

WILL COUNTY METROPOLITAN EXPOSITION AND AUDITORIUM AUTHORITY

Date: March 27, 2024

Authority Memo Number **018-2024 March 27, 2024 Regular Meeting**

The March 27, 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, Bill Kent, Jeff Pierson, Kathy Trizna

Staff: Wade Welsh, Jack Ericksen, Shane Richards, Christine Sturm

Absent: Jane Condon (excused)

Others: Mike Piehl, VenuWorks; David Silverman, Legal Counsel; Pete Bohler, Carol Mulvihill, Penny Vanderhyden

APPROVAL OF MINUTES

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

**Discussion and Vote:**

The Chairman asked if there were any changes to be made to the February 28, 2024 minutes. No corrections or changes were suggested.

Chestnutt said that some questions were raised at the last meeting and wondered if there were follow-up answers. She asked about the \$1,000 paid to BRT Outdoor LLC on January 10, 2024. Welsh said that payment was misclassified and was actually a Foundation expense. Chestnutt also asked about the credit card statement from last month. Filotto appears in the financial report to be presented today. Filotto asked Jack Ericksen if he had spoken to Chris Adler about extending the sponsorship for the stage. Ericksen said that he had not but will talk to him soon.

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 February 28, 2024 regular meeting minutes.

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

ABSENT: Condon

NAYS: None

Public to be Heard Re: Agenda Items – None.

FINANCIAL REPORTS

Authority Memo Number **015-2024 Operational Bills Paid, Payable and Payable Age Listing**

**Discussion and Vote:**

The Chair told Board members that he spoke with Welsh and Piehl about the bank fees which appear on the check detail. Piehl is now listing all disbursements. The larger amounts are credit card fees. Filotto explained that when the Authority moved its money to Old National Bank for a higher rate of return, some additional fees came along with it. Chestnutt asked what type of fees. Piehl said it was for positive pay. Chestnutt asked if there was a way to distinguish between the fees. Piehl said there was and he would clarify on future reports. Filotto suggested asking Old National Bank if they would be willing to waive some of the fees.

The total of checks paid in February was \$508,713. Filotto said that 80% of that total went to four vendors: NiteLite - \$241,000; VenuWorks - \$124,000; Chubb - \$13,000; and Busey Bank - \$22,000. He pointed out the credit card statement for February and asked if there were any questions. There were none. Accounts Payable by Vendor totaled \$205,190. Two vendors accounted for 67% of the total: Grand Stage - \$78,000; and VenuWorks - \$24,000. Welsh said that the lighting equipment from Grand Stage finally came in and was installed. It was

cheaper than expected. The original quote was for \$83,960. Filotto had no questions regarding the Accounts Receivable Aging report.

The Chair invited further discussion and, hearing none, he directed roll to be called. No opposing votes were expressed. 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, Broderick, Chestnutt, Kent, Pierson, Trizna

ABSENT: Condon

NAYS: None

Authority Memo Number **016-2024 Financial Statements**

**Discussion and Vote:**

The Chair reported that some accounts for the month were under budget on the income side, but overall, continue to be \$500,000 greater than budget. He said that account #4700 - Ticket Rebates & Facility Fees and #4800 - Event Related Income were down. Account #4800 - Interest Income was better than anticipated. Monthly expenses were not favorable but are better than budgeted for the year. Net ordinary income is \$425,000 ahead of budget. It was projected to be a loss of \$378,000 but is a positive \$47,000. Non-operating expenses are about \$325,000 ahead of budget. Welsh said that there weren't as many shows in February as budgeted. April and May will exceed budget based on the number of shows scheduled. June is down a bit. Welsh believes that the Authority should end up with a positive net ordinary income at the end of FY24.

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

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

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

ABSENT: Condon

NAYS: None

**OLD BUSINESS**

**Renovation Project Update:**

Pete Bohler from R. Berti Building Solutions said that work on roof #6 will begin in early April. There is one more ladder to be installed behind the grotto. The remaining work should only take about two weeks.

Welsh said that the cost of the roof project when completed should total \$4.1 million. He is working with the grant manager to see if the remaining funds may be applied to the bathroom and HVAC projects. He told Board members that while the theatre and Rotunda are shut down in July and August, the goal will be to complete the bathroom project, remove asbestos from areas to be renovated, begin the plumbing work in the basement and starting the prep-work for the HVAC project. Moving the HVAC project to June thru August of 2025 will help lower costs of the project since the custom equipment will no longer be needed. He cautioned that there is a risk that the current systems could fail. The chillers will be turned on in mid-April. The engineers will find out if there needs to be any work done on them at that time.

