

**BERKS COUNTY CONVENTION CENTER AUTHORITY
MINUTES OF THE REGULAR MEETING OF
THURSDAY, APRIL 18, 2024**

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. at the Santander Arena, Reading, Pennsylvania.

The following members were present:

Mr. Michael J. Gombar, Jr., Esquire
Mr. Michael Fiucci
Mr. Izzy Gonzalez (via phone)
Ms. Michele Richards
Dr. Rodney Ridley
Mr. P. Michael Ehlerman
Ms. Marilu Rodriquez

The meeting was chaired by Mr. Gombar.

Also present:

Mr. Matthew Mayer, Esquire, Barley Snyder, LLP
Mr. David Farrar, ASM
Ms. Christina Gilfert, ASM
Mr. John Long, Reading Royals
Mr. Leonard Bonacci, ASM

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

PUBLIC COMMENTS

None.

APPROVAL OF MINUTES

Upon a motion duly made and seconded, the minutes of the regular meeting of the Board of February 15, 2024 were unanimously approved.

TREASURER’S REPORT

Ms. Richards provided the Board with the Treasurer’s Report, which contained the financials for the months of February and March 2024 and reviewed the report with the Board. Ms. Richards noted that the Authority had a decrease in cash of \$123,785.83 in February, resulting in total cash held of \$11,536,617.37. Ms. Richards further noted that the Authority had an increase in cash of \$349.27 in March, resulting in total cash held of \$11,536,966.64. She also noted that the Authority continues to make significant interest on the monies held in its accounts.

Ms. Richards provided the Board with an update on the hotel tax receipts paid to the Authority for the months of January and February 2024. She advised that the hotel tax receipts for January were \$155,551.48, which was a decrease of \$922.27 against January 2023 and the hotel tax receipts for February were \$238,844.95, which was an increase of \$44,360.98 against February 2023. She advised the Board that she contacted the Berks County Treasurer's Office and they are pursuing the hotels who have delinquent accounts. Mr. Ehlerman added that the Hampton Inn was about four (4) months delinquent on its hotel tax receipts.

Ms. Richards advised the Board that she spoke with PNC Bank regarding the renewal of the Authority's Letter of Credit and the extension of the Line of Credit. Mr. Mayer reviewed and approved all PNC Bank loan documents and advised that they are all ready for signature.

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. Through the month of February 2024, the Arena and SPAC had a combined profit of \$2,645,394.00. Ms. Gilfert advised that ASM is projecting an additional \$800,700.00 of profit resulting in a projected profit of \$3,446,094.00 at the end of the fiscal year, which is significantly higher than the budgeted profit of \$689,637.00. If ASM reaches the projected profit, it would result in \$1,723,047 to both ASM and the Authority in net income.

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 for the month of February 2024, the Royals had a profit of \$201,022.00, which is higher than the budgeted profit of \$89,849.00. He advised the Board that attendance and revenue figures both increased for this Royals season. He also noted, that for the year to date, the Royals actual loss is \$107,852.00, which is less than the budgeted loss of \$116,822.00. Finally, he noted that based on projections, he expects the Royals to end the fiscal year approximately \$22,000 above budget.

Mr. Farrar noted that as of February 2, 2024, he received information that the ERC claim was in process, but that it could take another 6 - 12 months to be processed and approved.

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. He noted that they continue to work on the various capital expenditures projects. He noted the arena seat project will begin June 1, 2024 and the arena suite upgrade project will start on July 1, 2024. He also noted that the Arena elevators will be completed in the summer and the women's restroom in SPAC will be completed in the next 2 weeks. He advised the Board that the Arena's HVAC work has been completed.

Mr. Farrar advised the Board that the Authority secured a table for the GRCA dinner and that he will send an email out for individuals who wish to attend.

Mr. Farrar noted that the show season has been going great. He said multiple performers are playing shows on back-to back night and being successful. He also noted that the Broadway series went very well and the lineup for next year's Broadway series looks promising.

Mr. Farrar advised the Board that SPAC needs a roof replacement at an approximate cost of \$412,000.00. He also requested that the Authority enter into a maintenance agreement with Johnson Controls for the Pearle Building to service the elevators and HVAC unit at an approximate cost of \$10,000.00. Upon a motion duly made and seconded, both capital expenditures were unanimously approved.

