

WILL COUNTY METROPOLITAN EXPOSITION AND AUDITORIUM AUTHORITY

Date: July 24, 2024

Authority Memo Number **046-2024 July 24, 2024 Regular Meeting**

The July 24, 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, Donnie Chestnutt, Jane Condon, Bill Kent, Kathy Trizna

Absent: Tim Broderick, Jeff Pierson (excused)

Staff: Wade Welsh, Kathleen Drozd, Jack Ericksen, Leann Hoffrogge, Lisa Murphy, Nancy Lindmark, Shane Richards, Christine Sturm

Others: City Liaison, Sherri Reardon; Carol Mulvihill

The Chairman announced he was moving the presentation of the FY23 Audit to the top of the agenda and introduced Courtney Moore from Lauterbach & Amen, LLP.

NEW BUSINESS

Authority Memo Number **044-2024 FY23 Audit**

Discussion and Vote:

Moore said that the purpose of the audit was to perform various tests and procedures on the financial statements to ultimately form an opinion. The organization was given an unmodified opinion which is also known as a clean opinion. It is the highest opinion that can be given. The audit stated that the financial statements were presented fairly in all material respects. The audit for the Rialto Square Theatre Foundation was shown separately this year.

The ending NET position for FY2023 was \$6.7 million with \$3.2 million considered to be NET investment and capital assets. The remaining \$3.5 million is considered to be unrestricted and can be used to meet the future needs of the organization.

There was an increase in NET position of about \$279,000. Total operating revenues and operating expenses brought an ending NET position of \$6.7 million.

Moore also told Board members that the Notes to the Financial Statements, pgs. 20-29, give an explanation of all the information provided for the audit. She also said that the Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual is a helpful tool to use for budgeting in the future. It was recommended that the Authority adopt a capital asset policy which addresses both financial and stewardship issues.

The Chair asked the Board if they wanted to approve the audit or if members wanted more time to review it. Chestnutt said that she would prefer to approve it at next month's meeting.

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 D. Chestnutt seconded a motion to table a vote on the FY23 audit until the August 28, 2024 meeting.

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

ABSENT: Broderick, Pierson

NAYS: None

#### APPROVAL OF MINUTES

Authority Memo Number **036-2024 June 11, 2024 Special Meeting Minutes**

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

The Chairman asked if there were any changes to be made to the June 11, 2024 Special Meeting 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:** D. Chestnutt moved and K. Trizna seconded approval of the June 11, 2024 Special Meeting minutes.

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

ABSENT: Broderick, Pierson

NAYS: None

Authority Memo Number **041-2024 June 26, 2024 Regular Meeting Minutes**

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

The Chairman asked if there were any changes to be made to the June 26, 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:** J. Condon moved and K. Trizna seconded approval of the June 26, 2024 regular meeting minutes.

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

ABSENT: Broderick, Pierson

NAYS: None

Public to be Heard Re: Agenda Items – None.

#### FINANCIAL REPORTS

Authority Memo Number **042-2024 Operational Bills Paid, Payable and Payable Age Listing**

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

The Chairman said that payables were \$310,000 for the month of June. The check detail totaled \$201,016. The largest checks were: VenuWorks \$111,000, of which \$87,000 was performance based; Busey Bank \$22,000; and Chubb \$13,000. Filotto asked about the check to Litronicx Ltd for \$5,000.

Welsh said it was for rental of stage lights which will be paid back in the settlement with the performance. Accounts payable totaled \$182,000 with the largest checks paid to: VenuWorks \$94,000; Chubb \$13,000; Busey Bank \$22,000 and Com Ed \$11,000.

Open receivables totaled \$18,657. Welsh said that Diamond Dance Company has paid \$8,700 and the \$15.98 was a refund to Erika Montejo for an overcharge on a wedding. Filotto asked if the contract with Adler Roofing is going to be redone. Ericksen said that Chris Adler has re-signed a new contract for \$10,000 per year until 2026. Chestnutt asked why it was still appearing on the receivable aging report.

Welsh said that the original agreement will have to be taken out of the system and the new terms entered.

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

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

ABSENT: Broderick, Pierson

NAYS: None

#### Authority Memo Number **043-2024 Financial Statements**

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

The Chairman said that the final numbers of FY23 reflected an amazing turn around. He commended Welsh and the staff. Total income broke \$4 million for the year and was \$918,000 over budget. Ordinary income was budgeted for a loss of \$411,000 but ended up as a positive \$215,000. Net income was projected to be a loss of \$260,000 but was a positive \$79,000. The areas which saw the biggest gains were Food & Beverage income; ticket rebates and facility fees; and event related income.

Chestnutt asked why account #8100 was still showing as the City of Joliet and not listed under capital. Welsh said the FY23 budget was drawn up before it became mandated to spend the money from the City on capital improvements. It will be reflected under capital improvements in all future budgets.

Condon asked if account #7800 Professional Services was payment for Mike Piehl's services. Welsh said that \$30,000 was paid to Wermer Rogers; \$20,000 to Lauterbach & Amen; and \$22,419 to Piehl.

Welsh said he believes this is the first time in the history of the theatre that it has turned a profit without the help of a subsidy. Condon said that she thought the Board should have some sort of celebration to recognize the achievement.

The Chairman 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 B. Kent seconded approval of accepting the Financial Statements into the minutes.

