

WILL COUNTY METROPOLITAN EXPOSITION AND AUDITORIUM AUTHORITY

Date: June 25, 2025

Authority Memo Number **023-2025 June 25, 2025 Regular Meeting**

The June 25, 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, Jeff Pierson, Kathy Trizna

Absent: Bill Kent (excused)

Staff: Wade Welsh, Leann Hoffrogge, Kathleen Drozd, Lisa Murphy, Shane Richards, Christine Sturm

Others: Steve Randich, Carol Mulvihill

APPROVAL OF MINUTES

Authority Memo Number **017-2025 May 28, 2025 Regular Meeting Minutes**

Discussion and Vote:

The Chairman asked if there were any changes to be made to the May 28, 2025 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 D. Chestnutt seconded approval of the May 28, 2025 regular meeting minutes.

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

ABSENT: Kent

NAYS: None

Public to be Heard Re: Agenda Items – None.

The Chairman asked for a motion to move the FY2024 audit before the financial reports on the agenda.

Motion: J. Pierson moved and T. Broderick seconded moving item #020-2025 before item #018-2025 on the agenda.

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

ABSENT: Kent

NAYS: None

Authority Memo Number **020-2025 FY24 Audit**

Discussion and Vote:

The FY24 Audit Report was presented by Hannah Cullerton of Lauterbach & Amen. Cullerton said that the Authority was given a clean or unmodified opinion for the FY24 audit. All the financial statements were presented fairly in all material respects. Financial statements can be found on pages 16-19 of the audit. The Authority reported \$15 million in assets and \$4.6 million in liabilities in FY24. Assets included cash, investments, some receivables and capital assets. Liabilities included notes, loans and leases. The Authority reported \$8.4 million in revenue and \$4.6 million in expenses. This resulted in a change in NET position of \$3.7 million.

The Rialto Square Theatre Foundation transferred \$205,374 to the Authority for the fiscal year ending June 30, 2024. The Authority also received \$2.9 million in state grants, zero dollars in federal grants and \$456,628 in local grants.

The auditors had three recommendations for the Authority as listed in the Management Letter: 1) to create a formal investment policy 2) to create a procedure on how to process outstanding checks and 3) to investigate the causes of a fund being over budget and adopt appropriate future funding measures.

Filotto had several requests that he would like the auditors to change on next year's audit report. He asked that "Illinois" be removed on the front page of the report. He would like the Board of Directors to be listed at the back of the report so it puts the focus on the organization and the theatre. On page 13 of the audit, it states that the Authority continues to remain economically dependent on the City of Joliet. Filotto said that while the Authority does receive a grant from the City for capital improvements, it does not receive money for operating costs. He would like that distinguished. On page 20 of the audit, it states that the City can influence the programming, projects, activities, level of service and accountability of the Authority. Filotto would like that removed. He said that the City had that ability eight years ago when there was an intergovernmental agreement in place, today there is no such agreement. He believes that the City does not feel a need to do it today. He said that the Authority holds itself financially accountable and is not dependent on the City to do that.

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 FY24 Audit.

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

ABSENT: Kent

NAYS: None

FINANCIAL REPORTS

Authority Memo Number **018-2025 Operational Bills Paid, Payable and Payable Age Listing**

Discussion and Vote:

Chestnutt said there was just over \$1 million in checks paid in May. The largest checks were made to: R. Berti, \$395,469; JLK, \$124,179; WCMEAA, \$100,000 which was a transfer of funds; and VenuWorks, \$118,063. Condon noted that there were numerous ComEd bills. She asked if anyone had figured out what units they cover. Welsh said he can get the bills listed out for the different units in the building. Condon also asked if the charge from Mahoney & Silverman for \$3,150 was asbestos related. Welsh said it was.

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 T. Broderick seconded approval of accepting the Operational Bills Paid, Payable and Payable Age Listing into the minutes.

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

ABSENT: Kent

NAYS: None

Authority Memo Number **019-2025 Financial Statements**

Discussion and Vote:

Chestnutt said that total income for May was \$303,078, which was better by \$73,283. Total expenses were \$277,778 and were \$14,038 over budget. Ordinary income was \$16,928. It was budgeted to be a loss of \$41,129. NET income was much better than anticipated. It was \$374,089 and was expected to be a negative \$85,100. Filotto commented that if line item #7950 EPA-Related Expenses was removed, NET income would be \$104,497 which would be \$959,000 better than budget YTD. Welsh noted that line item #8200 grant revenue for \$395,000 listed under non-operating activities was a reimbursement by the County for the bathroom project.

