward, Welsh would like the 50 cents from each facility fee to go to the general operating account since the need for backstage upgrades has already been handled. It would generate \$30,000-\$40,000 a year to help make up for the shortfall of the \$475,000 from the City of Joliet being taken out of the operating budget. Filotto said the money from this reserve fund is being accounted for on the Balance Sheet summary in account #1100 - checking/savings.

Board members agreed to allow Welsh to reallocate the funds from the reserve funds for the stage lighting and electrical upgrades.

#### EXECUTIVE REPORTS

**RSTF Report:** Condon announced that the Shamrockin' Good Time fundraiser for the Foundation would be March 14<sup>th</sup> with the doors opening at 6:00. The event will feature bagpipers and drummers from the Joliet Police and Fire departments; Irish dancers; Irish musicians performing both traditional and contemporary Irish music; an Irish raffle basket valued over \$500 that includes an overnight stay at Harrah's Casino and a \$100 gift card to The Reserve; a 50/50 raffle; an Irish costume contest; Irish food and drinks including corned beef sliders and Guinness beer. Marketing Director, Shane Richards, advertised the event with an Irish American newspaper based in Chicago. Ericksen said that the organizers of A Shamrockin' Good Time will promote it at the Manhattan Irish Fest. The couple has been involved with the Manhattan Irish Fest for years.

Condon asked on behalf of Foundation Board President, Steve Randich, if the Authority Board had any interest in a capital campaign to prepare for the 100<sup>th</sup> anniversary of the theatre. If so, she asked if the Board thought a consultant should be hired.

Ericksen told the Board that the Foundation received a \$35,000 grant for a sign to promote the Rialto and Route 66 for the back wall of the theatre facing Scott Street. Recently, he found out that the new sign cannot be put over an original sign that is painted on the back of the building. He and Randich are trying to figure out a way to place the new sign on the building. He has asked Bob Navarro, President of the Heritage Corridor Convention and Visitors Bureau, if the grant money could be used instead to restore the original painted sign. He is waiting to hear back.

**Executive Director's Report:** Welsh informed the Board that Audio Phil's will be moving out of their unit at the end of April. They are relocating to Chicago Street, across from the Chicago Street Pub. Welsh said that the vacant unit will need to be renovated and brought up to code. It will not be available for new tenants at this time.

He also told the Board that there is a candidate for the Finance Manager position. She will be in town for the Get the Led Out performance. H.R. Cook said she is a VenuWorks employee who does the accounting at the Holland, Michigan facility.

Welsh informed the Board that Shane Richards has been asked to referee for Major League Soccer due to a strike. He was recruited to help out since he referees high-level soccer games in the area.

**Chairman's Report:** The Chairman said that he had met with Welsh, Ramirez and Bob Rubens. It was decided that the chest and candelabra would be put up in the balcony alcove on the north side of the Rotunda. Silverman was asked to draft an agreement up between the Authority Board and Mr. Rubens.

**Committee Reports:** No report.

**City of Joliet Liaison's Report:** No report.

**Lobbyists' Report:** Broderick said that the lobbyists are currently working on the shell bill with the legislative review committee. They hope to have it ready by May for the spring session. Silverman has been helping in the process. The target amount is \$1.45 million per year. Broderick said that he is getting good support and engagement from the lobbyists on a weekly basis and things are going well.

Broderick said that he is also in the process of renegotiating a new contract with the grant writers. He is looking to sign a six-month agreement for \$1750 per month. The Board is currently paying \$1750 for the identification and completion of a grant. It will now be \$1750 for just the completion of the grant. There are about 24 grants that have been identified for the Rialto and are in the queue.

**PUBLIC TO BE HEARD:** Carol Mulvihill told the Board that the current rate of the hotel/motel tax in Joliet is 16%.

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

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

ABSENT: Pierson

NAYS: None

The meeting adjourned at 5:33 P.M.

Minutes respectfully submitted by Christine Sturm, Recording Secretary.

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Kathy Trizna, Board Secretary

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