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

ABSENT: Broderick, Pierson

NAYS: None

#### **NEW BUSINESS**

##### Authority Memo Number **045-2024 FY24 Recap Presentation**

##### **Discussion:**

Welsh and Shane Richards presented a recap of fiscal year 2024. Welsh said that FY2024 saw many challenges: a power outage that cancelled two shows (Skid Row/Buckcherry, Encanto) in September; the YES concert was cancelled due to a band injury in October; burst pipes in January; vault work in February; a transformer fire with a \$40,000 repair in April; alley work in May; and a delay of the HVAC project. In spite of the setbacks, attendance in FY24 rose about 23% to 140,746, up from 109,175 in FY23. There were 60 shows and 156 events in FY24 as compared to 38 shows and 135 events in FY23.

Food & Beverage was the biggest area of growth in FY24. Price adjustments were made to increase prices without overcharging patrons. The Authority entered into a five-year partnership with Pepsi and will receive \$10,000 a year in sponsorships. Case prices on soda is \$3.00 cheaper with Pepsi. The number of stations at the bars has increased. There are now two bartenders at each bar for every show. The POS system was upgraded and can accept Apple Pay and Google Pay, making the lines move quicker. A new ice machine was purchased by the Rialto volunteers which saved \$7500 this year on ice. Overall, F&B revenues grew 47%, from \$573,000 in FY23 to \$842,000 in FY24.

Total operating revenue and net operating P/L have steadily improved since VenuWorks took over management of the theatre. In 2017 there was a net operating loss of \$869,000. In 2024, there was a net operating profit of \$215,000. Total operating revenue went from \$1.8 million to \$4.4 million over the seven-year period. Filotto commented that this shows that the previous model of having an executive director with no third-party input did not work. He believes this model is working well.

In FY24 the roof project was completed as well as the restoration of the terrazzo floors in the Esplanade and Rotunda. The bathroom renovations will begin now that the demolition has finished. Welsh said that a grand re-opening will be held in the middle/end of September based on the progress of the bathroom project. Signs will be made to honor those legislators who helped get the funding for the project. A Business After Hours event is also scheduled for the third week in November.

Welsh told Board members that he is teaming up with the City for a grant. The City is looking to renovate the Ottawa Street parking deck and a request for \$475,000 for electrical updates to the Rialto has been included. Welsh said he should find out by the end of August if the theatre has been awarded the \$750,000 grant to help with the HVAC project.

Chestnutt congratulated Welsh on assembling a talented team that understands what the Rialto means to the community. She said that all the passion that the group puts into the Rialto is now starting to show in a positive way.

## OLD BUSINESS

### **Renovation Project Update:**

Welsh reported that the terrazzo restoration in the Esplanade and Rotunda has been completed. He said there were a few areas he wanted addressed. The demolition of the bathrooms is finished in both the men's and women's areas. There was an issue with the floor elevation in the men's bathroom. There is a two-foot drop from the floor of the Rotunda to the floor of the new bathroom. A ramp will be installed to make it ADA compliant. He does not have an exact cost yet for the ramp and does not feel it will be a setback on the project in terms of timing. Asbestos is being removed in the basement. The removal should be completed by the end of August. The bid for the HVAC project has been posted. Bids will be due on August 15<sup>th</sup>. There will be a mandatory walk-thru for contractors, either August 1<sup>st</sup> or August 9<sup>th</sup>. Bids will not be accepted from companies that don't attend the walk-thru due to the intricacy of the project. Bids will be presented for approval at the August meeting. Welsh said that the bids for the HVAC equipment should be cheaper than first expected since custom equipment is no longer needed. R. Berti feels that more bids will be received as the project is a year out. Welsh warned that additional funding will still need to be found.

## EXECUTIVE REPORTS

**RSTF Report:** Condon said the mural issue has finally been resolved. Ericksen said that it was necessary to move the sign a little to the south and make it a bit smaller because of a drain on the roof. It could be installed by late August. Chestnutt asked what type of material was going to be used for the sign. Ericksen said it would be vinyl and mounted on a frame. He said the sign should

last about ten years. Welsh said that the Scott Street wall of the building has also been fixed and painted.

Ericksen reported that the Home for the Holidays event is progressing very well. VenuWorks will be announcing the shows and events on Friday, July 26th. The window cling will be going up at the end of the week or the beginning of the next week. There is a new event this year called Jingle Mingle which will be held on Thursday, December 19 at 7:00 pm. It is for young professionals and will feature a DJ. Nova Soul has confirmed for Merry Little Soiree. The event will be three nights again - December 2nd, 3rd and 4th.

**Executive Director's Report:** No report.

**Chairman's Report:** The Chair said he has asked Bob Rubens about gifting the items to the WCMEAA. Silverman has sent over a draft of the agreement. Rubens would like to meet with the shipping company prior to transport. He wants them to view the items before the moving date. Filotto said he is working on a plaque which will honor Rubens to place near the items. Rubens will be mailing the appraisals for the items. Welsh said the Board will need to decide if they want a separate insurance policy for them. If they are covered under the regular policy, the deductible would be \$50,000.

**Committee Reports:** No report.

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

**Lobbyists' Report:** Condon said that three lobbyists have been recommended to the Board. Interviews for them are being scheduled.

**PUBLIC TO BE HEARD:** Ericksen said he would like to commend the Board for their work. He said that this Board has really made a difference for the theatre.

The meeting adjourned at 4:55 P.M.

Minutes respectfully submitted by Christine Sturm, Recording Secretary.

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Kathy Trizna, Board Secretary

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