

**BERKS COUNTY CONVENTION CENTER AUTHORITY  
MINUTES OF THE REGULAR MEETING OF  
THURSDAY, AUGUST 18, 2022**

The regular meeting of the Board of Directors (the “Board”) of the Berks County Convention Center Authority (the “Authority”) was called to order at 7:00 a.m. in the SMG Board Room, Santander Arena, 700 Penn Street, Reading, Pennsylvania.

The following members were present:

Mr. P. Michael Ehlerman  
Mr. Michael J. Gombar, Jr., Esquire  
Mr. Michael Fiucci  
Mr. Izzy Gonzalez  
Ms. Michele Richards  
Mr. John Ernesto

Dr. Rodney Ridley was excused.

The meeting was chaired by Mr. Gombar.

Also present:

Mr. Matthew Mayer, Esquire, Barley Snyder, LLP  
Mr. David Farrar, ASM/Reading Royals  
Ms. Christina Gilfert, ASM  
Mr. John Long, Reading Royals  
Ms. Pamela Shupp-Menet, County of Berks

The Chairman declared that a quorum was present and proceeded with the meeting.

**PUBLIC COMMENTS**

Ms. Shupp-Menet introduced herself to the Board as the Director of Community and Economic Development for the County of Berks. She advised the Board that her office is working with Pennsylvania Americana to revise its message regarding the County to focus on diversity and inclusion and to help promote Reading and Berks County.

**APPROVAL OF MINUTES**

Upon a motion duly made and seconded, the minutes of the regular meeting of the Board of June 16, 2022 were unanimously approved.

**RECOGNITION OF JOHN ERNESTO**

Mr. Gombar advised the Board that today’s meeting would be the last meeting for John Ernesto who is resigning his position on the Board after more than 20 years of service to the

Authority. Mr. Ehlerman advised the Board that Marilu Rodriguez has been appointed by the County of Berks to take Mr. Ernesto's position on the Board.

### TREASURER'S REPORT

Ms. Richards provided the Board with the Treasurer's Report, which contained the financials for the months of June and July 2022 and reviewed the report with the Board. Ms. Richards noted that the Authority had a decrease in cash of \$404,073.57 in June resulting in total cash held of \$14,221,899.68 and a decrease in cash of \$695,053.98 in July resulting in total cash held of \$13,526,845.70. She noted that the major expenditure for the Authority was the second payment to Cimco for the new ice plant.

Ms. Richards also provided the Board with a consolidated Balance Sheet, Profit and Loss Statement and Cash Flow Statement for the Authority as of the end of its fiscal year. She noted that, on a consolidated basis, the Authority had revenue of \$9,700,497, EBITDA of \$1,967,665 and net profit of \$15,260,898 for the fiscal year.

Ms. Richards provided the Board with an update on the hotel tax receipts paid to the Authority for May and June 2022. She advised that the hotel tax receipts for May were \$207,659.05, which was an increase of \$58,374.15 over May 2021 and the hotel tax receipts for June were \$212,657.36, which was an increase of \$3,000.62 over June 2021. She noted that for the 2022 calendar year, the total hotel tax receipts are up by approximately 19% over 2021.

Upon a motion duly made and seconded, it was unanimously moved to approve all bills paid and to pay all bills listed that are scheduled to be paid. Secondly, upon a motion duly made and seconded, the Treasurer's Report was unanimously approved.

### ASM GLOBAL FINANCIAL REPORT

Ms. Gilfert provided the Board with an update on the ASM Global financials. As of the end of the fiscal year (June 30, 2022), the Arena and SPAC had a combined profit of \$495,269, which was significantly higher than the budgeted loss of \$267,859. She noted that the Arena ended with a profit of \$279,201, compared to a budgeted loss of \$761,128 and SPAC had a profit of \$216,042 compared to a budgeted profit of \$493,269. The Board congratulated Ms. Gilfert and Mr. Farrar on a very good year, which was much better than budgeted. Upon a motion duly made and seconded, the ASM Global Financial Report was unanimously approved.

### ROYALS FINANCIAL REPORT

Mr. Long provided the Board with an update on the Reading Royals financials. He advised the Board that as of the end of the fiscal year, the Royals had incurred a loss of \$619,426, which is slightly more than the budgeted loss of \$556,551. However, Mr. Long noted that making the playoffs accounted for an additional loss of \$106,005 for the Royals and that if the playoff loss is removed, the Royals fiscal year loss was \$513,422, which was slightly less than the budgeted loss of \$556,551. Upon a motion duly made and seconded, the Royals Financial Report was unanimously approved.

## ASM GLOBAL UPDATE

Mr. Farrar provided the Board with an update on the Arena/SPAC operations. Mr. Farrar noted that July and August were very busy, with two K-Pop concerts doing very well in August. He noted that the Fall is very busy for the Arena, but a little light for SPAC.

Mr. Farrar also provided the Board with a list of proposed capital expenditures and reviewed it with the Board. He advised the Board that the new ice plant installation is underway and expected to be completed by mid-September. He noted that ASM has filled its chef position and only has 1 operations position open.

Mr. Farrar also advised the Board that the Parking Authority is planning to have the new parking system implemented by the beginning of the Royals season.

## ROYALS UPDATE

Mr. Farrar provided the Board with an update on the Royals operations. He noted that the new head and assistant coaches have been hired. He further advised the Board that the Royals signed a new 2-year affiliation agreement with the Flyers. Mr. Farrar noted that the Royals opening night will be Saturday, October 29, 2022 and a pre-game concert has been booked. He also noted that season ticket sales are 95% to goal at the current time and he expects more to be sold as the season approaches.

Mr. Gombar and the Board discussed having an event prior to the Royals opening game to welcome and recognize the City and County officials with a special opportunity to see first-hand some of the recent capital upgrades and renovations to the Arena. Mr. Farrar will reserve the Ice Box and discussions will continue.

Mr. Farrar advised the Board that he has been approached by the City of Reading regarding a possible celebration of the City's 275<sup>th</sup> anniversary, which would occur in conjunction with the Royals game on March 17, 2023. He advised the Board that the City is still in the planning stage and not much else is known at this time.

## PEARLE BUILDING UPDATE

Mr. Ehlerman provided the Board with an update on the Pearle Building. He advised the Board that signs and marketing are complete and posted, but that no solid leads have been received. He told the Board that he advised NAI Keystone that the Authority will not incur any further investment in the building until at least the first floor is rented. Mr. Gombar noted that the plaque honoring Mr. Ehlerman has been posted on the Pearle Building.

## SOLICITOR'S REPORT

Mr. Mayer provided the Board with an update on the grants received from the City and County. He advised the Board that the funds received from the County need to be spent no later than December 31, 2023. Notwithstanding the foregoing, Ms. Shupp-Menet told the Board that if an extension to this date is needed the Authority can ask the County and it will likely be

approved. Mr. Mayer further advised the Board that the funds received from the City need to be obligated by December 31, 2024 and spent no later than December 31, 2026.

#### CHAIRMAN'S REPORT

Mr. Gombar again thanked Mr. Ernesto for his 20+ years of service to the Authority and provided him with a plaque commemorating his service. Mr. Gombar noted that the next regular meeting of the Board would be held at the Santander Arena at 7:00 a.m., on October 20, 2022. At 8:30 a.m., upon a motion duly made and seconded, the Board unanimously resolved to adjourn.