

**BERKS COUNTY CONVENTION CENTER AUTHORITY
MINUTES OF THE REGULAR MEETING OF
THURSDAY FEBRUARY 17, 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
Dr. Rodney Ridley
Mr. John Ernesto

The meeting was chaired by Mr. Gombar.

Also present:

Mr. Matthew Mayer, Esquire, Barley Snyder, LLP
Ms. Christina Gilfert, ASM
Mr. David Farrar, ASM/Reading Royals
Mr. John Long, Reading Royals
Mr. Ed Swoyer, Greater Reading Chamber Alliance
Mr. Landon Bernheiser, Greater Reading Chamber Alliance

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

PUBLIC COMMENTS

Mr. Swoyer and Mr. Bernheiser provided the Board with an update on the RCAP funds for the Pearle Building project. They advised the Board that there is one remaining payment on the project that needs to be made by the Authority in the amount of \$402,291, of which \$233,219 will be reimbursed to the Authority. Mr. Ehlerman noted that approximately \$37,500 of the \$233,219 will be held as retainage until the audit is complete, at which time it will be reimbursed to the Authority.

Upon a motion duly made and seconded, the Board unanimously approved the \$402,291 final payment for the RCAP project.

APPROVAL OF MINUTES

Upon a motion duly made and seconded, the minutes of the regular meeting of the Board of December 16, 2021 were unanimously approved.

TREASURER'S REPORT

Ms. Richards provided the Board with the Treasurer's Report, which contained the financials for the months of December 2021 and January 2022, and reviewed the report with the Board. Ms. Richards noted that the Authority had an increase in cash of \$3,193,716.48 in December resulting in total cash held of \$15,168,418.75 and an increase in cash of \$43,432.68 in January resulting in total cash held of \$15,211,851.43. She noted that the increase in cash largely resulted from the Authority receiving the \$3,000,000 grant from the County.

Ms. Richards provided the Board with an update on the hotel tax receipts paid to the Authority for October, November and December 2021. She advised that the hotel tax receipts for October were \$229,979.90, which was an increase of \$98,764.87 over October 2020; the hotel tax receipts for November were \$168,241.35, which was an increase of \$92,907.33 over November 2020; and the hotel tax receipts for December were \$150,902.19, which was an increase of \$79,168.15 over December 2020. Finally, she noted that the total tax receipts for calendar year 2021 were \$2,169,043.30.

Ms. Richards also noted that the two Letters of Credit for the Royals were renewed with no changes. Further, she noted that the Authority's Line of Credit was extended for another year and the only change was that the LIBOR rate was replaced by the Bloomberg Short-Term Bank Yield Index.

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 December 2021, the Arena and SPAC had a combined profit of \$52,452, which was significantly higher than the budgeted loss of \$496,661. She noted that for the first half of the fiscal year, the Arena is showing a loss of \$52,409, compared to a budgeted loss of \$522,630 and SPAC is showing a profit of \$104,860, compared to a budgeted profit of \$25,969. She further noted that based on current operations, the Arena and SPAC are forecasted to beat their budget for the fiscal year. 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 December 2021, the Royals had incurred a loss of \$552,033, which is less than the budgeted loss of \$707,715. He noted that the Royals remain better than their budgeted figures, but he is hoping to build a cushion for March because if the Royals make the ECHL playoffs, the team typically loses money unless they make it to the third round of the playoffs. Finally, he noted that the Royals cash flow is sufficient and no funds are

needed from the Authority. Upon a motion duly made and seconded, the Royals Financial Report was unanimously approved.

SOLICITOR'S REPORT

Mr. Mayer had nothing to report.

ASM GLOBAL UPDATE

Mr. Farrar provided the Board with an update on the Arena/SPAC operations. Mr. Farrar advised the Board that the Fall event lineup is strong, and that ticket sales for the Winter shows has been good. He advised the Board that two big shows for the Spring have been moved due to scheduling conflicts with the acts, which will account for an approximately \$200,000 shift in revenue, be he noted it was good the shows are still on and just moved as opposed to being cancelled.

Mr. Farrar provided the Board with some updates regarding the facilities' capital improvements. He noted that the new lighting and sound system are completed in the Arena and are very good. He said the contractors are ready to start on the installation of the new ice plant as soon as the Royals season is over. He shared a list of capital improvements with the Board and he is working with Ms. Richards to get all items scheduled and funded.

Mr. Farrar further advised that parking continues to be an issue and no resolution has been received from the Parking Authority. After some discussion, Mr. Ehlerman made a decision that the Authority will address the parking issue and problems with the Parking Authority with the City at the next City Council meeting.

ROYALS UPDATE

Mr. Farrar provided the Board with an update on the Royals operations. He noted that Pink in the Rink night was very good. The attendance was lower than last year, but the per capita spent for food and beverage and merchandise was much higher. He did note that food and beverage had to close 2 stands for the game due to 17 employees calling off, but the problems have since be resolved. He noted that the Royals remain in first place in their division and could clinch a playoff spot in the next three weeks. He noted that they are currently working on playoff ticket packages to try and get as much attendance as possible and maximize the benefit of being in the playoffs. Finally, he noted that the ECHL has not made a decision yet about providing financial support for the games lost due to COVID and he expects no decision will be made until the end of the season.

PEARLE BUILDING

Mr. Ridley provided the Board with an update on the status of the Pearle Building. He noted that Penn State Berks had a meeting with Commissioner Leinbach regarding its funding request for its proposed culinary school. He said the meeting went well and the County appeared to be willing to provide funding, but Commissioner Leinbach requested further information on an operating budget which has yet to be provided by Penn State Berks.

Mr. Ehlerman advised the Board of his desire to list the property for lease with NAI Keystone in hopes of having another option other than Penn State Berks since their project could be over a year from completion if they receive funding. The Board engaged in a lengthy discussion on this topic. Upon a motion duly made and seconded, the Board unanimously approved Mr. Ehlerman to initiate talks with NAI Keystone to list the Pearle Building for lease, provided that Penn State Berks is advised of the Authority's intent and further provided that Penn State Berks would have a right of first refusal to lease the Pearle Building if any other offers are received and that a lease with Penn State Berks would be exempt from a commission payment to NAI Keystone.

CHAIRMAN'S REPORT

There being no further business before the Board at the public session, Mr. Ehlerman noted that the next regular meeting of the Board would be held at the Santander Arena at 7:00 a.m., on April 21, 2022. At 8:20 a.m., upon a motion duly made and seconded, the Board unanimously resolved to adjourn.