

WILL COUNTY METROPOLITAN EXPOSITION AND AUDITORIUM AUTHORITY

Date: January 22, 2025

Authority Memo Number **003-2025 January 22, 2025 Regular Meeting**

The January 22, 2025 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, Jeff Pierson, Kathy Trizna
Staff: Wade Welsh, Rafael Ramirez, Jack Ericksen, Kathleen Drozd, Leann Hoffrogge, Lisa Murphy, Nancy Lindmark, Shane Richards, Christine Sturm
Others: City Liaison, Sherri Reardon; Legal Counsel, Jim Murphy; Mike Piehl, VenuWorks; H.R. Cook, VenuWorks; Pete Bohler, R. Berti

APPROVAL OF MINUTES

Authority Memo Number **087-2024 December 18, 2024 Regular Meeting Minutes**

Discussion and Vote:

The Chairman asked if there were any changes to be made to the December 18, 2024 regular 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 December 18, 2024 regular meeting minutes.

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

NAYS: None

Public to be Heard Re: Agenda Items – None.

FINANCIAL REPORTS

Authority Memo Number **001-2025 Operational Bills Paid, Payable and Payable Age Listing**

Discussion and Vote:

The Chairman said that checks paid in December totaled \$1,057,000. The largest checks accounted for 86% of the total and were paid to: R. Berti \$562,000; NiteLite Promotions \$88,000; VenuWorks \$85,000; Gehrig Peterson \$78,000; Ben Hart \$66,000; and Busey Bank \$31,000.

The Account Payable by Vendor report totaled \$534,494. The largest checks were made out to: VenuWorks \$339,000; Midwest Environment \$69,000; Busey Bank \$31,000; and Gand Concert Sound \$16,000.

The Accounts Receivable Aging Report had a balance of \$42,088. Welsh said he had no concerns over the amounts due as most were current. The amount in the 31-60 column of \$7,654 is the amount due for a final payment on a dance recital.

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

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

NAYS: None

Authority Memo Number **002-2025 Financial Statements**

Discussion and Vote:

The Chairman said that the financial statement is reflecting six months of operations and is coming into line very well. Total income was only \$84,000 below budget. The two most significant line items, #4700 Ticket Rebates and #4800 Event Related Income, are over budget. Total expenses are less than budget with line item #7500 Repair Custodial being most under budget. Filotto feels that the financial statements will pull in-line with the budget by year's end. Net ordinary income was \$69,000 better than budget. It was expected to be a loss of \$173,000 and is currently a loss of \$104,000.

Filotto said there were no surprise expenses from account #7950 EPA Expenses. Welsh said he received the final bills from Valor and Midwest Environmental. The final expenses from Valor were \$1,412,425 and \$297,917 for Midwest Environmental. The attorney fees will still be a variable in the final expenses. The Foundation covered the expense of the temporary bathrooms, which was just under \$72,000. The final bills for the three cancelled shows in October came in under estimate at \$59,173. Welsh reported that the EPA related expenses came in under the estimated \$2.1 million dollars at \$1,970,000.

A new cash flow projection sheet through June 2025 was given to Board members. Projected ending cash balance for June 30, 2025 went from \$1,698,301 down to \$622,385. Filotto said the grant from the City is not included in the cash flow projection as it is for capital projects only.

Filotto said the loss of net income would be a negative \$332,000 if the EPA bills were taken out rather than a negative \$442,000 as it is now. That would be better than budget by \$110,000. He sees the numbers continuing to pull inline and is confident that the trend will continue. Welsh said that the building was supposed to be closed for June, July and August for the HVAC project. He has been able to book some shows for June and a few weddings in July and August. He said he is trying to fill in those gaps as best as he can.

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

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

NAYS: None

OLD BUSINESS

Renovation Project Update:

Welsh told Board members that the women's bathrooms are finished and that the men's bathrooms should be done by February 14th. He said that the roof project is almost completely finished. Condon asked if all funds for the project were received from the State. Welsh said that all the work is complete but he is still waiting for some of the payments. There were still a couple of items on the punch list that have to be addressed and may potentially need to be fixed. The manufacturers are coming out to view the issues and determine if repairs are needed. Pete Bohler added that the repairs were contingent on the manufacturer's warranty. If the manufacturer agrees that the issue is covered under the warranty, they will notify the roofing company and the fixes will not be charged to the Authority. Once these issues are resolved, that will be the official end date of the project. Welsh said that once the project is officially completed, any funds that haven't been used can then be applied to another project. It can't be used for anything else until it's resolved. He said that a discussion is needed on the HVAC project to get it back on track and find the funding. He warned that the boilers have been struggling and he is worried about them making it through next winter. He said that Midland Bank and the box office will be getting their own electric heating and cooling systems in order to take them off the building's system. Welsh said that Midland Bank was unable to open today because the building engineers were unable to get heat to the bank. Their new system should be installed by January 27th. He stressed that the remaining funding needs to be found so the HVAC system can proceed in the summer of 2026 as planned.