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 T. Broderick 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 **021-2025 FY26 Budget Discussion & Vote**

Discussion and Vote:

Filotto said that he had questions for Welsh on compensation and personnel expenses which were answered. He wanted to know if there were going to be any new hires and what type of raises were included. Filotto said there would be no new hires and raises would be 3% across the board, which he thought was reasonable. He noted that the NET operating profit/loss was projected to be a loss of \$286,000, an improvement of about \$200,000 from last year when the loss was projected to be \$481,000.

Filotto also said that the cash flow projection for June through December shows enough cash flow to operate. He was comfortable with moving forward with the budget as presented. Pierson also thought the budget was in-line and reasonable.

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 FY26 budget as presented.

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

ABSENT: Kent

NAYS: None

Authority Memo Number **022-2025 Approval of Construction Manager Contract for HVAC Project Between Bulley & Andrews and WCMEAA**

Discussion and Vote:

Welsh presented the proposal for the construction manager for the HVAC project by Bulley & Andrews. He also included the proposal by R. Berti for reference only. He said that Bulley & Andrews had a lower fee percentage of 3.25%, R. Berti was 4%. The general conditions were lower for R. Berti at \$409,000. Bulley & Andrews were \$65,000 higher at \$470,000. Welsh said that overall, the proposals were fairly even, he had expected Bulley & Andrews to be notably higher. Welsh said that Bulley & Andrews specializes in historical buildings and has worked on the Rialto in the past. He said they are also a consultant for JLK on the work currently being done on the building. Bulley & Andrews have already provided a timeline for the project and a contingency plan of what may be cut from the project if bids come back higher than expected. Bids will go out in August. Bids will be approved at the September board meeting. Materials will be ordered in October. Some of the projects will be started ahead of time as long as they don't interfere with operations. The building will be closed from June 1, 2026 until September 15, 2026. Welsh said that lead times are way down. The water tower will have the longest lead time of 12 weeks. Tariffs may increase prices by 10%. The completion of the bank project and the bathroom renovations have cut down the scope of the project as they won't have to be included in the HVAC project.

Legal counsel, Jim Murphy, said that a motion to accept would also be with a finding that competitive bidding is not in the best interest of the Authority because of the uniqueness of working on an older building and the specialized skill required.

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 D. Chestnutt seconded a motion to approve the Construction Manager contract between the Authority and Bulley & Andrews for the HVAC project.

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

ABSENT: Kent

NAYS: None

OLD BUSINESS

Renovation Project Update: Filotto told the Board that the Renovation Update will include some general comments from legal counsel but the Board will not go into Executive Session. Murphy informed the Board that Universal Asbestos Removal went out of business. He has spoken with the attorney for Universal and the business is being represented by their insurance company. Murphy said that he, Filotto, Welsh and Blake Mellecker from Midwest Environmental will need to have a meeting with Universal's insurance company at the end of August to see if a resolution can be agreed upon. If there is no resolution, the case will have to go

to mediation. He said those are prerequisites for filing a lawsuit. The cost of expenses and lost revenue is \$2.7 million.

Welsh said that he sent a copy of the audit to the State and it was approved. A check for \$675,000 will be sent within 2-4 weeks.

He reported that all the skirts for the bathroom sinks have been installed and the bathroom renovation is officially done.

EXECUTIVE REPORTS

RSTF Report: Condon said that there are three new Foundation Board members: Sarah Kinsella (replacing Bob Diedrich), Jennifer Koff (replacing Dan Stevenson) and Amber Duffy. She said that the 1926 Campaign raised \$28,000 for the theatre which was better than the \$20,000 raised last year.

On Thursday, July 24th there will be an event to honor Lorin Lynch and the Lynch family for their years of service as stagehands for the theatre. Lorin Lynch has been a stagehand at the Rialto for 51 years. His great uncle was a founding member of the stagehands' union which began in 1907. Lynch's grandfather, father, brother and nephew have all been stagehands for the theatre. The stage door entrance will be renamed in their honor.

Condon announced that there will be some changes made to the programming of Home for the Holidays. The opening event will be eliminated; there will be only two Merry Little Soirees instead of three; and a cocktail party geared toward young adults will be added. Raffle baskets will be put on display in the second week of November.

