

Berks County Convention Center Authority

BOARD MEETING

April 18, 2024

7:00 AM

Santander Arena

Reading, PA

A G E N D A

- I. Call to Order
- II. Comments from Public
- III. Approval of Minutes – February 15, 2024
- IV. Treasurer’s Reports
 - Corporate
 - ASM Global
 - Reading Royals Hockey
 - ERC update
- V. ASM Update
 - Capital (SPAC roof)
 - RPA and Traffic Flow
- VI. Royals / Hockey Committee
 - Royals Housing
- VII. Pearle Vision Building update
- VIII. RSO update
- IX. Boscov’s Scholarships
- X. Reading Public Library donation
- XI. GRCA Dinner – May 22, 2024
- XII. Solicitor’s Report
- XIII. Other Business
- XIV. Executive Session – Personnel / Contract Negotiations
- XV. Next Meeting – June 20, 2024 at 7:00am at Santander Arena
- XVI. Adjourn Meeting

**BERKS COUNTY CONVENTION CENTER AUTHORITY
MINUTES OF THE REGULAR MEETING OF
THURSDAY, FEBRUARY 15, 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
Ms. Pamela Shupp Menet, County of Berks

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 December 21, 2023 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 2023 and January 2024 and reviewed the report with the Board. Ms. Richards noted that the Authority had an increase in cash of \$1,372,241.41 in December, resulting in total cash held of \$12,029,160.11. She noted that the increase of cash in December was due partly to receiving the Authority’s share of the fiscal year 2023 net income from ASM and also a refund of the ERC filing fee. Ms. Richards further noted that the Authority

had a decrease in cash of \$368,756.91 in January, resulting in total cash held of \$11,660,403.20. She noted that the decrease was largely due to paying normal bills and capital expenditures. Ms. Richards also noted that the Authority received its final RACP payment from the state, which should close out the RACP funding.

Ms. Richards provided the Board with an update on the hotel tax receipts paid to the Authority for the months of November and December 2023. She advised that the hotel tax receipts for November were \$158,286.45, which was a decrease of \$45,789.75 against November 2022 and the hotel tax receipts for December were \$148,393.84, which was a decrease of \$22,764.47 against December 2022. She further noted that at the end of the calendar year the total hotel tax receipts for 2023 were \$80,156.67 less than calendar year 2022. She noted that she was not concerned about this decrease as our budget is conservative and based on a lower figure for the hotel tax receipts. Mr. Ehlerman added that the Hampton Inn was about five (5) months delinquent on its hotel tax receipts, which would account for some of the difference.

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. For the month of December 2023, the Arena and SPAC had a combined profit of \$159,733.00, which was significantly higher than the budgeted profit of \$41,878.00. She advised the Board that both the Arena and SPAC were profitable, but that the majority of the profit is due to the Arena. She also noted that the year-to-date actual combined profit was \$2,061,461.00, which is significantly higher than the budgeted profit of \$362,958.00. She further noted the current fiscal year should be close to or higher than the previous 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 for the month of December 2023, the Royals had a profit of \$180,473.00, which is lower than the budgeted profit of \$236,568.00. He advised the Board that December was a bad month for the Royals, but that the Royals have made up the difference in January and February and should be back to on or beating budget. He also noted, that for the year to date, the Royals actual loss is \$378,611.00, which is more than the budgeted loss of \$298,548.00.

Mr. Farrar noted that the February Pink in the Rink game was a complete sell out, which made \$102,000.00 in profit and was the best game ever for the Royals. He noted this was the first sell out during his time at ASM.

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

CITY/COUNTY ARPA FUNDING UPDATE

Ms. Richards advised that Board that she met with Ms. Gilfert and they prepared and sent the report to the County documenting the expenditure of the County ARPA funds. Ms. Shupp Menet confirmed this fact and advised that the Authority was in compliance with its ARPA funding from a County standpoint. Ms. Richards advised that the City ARPA funds need to be spent by December 31, 2024 and advised that she will work with Ms. Gilfert on preparing a similar report to provide to the City.

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 air handlers should be fully installed by the end of February. He also noted that the other large projects (Arena seats, suite upgrades and SPAC women's restroom) will be performed over the summer when there are less shows.

He advised the Board that his still concerned with the traffic issues surrounding events. He has asked the City for a traffic plan, but has not received one to date. He did note that there is a new executive director at the Reading Parking Authority. He doesn't know how this will affect the Authority relationship with the Parking Authority, but he is hopeful.

HOCKEY COMMITTEE UPDATE

Mr. Fiucci provided the Board with an update from the Hockey Committee. He noted that there was nothing significant to report.

