

**BERKS COUNTY CONVENTION CENTER AUTHORITY
MINUTES OF THE REGULAR MEETING OF
THURSDAY OCTOBER 21, 2021**

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, Leisawitz Heller Abramowitch Phillips, P.C.
Ms. Christina Gilfert, ASM
Mr. David Farrar, ASM/Reading Royals
Mr. John Long, Reading Royals
Mr. Mark Zettlemoyer, RKL

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

PUBLIC COMMENTS

There were no comments from the public.

REVIEW OF AUDIT REPORT

Mr. Zettlemoyer provided the Board with a draft copy of the Authority’s Audit Results and Financial Statements and Supplemental Information for the prior fiscal year and reviewed them with the Board. Mr. Zettlemoyer reviewed the various statements with the Board and noted that the Authority had a decrease in its net financial position of \$1,869,006 at the end of the fiscal year, which was largely due to the COVID pandemic and not having events in the Arena and SPAC. He noted that it was a very clean audit and no issues arose during the audit process. Mr. Zettlemoyer did note that there were some minor changes that would be made to the audit report prior to it being finalized and explained the changes to the Board.

Upon a motion duly made and seconded, the Authority’s Audit Report was approved, subject to the minor changes discussed by Mr. Zettlemoyer.

APPROVAL OF MINUTES

Upon a motion duly made and seconded, the minutes of the regular meeting of the Board of August 19, 2021 were unanimously approved.

ASM GLOBAL FINANCIAL REPORT

Ms. Gilfert provided the Board with an update on the ASM Global financials. Ms. Gilfert noted that as of the end of August, the Arena and SPAC have a combined loss of \$327,828, which is slightly less than the budgeted loss of \$416,647. She further noted that the Arena had a loss of \$293,680, compared to a budgeted loss of \$375,101 and SPAC had a loss of \$34,148, compared to a budgeted loss of \$41,546. She noted that ASM is in a good cash position and does not currently require any cash infusion from the Authority. 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 August, the Royals had incurred a loss of \$136,676, which is slightly less than the budgeted loss of \$146,338. He further noted that he expects both September and October's financials to also be ahead of the budgeted figures. Finally, he noted that the Royals preseason game was well attended, with approximately 1,250 fans in attendance. He also advised the Board that the Royals are in a good cash position and do not currently require any cash infusion from the Authority. Upon a motion duly made and seconded, the Royals Financial Report was unanimously approved.

TREASURER'S REPORT

Ms. Richards provided the Board with the Treasurer's Report, which contained the financials for the months of August and September 2021, and reviewed the report with the Board. Ms. Richards noted that the Authority had a decrease in cash of \$112,716.89 in August resulting in total cash held of \$1,197,279.43 and an increase in cash of \$3,222,398.23 in September resulting in total cash held of \$4,419,677.66. She noted that a significant portion of the increase in cash in September was due to the Authority receiving the hotel tax payments for both June and July in September and ASM receiving funds from the Shuttered Venues grant.

Ms. Richards provided the Board with an update on the hotel tax receipts paid to the Authority for July and August 2021. She advised that the hotel tax receipts for July were \$231,309.00, which was an increase of \$102,799.22 over July 2020 and the hotel tax receipts for August were \$250,598.58, which was an increase of \$101,473.91 over August 2020. More importantly, she noted that the hotel tax receipts are comparable, and in some cases, higher than for 2019, which was prior to the COVID pandemic, which is a good sign.

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.

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, but that many shows toward the end of the year are being pushed into next year. He noted that the Latin concerts continue to perform very well. He advised the Board that ASM is looking for larger anchor shows for the Spring and that the Authority has provided an account with \$100,000 to help sign some larger shows. Mr. Farrar noted that the new deal with Ticketmaster has been positive and resulted in an additional \$1,500 - \$2,000 in ticket rebates.

Mr. Farrar advised the Board that he hired a new Food and Beverage Manager, but that ASM still has 3 additional positions open and it is hard to find qualified applicants. He further noted that there are approximately 5 open suites, but that there are 2 possible new suite deals and 2 existing ½ suite deals that may expand to a full suite.

Mr. Farrar provided the Board with some updates regarding the facilities. He noted that there were several recent emergency repairs made in SPAC and the Arena at a total cost of approximately \$13,800. He also advised the Board there is a hole in the ceiling at SPAC, which was caused by a slow leak in the roof. He is currently working on having both issues resolved.

ROYALS UPDATE

Mr. Farrar provided the Board with an update on the Royals operations. He noted that the Royals Opening Night is October 23, 2021 and ticket sales are strong, but he is unsure about how many walk up tickets will be sold. He noted that season ticket sales have been very good and he is looking forward to a good season and hopefully strong attendance numbers.

SCHOLARSHIP UPDATE

Mr. Fiucci provided the Board with an update on the Boscov Scholarships. He noted that it has been very difficult to get the scholarship recipients to provide him with their college transcripts, which are required to fund the scholarships each year. After some discussion, Mr. Ehlerman suggested that the Authority use the Berks County Community Foundation to handle the scholarships in the future. Mr. Fiucci and Mr. Ehlerman will research this issue and report back to the Board.

CHAIRMAN'S REPORT

Mr. Ehlerman advised the Board that all payments for the Pearle Building have been made and recouped by Burkey. He further noted that the City and Mayor are doing a tour of the Pearle Building with a potential occupant.

Mr. Ehlerman discussed the Authority's support of Blues Fest with the Board. In the past the Authority had provided the Arts Council \$20,000 in support of Blues Fest, although it did not occur in 2020 due to the COVID pandemic. Mr. Ehlerman would like to reinstitute the \$20,000 support for Blues Fest this year. Upon a motion duly made and seconded, it was unanimously moved to approve the \$20,000 support for Blues Fest.

There being no further business before the Board at the public session, the Chairman announced that that the Board would be going into executive session to discuss personnel matters and the meeting would reconvene after the executive session. After discussion in the executive session, upon a motion duly made and seconded, it was unanimously moved to extend Mr. Farrar's employment agreement for a period of 2 years through June 30, 2023 and to provide Ms. Gilfert with a performance bonus for her work over the past several years.

Mr. Gombar noted that the next regular meeting of the Board would be held at the Santander Arena at 7:00 a.m., on December 16, 2021. At 8:45 a.m., upon a motion duly made and seconded, the Board unanimously resolved to adjourn.