

WILL COUNTY METROPOLITAN EXPOSITION AND AUDITORIUM AUTHORITY

Date: October 23, 2024

Authority Memo Number **077-2024 October 23, 2024 Regular Meeting**

The October 23, 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, Jeff Pierson, Kathy Trizna

Absent: Bill Kent (excused)

Staff: Wade Welsh, Rafael Ramirez, Kathleen Drozd, Leann Hoffrogge, Christine Sturm

Others: Legal Counsel, Jim Murphy; Meg Kindelin; Carol Mulvihill

APPROVAL OF MINUTES

Authority Memo Number **071-2024 October 2, 2024 Special Meeting Minutes**

Discussion and Vote:

The Chairman asked if there were any changes to be made to the October 2, 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: T. Broderick moved and J. Pierson seconded approval of the October 2, 2024 special meeting minutes.

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

ABSENT: Kent

NAYS: None

Public to be Heard Re: Agenda Items – None.

FINANCIAL REPORTS

Authority Memo Number **072-2024 Operational Bills Paid, Payable and Payable Age Listing**

Discussion and Vote:

The Chairman said that checks totaled \$547,000 in September. Six vendors accounted for 94% of the payables: R. Berti \$299,000; JLK \$69,000; Pinnacle Stone Restoration \$67,000; Busey Bank \$31,000; Mahoney, Silverman & Cross \$28,000 for asbestos related legal services; and VenuWorks \$18,000.

Accounts Payable by Vendor totaled \$67,000. The largest checks went to: Busey \$31,000; Carnow, Conibear & Associates \$8,300; lobbyists Phelps Barry & Associates \$5,000; and ComEd \$4,000.

The Accounts Receivable Aging Report had a zero balance.

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

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

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

ABSENT: Kent

NAYS: None

Authority Memo Number **073-2024 Financial Statements**

Discussion and Vote:

The Chairman said that at the beginning of FY25, it was planned to have the building closed for two months. However, due to the asbestos situation, it was closed for a third month that was not accounted for in the budget. Total income for the three months was down \$97,000 versus the budget. It should be down in October as well. Filotto felt that the budget will pull back in line over the last two months of the year. The two-line items that are doing well are #7500 Repair/Custodial and #7900 Event Expenses.

Filotto said there is a new line item, #7950 EPA-Related Expenses. Expenses currently total \$117,129. He said that he has asked Welsh to provide a breakdown of the funds in the future to show who has been paid. Payments have been made to: Midwest Environmental \$60,000; Mahoney, Silverman & Cross \$47,000; Carnow, Conibear & Associates \$8,300; and \$2,000 in advertising expenses for a cancelled show. Welsh explained that the \$8,300 to Carnow was for the initial asbestos testing that took place in August. Filotto asked that line item #7950 be moved to non-operating expenses. He said it should not be under operating expenses. Reardon asked if all invoices had been turned in for the asbestos clean-up. Filotto said they were not. He believes the costs will total about \$2 million when the clean-up has ended. Reardon asked if the costs were going to be covered by insurance. Murphy said it remains to be determined at this point.

Overall, there was a projected loss of \$536,000 and it's currently a loss of \$564,000 with the one additional month of closure. Filotto said that if the \$117,000 was removed from operating expenses, the total expenses would be better than budget. He is optimistic that the numbers will get better later on in the year.

The Chairman 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 J. Pierson seconded approval of accepting the Financial Statements into the minutes.

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

ABSENT: Kent

NAYS: None

NEW BUSINESS

Authority Memo Number **074-2024 Meg Kindelin/River Edge Tax Credit Program Discussion**

Discussion:

Broderick explained to the Board that after the Rialto did not get the Saving America's Treasures Grant, he turned to JLK President, Meg Kindelin, to see if she could guide him in locating grants for the building. Kindelin recommended the River Edge Historic Tax Credit program. Broderick said he was familiar with the program but didn't know if the rest of the Board was.

Kindelin explained to the Board that the Rialto is not a national monument and that is why it did not qualify for the Saving America's Treasures Grant. She said it is a historic building and is on the National Registry of Historic Buildings. There are 2500 designated national monuments and 200,000 buildings on the National Registry. She said there are three different tax credits for historic properties: 1) Federal Tax Credit which is a 20% tax credit that is given to properties on the registry or in a historic district for qualified rehabilitation expenses 2) The Illinois Historic Preservation Tax Credit which is a 25% tax credit 3) River Edge Historic Tax Credit program which provides a 25% tax credit for owners of historic buildings located within a River Edge redevelopment district for qualified expenses.

The tax credits were developed by the Federal Government as a way to equalize the playing field. Historical buildings cost more money. The spirit of the program is to keep historic buildings in use.

