

**BERKS COUNTY CONVENTION CENTER AUTHORITY
MINUTES OF THE REGULAR MEETING OF
THURSDAY AUGUST 19, 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

The following members were absent and/or excused:

Dr. Rodney Ridley was absent.
Mr. John Ernesto was excused.

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
Brian Kush, CIMCO (via Zoom)
Benoit Rodier, CIMCO (via Zoom)
Brad Wilkins, CIMCO

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

PUBLIC COMMENTS

There were no comments from the public.

APPROVAL OF MINUTES

Upon a motion duly made and seconded, the minutes of the regular meeting of the Board of June 17, 2021 were unanimously approved.

CIMCO PRESENTATION ON ICE PLANT

Brian Kush, Brad Wilkins and Benoit Rodier from CIMCO provided the Board with a presentation on the replacement of the Arena's ice plant. They explained that the Arena's current refrigerant, R-22, is being phased out and will be harder and more expensive to acquire. Additionally, they pointed out that many parts of the Arena's ice plant have exceeded their useful life expectancy. The CIMCO representatives explained that the two options for the replacement of the Arena's ice plant are either ammonia or CO2 and they explained the pros and cons of each system. In addition, they provided the Board with the install costs, annual maintenance costs and potential energy cost savings. Following the presentation, the CIMCO representatives fielded questions from the Board. The Board discussed CIMCO's proposal and decided to perform some additional due diligence and plans to make a decision by September 15, 2021 to lock in pricing with CIMCO.

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 the fiscal year, the Arena and SPAC have a combined loss of approximately \$1,293,000, which was slightly more than the budgeted loss of \$1,099,000. She noted that the actual figures were worse than the budgeted figures because the budgeted figures included some event revenue, which never occurred. She further advised the Board that she is still waiting for approval of the Shuttered Venues grant. 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 approximately \$620,000, which is slightly less than the budgeted loss of \$647,000. He noted that the main reason the Royals surpassed the budgeted figures was due to the income created by the Royal youth hockey program. He further advised the Board that for the first month of the new fiscal year, the Royals are above budget. Finally, he advised the Board that he has applied for an ERTC credit, which could provide \$15,000 - \$17,000 and would be credited against the Royals future payroll tax liability. 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 June and July 2021, and reviewed the report with the Board. Ms. Richards noted that the Authority had an increase in cash of \$142,260.42 in June resulting in total cash held of \$1,249,068.43 and an increase in cash of \$60,927.89 in July resulting in total cash held of \$1,309,996.32. She noted that a significant portion of the increase in cash was due to the increased hotel tax receipts.

Ms. Richards provided the Board with an update on the hotel tax receipts paid to the Authority for April, May and June 2021. She advised that the hotel tax receipts for these 3 months were significantly higher than 2020 and getting closer to the amounts collected in 2019 before the pandemic. She noted that the total hotel tax receipts for calendar year 2021 were \$916,413.04, which is \$295,543.66 higher than 2020. She also noted that the total hotel tax receipts for calendar year 2021 were a 47.36% increase over 2020, but still only about 70% of 2019.

Ms. Richards advised the Board that she had a good discussion with PNC Bank and the bank is happy with our progress so far.

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 advised the Board that the PA Sunshine Act, which applies to the Authority, was recently amended. He noted that the revisions require the Authority to include all items to be discussed at meetings on the meeting agenda at least 48 hours prior to the meeting. Mr. Mayer noted that he will coordinate with Mr. Farrar to have all items listed and included on the agenda in time to meet the new requirements of the Sunshine Act.

ASM GLOBAL UPDATE

Mr. Farrar provided the Board with an update on the Arena/SPAC operations. Mr. Farrar advised the Board that the event lineup at SPAC is strong, but that several shows for the Arena have been moved from the first quarter to the fall. He also noted that in the past week or two, ticket sales have slowed due to the increase in the COVID-19 Delta variant. Mr. Farrar noted that ASM still has one position open for an Events Manager, which he hopes to fill soon.

Mr. Farrar provided the Board with some updates regarding the facilities. He noted that the condenser on the beer refrigerator in the Arena needs to be replaced at a cost of \$11,000 and the fire panel in SPAC needs to be replaced at a cost of \$64,000. He also noted that the Arena and SPAC have instituted several new policies, including a no re-entry policy, a new bag policy and are trying to implement a completely cashless policy for all shows – although he noted this will be a gradual change.

ROYALS UPDATE

Mr. Farrar provided the Board with an update on the Royals operations. He said that season ticket sales are up \$60,000 over 2020, with mini plans selling well. He advised the Board that the Royals assistant coach left to take a head coaching position in the ECHL, but that a new assistant coach was already hired. He also advised the Board that the Royals won an award for Revenue Generation at the ECHL banquet for its youth hockey program. Mr. Farrar advised the Board that the Royals lost Tower Health and Service Electric as sponsors. He noted that the

Royals sold 1 more suite and are in discussions over another 3 suites. He further advised the Board that the Royals annual golf tournament is sold out with 32 teams participating. Finally, he noted that the Royals signed another 1 year Affiliation Agreement with the Philadelphia Flyers, with an option for an additional 1 year.

CHAIRMAN'S REPORT

Mr. Ehlerman recommended that the Board create a Spending Committee. The Committee should be delegated to make recommendations to the Board for spending of all funds to be received from the City, County and the Shuttered Venues grant. Mr. Gombar, Mr. Fiucci and Ms. Richards will be members of the Committee.

Mr. Ehlerman noted that Burkey Construction submitted its final paperwork to the DECD, which will trigger the release of all holdback payments. Mr. Ehlerman noted that the Authority has approximately \$78,000 reserved for payment to Burkey, but he said the final payment will likely be closer to \$140,000. Finally, Mr. Ehlerman noted that there is no new movements with regard to the Pearle Building.

There being no further business before the Board at the public session, the Chairman noted that the next regular meeting of the Board would be held at the Santander Arena at 7:00 a.m., on October 21, 2021. At 8:30 a.m., upon a motion duly made and seconded, the Board unanimously resolved to adjourn.