

**BERKS COUNTY CONVENTION CENTER AUTHORITY
MINUTES OF THE REGULAR MEETING OF
THURSDAY, JUNE 15, 2023**

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. Michael J. Gombar, Jr., Esquire
Mr. Michael Fiucci
Mr. Izzy Gonzalez
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/Reading Royals
Ms. Christina Gilfert, ASM
Mr. John Long, Reading Royals

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 April 20, 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 April and May 2023 and reviewed the report with the Board. Ms. Richards noted that the Authority had an increase in cash of \$115,109.68 in April, resulting in total cash held of \$13,385,321.44 and a decrease in cash of \$23,507.91 in May, resulting in total cash held of \$13,361,813.53. She also noted that the fees charged to the two Fulton Bank accounts were erroneous and are being reversed. Finally, Mr. Gombar noted that the two Fulton Bank accounts are accruing good interest.

Ms. Richards provided the Board with an update on the hotel tax receipts paid to the Authority for March 2023. She advised that the hotel tax receipts for March were \$177,989.13, which was an increase of \$10,872.28 against March 2022. She did not have the reported tax receipts for April 2023, but Mr. Ehlerman said the April 2023 hotel tax receipts are approximately \$100,000.00 greater than April 2022, which receipts included the payment of some delinquent accounts.

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 April 2023, the Arena and SPAC had a combined profit of \$235,745.00, which was significantly higher than the budgeted profit of \$52,564.00. Ms. Gilfert also noted that year to date, the Arena and SPAC had a combined profit of \$1,975,702.00, which was significantly higher than the budgeted profit of \$484,433.00. She noted that the Arena has a year-to-date profit of \$2,042,462.00, compared to a budgeted profit of \$463,182.00, and SPAC had a loss of \$66,760.00 compared to a budgeted profit of \$21,251.00. She noted that May should be a bit better than April and expects ASM to be well over 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 for April 2023, the Royals had a profit of \$187,068.00, which was better than the projected loss of \$45,341.00. He also noted that year-to-date, the Royals had incurred a loss of \$34,440.00, which is less than the budgeted loss of \$216,586.00. He also provided a breakdown of the Royals' financials for the regular season and playoffs.

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

AUTHORITY BUDGET

Ms. Richards provided the Board with the Authority's budget for the 2023/2024 fiscal year. The Authority has budgeted \$2,450,000 in revenue, \$1,854,629 in expenses for a projected profit of \$595,371.00. Ms. Richards also provided the Board with the capital expenditures to be made to the Arena and SPAC in the next fiscal year. Mr. Farrar noted that there were four additional capital expenditures (painting the lower level and concourse of the Arena, recarpeting the Coca-Cola lounge, purchasing a new scrubber for the Arena and repairs to the elevators in the Arena) for a total of approximately \$550,000, which were not included in the Authority's capital expenditure figures.

Upon a motion duly made and seconded, the Treasurer's Report was unanimously approved with the additional capital expenditures noted above.

ASM GLOBAL BUDGET

Ms. Gilfert provided the Board with ASM's budget for the 2023/2024 fiscal year. ASM has budgeted \$4,865,646.00 in income, \$4,168,509.00 in expenses for a projected profit of \$697,137.00. She noted that ASM's budget does not include any revenue sharing income for parking since no new agreement has been signed with the Reading Parking Authority.

Upon a motion duly made and seconded, the ASM budget was unanimously approved.

ROYALS BUDGET

Mr. Long provided the Board with the Royals' budget for the 2023/2024 fiscal year. The Royals have budgeted \$2,949,49.00 in gross revenue, \$3,203,817.00 in expenses, for a projected loss of \$307,045

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

ASM GLOBAL UPDATE

Mr. Farrar provided the Board with an update on the Arena/SPAC operations. Mr. Farrar noted that ASM'S Fall schedule is looking good. He noted there are a lot of Latin shows in the Fall, which usually sell well, but most sales are shortly before the show as opposed to pre-show sales. He also noted that SPAC's line up is very strong in October and November.

Mr. Farrar also provided the Board with an update on the recent and planned capital expenditures. He noted that the Arena will be getting new seating and he had three different models of seats for the Board to view. After discussion, it was decided to purchase all black seats for the main area of the Arena and black and dark grey seats for the suites.

ROYALS UPDATE

Mr. Farrar and Mr. Long provided the Board with an update on the Royals operations. They noted that Mr. Long has been looking for potential houses to purchase to use as housing for the Royals players. After discussion, it was determined that Mr. Long can review the houses and place offers for the houses, subject to an inspection contingency so that the Board may inspect the properties prior to making a final decision on the purchase of the house.

Mr. Farrar noted that Slapshot Charities has approximately \$25,000 in cash right now. Mr. Farrar spoke with Ms. Aitken at the Berks County Community Foundation and the plan is to use a portion of the funds to provide scholarships for fees and equipment for kids that want to play hockey but cannot afford the costs.

SOLICITOR'S REPORT

Mr. Mayer had nothing significant to report.

PEARLE BUILDING UPDATE

Mr. Ehlerman had nothing new to report on the Pearle building. He did however advise the Board that the Albert Boscov statute re-bronzing has been completed.

PARKING AGREEMENT

Mr. Farrar advised the Board that he has had discussions with the Reading Parking Authority, but there is no definitive answer on the renewal of ASM's Parking and Revenue Agreement, which terminates at the end of June 2023. After discussion, the Board approved a proposed renewal of the Parking and Revenue Agreement, with Mr. Mayer providing a new proposed agreement to provide to the Reading Parking Authority.

CHAIRMAN'S REPORT

The Board went into executive session to discuss some personnel and litigation matters and did not readjourn. 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 15, 2023. At 8:20 a.m., upon a motion duly made and seconded, the Board unanimously resolved to adjourn.