Kindelin told the Board that they should find an accountant and a lawyer that specializes in tax credits. She also told them to look at other projects that are similar to what the Board would like to do with the building and follow their example.

Reardon asked if the tax credits could be applied retroactively. Kindelin said they could. The project should be defined as a phased project and determine an appropriate start date for the project. Pierson asked if the credits are applied incrementally or received in full at the end of the project. Kindelin said they are all received at the end. Welsh asked if the Board would have to have all the money for the project on hand. Kindelin said yes, it is a tax credit for the business.

Kindelin said that the next steps for the Board would be to speak with an accountant to get answers for all the questions that are raised and to look at all areas of the building and consider the biggest project that needs addressing. See what can be scaled back or done in the near future. Look at the most needed projects. Lastly, she said to decide what needs to be done to get the tax credits and begin the projects.

Authority Memo Number 075-2024 Approval of the 2025 Regular Meeting Schedule

Discussion and Vote:

The Chairman presented the regular meeting schedule for 2025. All meetings will fall on the fourth Wednesday of the month except for November and December 2025. Those meetings will be held on the third Wednesday of the month because of the holidays.

The Chairman 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 T. Broderick seconded approval of the WCMEAA 2025 regular meeting schedule.

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

ABSENT: Kent

NAYS: None

Authority Memo Number 076-2024 FY2025 Property Insurance Renewal

Discussion and Vote:

Welsh said that he has not gotten a renewal quote from Chubb yet. He did receive an email that stated that one will be coming with a caveat requiring a signed contract withing 60 days of the renewal date. It will have to be signed by January 15th. The fire detection system will have to be installed before November 2025. Welsh said he was expecting the quote from Chubb soon. He is also expecting a second quote from a company called Affiliated FM. Five of six companies with the insurance broker declined to quote on the property insurance because they could not combine it with the GL policy. Welsh proactively reached out to VenuWorks since they provide the GL policy from a firm called Holmes Murphy. Holmes Murphy contacted Welsh and are prepared to bid on the property insurance policy as well. He hopes to get several options to present to the Board. A special meeting may have to be called to approve the policy as soon as possible.

OLD BUSINESS

Renovation Project Update:

Murphy advised the Board to discuss the renovation update in Executive Session. The Chairman directed the Board to discuss the next item on the agenda.

EXECUTIVE REPORTS

RSTF Report: Condon said the raffle baskets are due by October 31st. They will be on display beginning at the show on November 8th which allows for almost a full month more for ticket sales. Fourteen baskets have been donated. Two of them will be featured online for ticket sales. Condon asked that Board members sign up to volunteer for the fundraising events.

Executive Director's Report: Welsh said that the "reopening" of the theatre exceeded expectations. There were no complaints about the road construction or the bathroom situation. The volunteers were thrilled to be back. He was very appreciative of the support he received from the Board and the City.

He said that part of the basement has been cleaned and work has started on the bathrooms again. The women's bathrooms should be completed by mid-December and the new men's bathroom completed in mid-January.

Chairman's Report: Filotto said that he will renew the discussion with Bob Rubens now that the building has reopened. He still needs to get an agreement from Rubens on the chest and the clock.

Filotto told Board members that Bob Okon from the Herald News wrote a very positive article on the Rialto's reopening. He called Okon and thanked him for the article. Okon told Filotto that the public had nothing negative to say about the Rialto, only the EPA. Okon said he thought the theatre was really shining for its opening night.

Committee Reports: No report.

City of Joliet Liaison's Report: Filotto thanked Reardon and the City for their support during the asbestos situation. He said that the City has allowed the Authority to hook into a fire hydrant for water for the bathroom trailers.

Lobbyists' Report: Welsh said that he has scheduled a call with the new lobbyists for the first week of November. Filotto told the Board he is seeking a way to get approval for phone-in attendance and voting for meetings. It will require legislation which he will discuss with the lobbyists as well as the hotel/motel tax and raising the bidding minimum from \$10,000.

EXECUTIVE SESSION

Chairman Filotto requested a motion to move into Executive Session to discuss matters of litigation.

The Chair invited further discussion and, hearing none, he called for a voice vote. Motion passed unanimously.

Motion: T. Broderick moved and D. Chestnutt seconded a motion to move into Executive Session.

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

ABSENT: Kent

NAYS: None

The open session was closed at 5:05 pm

The open session resumed at 5:24 pm

PUBLIC TO BE HEARD: None

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

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

ABSENT: Kent

NAYS: None

The meeting adjourned at 5:24 P.M.

Minutes respectfully submitted by Christine Sturm, Recording Secretary.

Kathy Trizna, Board Secretary

Unapproved minutes distributed in Board Packets are subject to change.

Approved minutes shall be posted on www.rialtosquare.com /Public Information/Approved Minutes.