Mr. Bonacci from ASM provided an update from ASM's corporate office. He congratulated Mr. Farrar and Ms. Gilfert on a great year and said the Arena and SPAC are a great success for ASM. He also advised the Board that ASM is being purchased by Legends, which is expected to be completed in the summer. He advised the Board that he does not expect the transaction to have any effect on the Authority's operations. Finally, he advised the Board that the Department of Justice is investigating Ticketmaster and Live Nation regarding ticket issues, which again should not affect the Authority's operations.

ROYALS UPDATE

Mr. Farrar provide the Board with an update on the Royals operations. He advised that Newfoundland is out of the ECHL and that Wheeling is being moved to the Royals division, which will be easier for travel. He also noted that the Royals will have 4 youth travel teams playing the youth leagues. He further noted that 3 of the Royals players have been living in the new townhouse and were very happy with it. Mr. Long advised the Board that the remaining 5 townhouses will be ready in July, well in advance of next year's Royals season.

Mr. Farrar advised the Board that the Royals need some locker room upgrades to include, a new skate sharpener, new sewing machine and a new glove dryer at a total cost of approximately \$75,000. Upon a motion duly made and seconded, the locker room expenditures were unanimously approved.

SOLICITOR'S REPORT

Mr. Mayer had nothing to report to the Board.

READING PARKING AUTHORITY UPDATE

Mr. Gombar advised the Board that Mr. Ridley has been appointed to the Reading Parking Authority Board. Thereafter, Mr. Ridley provided the Board an update on the Parking Authority's operations. He advised that the new Executive Director is doing a good job; however, they are still working through the many issues in the past and it will take some time to get through all of that. He advised the Board that it would likely be better to seek a sponsorship from the Parking Authority as opposed to a Revenue Sharing Agreement due to the Parking Authority's cashflow issues. Mr. Ridley also suggested inviting the new Executive Director to the next Authority meeting to welcome him and explain things to him.

PEARLE BUILDING UPDATE

Mr. Gombar advised the Board that he had spoken to NAI Keystone and there is not much more NAI Keystone can do to market the Pearle Building. He advised the Board that NAI Keystone raised two main issues with the building being lack of parking and no connection to the Arena. Mr. Farrar advised that ASM has used the Pearle Building for events and pre-show VIP functions, and it has worked well. He also suggested moving the ASM and Royals staff offices over to the Pearle Building and using the lower level spaces in the Arena for other purposes.

Upon a motion duly made and seconded, the Board unanimously approved the termination of the Listing Agreement with NAI Keystone and to engage an architect for a proposal to use the Pearle Building for ASM office space and pre-function events.

READING SYMPHONY ORCHESTRA UPDATE

Mr. Farrar advised the Board that he met RSO's new Executive Director. He said he is a very nice person and has good ideas for RSO, but that RSO is really lacking funding. He advised the Board that the RSO is still looking to purchase a new bandshell, but that the RSO would need to raise a lot of funds before the Authority would make a donation.

BOSCOV'S SCHOLARSHIP UPDATE

Mr. Fiucci provided the Board with an update on the Boscov's Scholarships. He noted that the Authority received 18 applicants and awarded 2 scholarships to a student from Fleetwood and Governor Mifflin. He also advised that the Berks County Community Foundation has done a great job handling the scholarship process.

CHAIRMAN'S REPORT

Mr. Gombar advised the Board that Mr. Farrar was participating in the Reading Public Library's Celebrity Bartender Fundraiser and inquired about the Authority making a donation to Mr. Farrar's campaign. Upon a motion duly made and seconded, the Board unanimously approved a \$500 donation to Mr. Farrar's campaign.

The Board went into executive session to discuss some personnel and contract matters and did not reconvene after the executive session.

Mr. Gombar noted that the next regular meeting of the Board would be held at the Santander Arena at 7:00 a.m., on June 20, 2024. At 8:15 a.m., upon a motion duly made and seconded, the Board unanimously resolved to adjourn.