Welsh told Board members that he was informed that there is asbestos in the area above the theatre ceiling and the roof. A lot of pipe work will need to be done there for the new HVAC system. Anyone working in that area, will have to wear a special suit and take 16 hours of asbestos training. This will add additional costs to the project. If the asbestos was encapsulated, JLK is worried that it could affect the decorative finishes on the ceiling in the long-term. Welsh said he is checking to see if it is possible to switch from the boiler system to a gas-forced air system with a roof-top unit. He will be having a meeting with JLK and Calor to discuss all options.

## NEW BUSINESS

### Authority Memo Number **017-2024 FY25 Budget Discussion**

#### **Discussion:**

Welsh said he will have a draft of the FY25 budget to present at the April board meeting. The new budget will have to be approved at the June meeting. He pointed out that with the HVAC project being done in 2025, there will be no show income for three months, July and August of 2024 and June of 2025, and two additional months with no shows in FY26. He asked if the Board was going to pay the employees during the shut-down. Filotto said that he did want to keep the employees on the payroll so their benefits were not affected. Filotto told Board members that he would like to reopen the contract with VenuWorks to renegotiate the contract to assume more risk in order to gain more profits. In exchange, the Board may agree to extend the contract with VenuWorks for a couple more years. Filotto feels that this may help to cover operating costs. Chestnutt asked if Filotto discussed with VenuWorks about reducing its monthly fees during the shut-down. Filotto said that he did not but could bring that up. Welsh said he would reflect in the FY25 budget to remain fully-staffed during the shut-down.

## EXECUTIVE REPORTS

**RSTF Report:** Ericksen told Board members that 370 people attended 'A Shamrockin' Good Time'. The Foundation got very good feedback from the patrons that attended the event. There were several vendors at the event: Dan's Candies, A Touch of Ireland and Harrah's. Ericksen had gotten \$7,000 in sponsorships for the event. Filotto said that he had volunteered at the event and agreed that it was a fun night.

**Executive Director's Report:** Welsh provided a handout to Board members defining the financial guidelines between the Authority Board and the Foundation Board. It is an agreement that Piehl would like to get formalized and agreed to by both Boards. Going forward, Piehl will present a disbursement report to the Foundation Board so that it can be approved by their members. Changes to the policy can be considered at future meetings. Piehl would like this document approved at the June Board meeting.

Welsh let Board members know that three interviews were conducted for the Finance Manager position. There were two solid candidates and an offer will be going out to one of the candidates after the holiday.

**Chairman's Report:** The Chairman said that he, Welsh and Condon had a meeting with Foundation Board members Steve Randich, Tim Shanahan and Jen Howard about the capital campaign for 2026. Randich was put in touch with a firm in Chicago that does campaign analysis work. The group is hoping to have a Zoom meeting with them soon to see what the costs of a capital campaign might be. The discussion with this firm is for preliminary work only.

He also reminded Board members that their statements of economic interest are due to the State and County. He asked that members fill out their forms and get them submitted.

Filotto said that he had a discussion with HR Cook about what to pay VenuWorks for the work they did on the employee retention tax credit paperwork. They came to an agreement of a 5% payment which totals a little over \$10,000.

**Committee Reports:** No report.

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

**Lobbyists' Report:** Broderick said that the lobbyists are working on the language for the bill on the hotel/motel tax but nothing is finalized. Silverman said it should be ready for the Spring session.

Chestnutt said that Broderick had said that there were 24 grants identified for the theatre. She asked if a schedule for submissions had been set up for them and if the Board could get a spreadsheet. Broderick said he

would send out a spreadsheet for the grants. He said that he is currently working on four grants that are in a March/April time frame. The others are in the third and fourth quarter of the year. Chestnutt suggested that he look in to the Nicor Five Pillars Grant, which opens in September, for the HVAC project.

PUBLIC TO BE HEARD: none

Filotto asked Silverman to start a discussion with Bob Rubens about the insurance for the chest and candelabra. Silverman said he did speak with Rubens. He said that Rubens wanted the items to be insured for \$120,000. Silverman said he would need an appraisal done on the pieces. Filotto said that a location for the pieces was agreed upon. A secure way to transport the pieces here from Naperville will have to be found. Ericksen said that he will speak to Legacy Trucking, the company that transported the mural for the theatre. Filotto would like to see the items in place by 2026, mid to late 2025, if possible.

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

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

ABSENT: Condon

NAYS: None

The meeting adjourned at 4:40 P.M.

Minutes respectfully submitted by Christine Sturm, Recording Secretary.

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Kathy Trizna, Board Secretary

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