Mr. Farrar advised the Board that the Royals terminated their existing head coach and hired a new head coach. He said the players are really happy with the new head coach and the morale is improving. He also advised the Board that Trois-Rivieres and Newfoundland may be getting removed from the ECHL at the end of the season due to financial reasons.

RR HOUSING UPDATE

Mr. Long provided the Board an update on the RR Housing transactions. He noted that they obtained proposals from three (3) different banks for a loan to purchase the 6 townhome units. RR Housing agreed to go with the proposal from Tompkins Vist Bank. It will be a \$1,200,000.00 loan which will be drawn over time as the units are completed with the first closing being at the end of February. He advised that the loan will be twelve (12) months interest only and then principal and interest payments based on a twenty-five (25) year amortization, with a unlimited guaranty by the Authority.

Upon a motion duly made and seconded, the Board unanimously approved the loan on behalf of RR Housing, LLC and the guaranty on behalf of the Authority. The Board also approved Michael J. Gombar, Jr. to sign all loan documents on behalf of the Authority and RR Housing, LLC.

SOLICITOR'S REPORT

Mr. Mayer advised the Board about the new Corporate Transparency Act and told them that he will look into whether the Authority and its subsidiaries are exempt from filing. He will report back to the Board at the next meeting.

PEARLE BUILDING UPDATE

Mr. Gombar noted that there were no new updates on the Pearle Building.

Dr. Ridley advised the Board that Penn State Berks is still looking at starting a culinary program and may have interest in the Pearle Building, but that it will be a slow process.

COMMENTS FROM MS. SHUPP MENET

Ms. Shupp Menet advised the Board that the County has purchased a new AI program called Placer AI which provides information about people coming to and from the Arena. She noted that the program showed there were 760,000 visitors to the Arena in 2023 and 2024, which is a 26.9% increase over 2022. She said the program also provides information about where the visitors came from and how long they stayed. She noted this could be valuable to the Authority to help target its marketing efforts. She is providing the program results to Mr. Farrar and he will review it and discuss with the Board.

Ms. Shupp Menet also asked that in return, the Authority attend at least one (1) County Commissioners meeting each year and that it provides an Economic Impact Report to the County, which the Board agreed to do.

CHAIRMAN'S REPORT

The Board went into executive session to discuss some personnel 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 April 18, 2024. At 8:05 a.m., upon a motion duly made and seconded, the Board unanimously resolved to adjourn.

BERKS COUNTY CONVENTION CENTER AUTHORITY	
TREASURER'S REPORT	
FEBRUARY 2024	
Checking - Santander (general account)	
Beginning Balance	\$1,361,082.27
Interest	4,049.50
Checks	-299,879.61
Incoming Wire Transfer from Wilmington Trust - Excess Revenues - December	40,976.32
Ending Balance	\$1,106,228.48
Checking - Santander (Pearle Bldg Construction account)	
Beginning Balance	\$454,876.00
Deposit - Comm of PA - RACP Funding	\$0.00
Checks	\$0.00
Interest	\$0.00
Ending Balance	\$454,876.00
BCCCA 2014 Hotel Tax Bond Fund - Acct #1039809	
Opening Balance	\$1,285,548.05
Wire received - Deferred Principal funds from Santander general acct	\$0.00
Wire received - PNC swap	\$12,332.60
Transfer from Revenue Fund #1039810 (Monthly Swap/Int/Trustee)	\$117,799.95
Annual Trustee Fund to Wilmington Trust	0.00
Payment to PNC Bank (monthly SWAP payment) - February	-27,506.62
Payment to Corp Trust Bondholders (monthly interest pay)	0.00
Payment to Corp Trust Bondholders (annual principal pay)	0.00
Interest	5,228.66
Ending Balance	\$1,393,402.64
Revenue Fund - Acct #1039810	
Opening Balance	\$158,776.26
Hotel Tax Receipts - December	\$148,393.84
Swap payment received from PNC	\$0.00
Transfer to Hotel Tax Bond Fund #1039809 -	-\$117,799.95
Transfer to BCCCA Santander Acct - Excess Revenues December	-\$40,976.32
Interest	341.69
Ending Balance	\$148,735.52
Fulton Bank - Acct #7484 - Government Interest Checking (Pearle)	
Opening Balance	\$2,136,470.60
Transfer to Santander Pearle Acct	\$0.00
Fees	-\$15.00
Interest	8,464.13
Ending Balance	\$2,144,919.73
Fulton Bank - Acct #7505 - Government Interest Checking (Operating)	
Opening Balance	\$6,283,650.02
Fees	-\$10.00
Interest	24,814.98
Ending Balance	\$6,288,455.00
Total Cash Held - Authority February	\$11,536,617.37
Total Cash Held - Authority January	\$11,660,403.20
Change in Cash (Decrease)	-\$123,785.83