The planning for the 100 year anniversary celebration of the Rialto is continuing. In March, the Rialto will host a Business After Hours event. In April, an organ concert will be held. The gala and a public reception are scheduled for May. Welsh will be working in conjunction with VenuWorks to do all the marketing for the gala. Work on the coffee table book is moving along. Randich and Condon met with Cesar Cardenas of Unidos Marketing Network and will meet with him again in July along with a small committee. A list of the top 50 donors to the Rialto is being compiled and a sponsorship letter will be mailed to those on the list. Terry and Sue D'Arcy will be hosting the gala and will be attending the next gala committee meeting. Filotto spoke to Bob Rubens about representing the Rubens family at the gala. Rubens was very honored and excited to take part. Filotto told Board members that the gala will be limited to 39 tables. He asked everyone to think about the number of tickets they will need. Tickets will be \$350 a person and \$3500 for a table. He asked that an invitation get sent to Bob Rubens.

Condon welcomed Ericksen back. He thanked everyone for their calls and texts.

Executive Director's Report: Welsh said that he found a company to inspect the Duchess. They reported that the chain hoist for chandelier is almost all original and highly recommended upgrading it. If the chandelier was to remain stationary, the cost would be \$27,000. If a new chain hoist was installed so that the chandelier could be raised and lowered, the cost would be \$41,000. Welsh said that he preferred the second option so that a lift would not have to be rented to repair or clean the chandelier. Board members agreed.

Welsh informed the Board that the Foundation received a \$150,000 grant from the County in October 2023 that has not been spent. The Foundation agreed to use it to replace the chandelier hoist as well as other necessary improvements. A second project that Welsh would like done is to have the parking lot behind the building black topped and the retaining wall rebuilt. He said that PT Ferro would be sending him a quote by Friday, June 27th. He believes the quote will be between \$50,000-\$60,000. The mayor has agreed to help with the drainage problems in the gravel area of the parking lot. Another issue that needs to be addressed is repairing the seats in the theatre. The cost to repair the seats would be \$22,000. Welsh believes the seat repairs would be sufficient until the seats could be replaced in the next few years. Lastly, Welsh said infrastructure upgrades need to be made to the IT system. These upgrades would include wifi access points, new switches, new ports and security enhancements. The upgrades would be started in the next 2-3 months. The cost would be \$10,000.

Randich told the Board that the \$28,000 from the 1926 Campaign would be transferred immediately to the Authority.

Welsh also announced that the Authority will receive \$2 million from the State for the HVAC system. Illinois State Senator, Meg Cappel, gave the Authority all of her discretionary dollars which totaled \$1 million. The other \$1 million came from the Illinois Speaker of the House due to his relationship with the Authority's lobbyists. The bill to increase the minimum for bids from \$10,000 to \$100,000 did not make it to vote. Larry Walsh is going to take the bill by itself in the Fall to get approved. Filotto requested that a thank you get sent to the Speaker and Cappel. Welsh said the lobbyists recommended sending a letter to the Speaker but arrange a dinner with Cappel.

Welsh reported that Shane Richards is being promoted to Director of Operations as of July 1st. Richards was previously the director of operations at Wintrust Sports complex. He will be keeping the food and beverage duties as well. Welsh will be looking for a new Marketing Director. The position will be posted June 26th.

Condon asked if a list of counties where patrons come from can be drawn up. Welsh said a report could be gotten from TicketMaster data.

Chairman's Report: Filotto reminded the Board that the Rialto highlights and recap presentation will be presented to the Joliet City Council on July 14th. He said that two contractors, White Construction and Harbor Contractors, toured the north side of the building recently to look at its potential for redevelopment.

Committee Reports: No report.

City of Joliet Liaison's Report: Reardon said there will be a public hearing on the River's Edge Tax Credit Program on August 5th. The City will give a presentation on the application process. They have been working with a consultant on the application process. The public will have an opportunity to comment. The City Council will vote that day on passing the ordinance approving to go forward with the application to the State of Illinois. The State then has 180 days to process the application. Once the application is approved, the City will begin processing applications for people who are interested in taking part. She said that it could be anywhere from August to December before the State approves the application. Filotto asked if Broderick and Randich could attend the meeting on August 5th.

Lobbyists' Report: No report.

PUBLIC TO BE HEARD: - None.

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

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

ABSENT: Kent

NAYS: None

The meeting adjourned at 5:08 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.