EXECUTIVE REPORTS

RSTF Report: Condon said that the Foundation has started planning for the Shamrockin' Good Time fundraising event. The event will take place on March 12th and Finbar MacCarthy will be the headlining act. Trizna commented that getting MacCarthy perform at the event is a very big deal. Four raffle baskets will be featured at the event this year. Condon said that Randich had requested to have four raffle baskets out for several shows. The baskets will be up for raffle from February 22nd until March 23rd. The four baskets up for raffle will be: a Harrah's basket; a lotto basket, sponsored by Bill Kent; an Irish basket; and a retail/restaurant basket. Trizna offered to make a donation for the fourth basket. Condon said that the baskets will be out for seven shows and she will need volunteers to sell tickets. Ericksen let the Board know that all the sponsorship money for Home for the Holidays has been collected.

Condon also told the Board that the Foundation is planning a 100th Anniversary Gala on May 16, 2026. The Foundation is looking to make this event a big production and have interviewed a production planner who is putting together a proposal. The Foundation hopes to invite 350-400 people to the gala. It will have a 1926 theme and include a cocktail party, dinner and a cigar bar. Foundation members are hoping to get video messages from local celebrities such as Melissa McCarthy, Skip Griparis and Lionel Richie. She said that the Foundation is also looking to have a coffee table book done on the Rialto which may be given to attendees at the gala and then be offered for sale later. Chestnutt suggested offering bourbon at the cigar bar and getting old cars to park in front of the theatre to add ambiance to the evening.

Executive Director's Report: Welsh reported that the new Technical Director, Zach Giese, has started. He is from Dubuque, Iowa and has worked with H.R. Cook in the past. He said the Volunteer Appreciation Dinner is planned for February 11th and asked that Board members respond to Hoffrogge if they will be attending. The tentative date for the trip to Springfield to meet the lobbyists is March 5th.

Chairman's Report: The Chairman was very happy to announce to Board members that Bill Kent decided that he will remain on the Board. Kent was very complimentary about working with the Board and the staff, especially the staff. He decided he wanted to stay on and continue to support the Rialto.

Filotto is still corresponding with Bob Rubens about the two pieces of furniture. Filotto received an updated agreement from David Silverman that included more specific language regarding the pieces. Filotto will call Rubens next week regarding the updated agreement. Filotto is looking to get the pieces in the spring or summer.

Condon asked Filotto if the Board is open to accepting more risk with VenuWorks on contracts to generate more income. Welsh said that during the middle of the holiday season, a new fiscal model with a 70/30 split was started with VenuWorks. The new model was discussed by Filotto, Pierson, Welsh, Piehl, Gimenez and Cook. The split with VenuWorks was 75/25. The new model has the Authority assuming a little more of the risk while making more on each show. If the new agreement works well with VenuWorks for the rest of the fiscal year, it will be used with the other promoters in the future.

Condon asked how the Board was going to pursue recouping the money lost from the asbestos issue. Welsh said that all the final bills had to be received before the attorneys could start the work. Legal counsel, Jim Murphy, said the Board would need to discuss this in a future Executive session.

Filotto asked if there were any other Board members that wanted to make the trip to Springfield on March 5th with Broderick and Condon. He said the group would meet the lobbyists and be introduced to some other people. He asked Murphy to confirm that it wasn't a violation of the Open Meetings Act to have three Board members go to Springfield. Murphy said he would verify it.

Filotto told the Board that Paulina Martinez, the Economic Development Director for the City of Joliet, has been in communication with him and Steve Randich about setting up an appointment to tour the unused space in the building and the theatre in March.

Committee Reports: No report.

City of Joliet Liaison's Report: Reardon told the Board that the City has decided to allow the Authority to work with the City's grant writer or any City employee whose services are needed at no charge to them. Welsh explained that he had collaborated with the City's grant writer on a joint grant with the City. He had asked Reardon if the grant writer would be willing to work with the Rialto again. Reardon said the City agreed to help the Rialto and also offered the help of any City employee at no cost to the Rialto.

Lobbyists' Report: No report.

PUBLIC TO BE HEARD: - None

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

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

NAYS: None

The meeting adjourned at 4:36 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.