BERKS COUNTY CONVENTION CENTER AUTHORITY	
TREASURER'S REPORT	
MARCH 2024	
Checking - Santander (general account)	
Beginning Balance	\$1,106,228.48
Interest	2,524.64
Checks	-129,996.96
Incoming Wire Transfer from Wilmington Trust - Excess Revenues - January	31,932.31
Ending Balance	\$1,010,688.47
Checking - Santander (Pearle Bldg Construction account)	
Beginning Balance	\$454,876.00
Deposit - Comm of PA - RACP Funding	\$0.00
Checks	-\$53,230.50
Interest	\$0.00
Ending Balance	\$401,645.50
BCCCA 2014 Hotel Tax Bond Fund - Acct #1039809	
Opening Balance	\$1,393,402.64
Wire received - Deferred Principal funds from Santander general acct	\$0.00
Wire received - PNC swap	\$10,743.02
Transfer from Revenue Fund #1039810 (Monthly Swap/Int/Trustee)	\$116,803.21
Annual Trustee Fund to Wilmington Trust	0.00
Payment to PNC Bank (monthly SWAP payment) - March	-26,509.88
Payment to Corp Trust Bondholders (monthly interest payt)	0.00
Payment to Corp Trust Bondholders (annual principal payt)	0.00
Interest	5,284.62
Ending Balance	\$1,499,723.61
Revenue Fund - Acct #1039810	
Opening Balance	\$148,735.52
Hotel Tax Receipts - January	\$155,551.48
Swap payment received from PNC	\$0.00
Transfer to Hotel Tax Bond Fund #1039809 -	-\$116,803.21
Transfer to BCCCA Santander Acct - Excess Revenues January	-\$31,932.31
Interest	292.80
Ending Balance	\$155,844.28
Fulton Bank - Acct #7484 - Government Interest Checking (Pearle)	
Opening Balance	\$2,144,919.73
Transfer to Santander Pearle Acct	\$0.00
Fees	-\$15.00
Interest	9,083.64
Ending Balance	\$2,153,988.37
Fulton Bank - Acct #7505 - Government Interest Checking (Operating)	
Opening Balance	\$6,288,455.00
Fees	-\$10.00
Interest	26,631.41
Ending Balance	\$6,315,076.41
Total Cash Held - Authority March	\$11,536,966.64
Total Cash Held - Authority February	\$11,536,617.37
Change in Cash (Decrease)	\$349.27

Hotel Tax Receipts paid to the Authority				
2024 and 2023				
	2024		2023	Variance
Jan	\$165,561.48		\$166,473.75	-\$922.27
Feb	\$238,044.95		\$194,483.97	\$44,360.98
Mar			\$177,989.13	-\$177,989.13
Apr			\$250,150.37	-\$250,150.37
May			\$189,518.42	-\$189,518.42
Jun			\$275,952.77	-\$275,952.77
July			\$209,689.44	-\$209,689.44
Aug			\$228,170.92	-\$228,170.92
Sept			\$236,163.12	-\$236,163.12
Oct			\$205,151.62	-\$205,151.62
Nov			\$158,286.45	-\$158,286.45
Dec			\$148,393.84	-\$148,393.84
Total/Variance thru February	\$394,396.43		\$360,957.72	\$43,438.71

Hotel Tax Receipts paid to the Authority				
2023 and 2022				
	2023		2022	Variance
Jan	\$166,473.75		\$142,397.22	\$14,076.53
Feb	\$194,483.97		\$167,776.69	\$26,707.28
Mar	\$177,989.13		\$167,116.85	\$10,872.28
Apr	\$250,150.37		\$189,431.92	\$60,718.45
May	\$189,518.42		\$207,659.05	-\$18,140.63
Jun	\$275,952.77		\$212,657.36	\$63,295.41
July	\$209,689.44		\$303,701.22	-\$94,011.78
Aug	\$228,170.92		\$272,387.36	-\$44,216.44
Sept	\$236,163.12		\$247,385.90	-\$11,222.78
Oct	\$205,151.62		\$224,832.39	-\$19,680.77
Nov	\$158,286.45		\$204,076.20	-\$45,789.75
Dec	\$148,393.84		\$171,168.31	-\$22,764.47
Total/Variance thru December	\$2,430,423.80		\$2,510,580.47	-\$80,156.67