

**BERKS COUNTY CONVENTION CENTER AUTHORITY
MINUTES OF THE REGULAR MEETING OF
THURSDAY JUNE 17, 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
Mr. John Ernesto
Ms. Michele Richards

Dr. Rodney Ridley was absent.

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

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 April 15, 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 April 2021, the Arena and SPAC have a combined loss of approximately \$1,100,000. She further advised that forecasted loss through the end of the fiscal year is approximately \$1,377,000, although she noted it could be slightly less than that figure.

ROYALS FINANCIAL REPORT

Mr. Long provided the Board with an update on the Reading Royals financials and projections. He advised the Board that through April 2021, the Royals had incurred a loss of \$416,000, which is slightly less than the projected loss of \$456,000. He further noted that due to reduced expenses in May and June, he expects the Royals fiscal year end loss to be approximately \$125,000 to \$150,000 less than the projected loss in their budget. Mr. Long noted that the Royals are tracking with their 3 year forecasts and actually doing slightly better than projected.

TREASURER'S REPORT

Ms. Richards provided the Board with the Treasurer's Report, which contained the financials for the months of April and May 2021, and reviewed the report with the Board. Ms. Richards noted that the Authority had a decrease in cash of \$633,620.88 in April resulting in total cash held of \$983,848.36 and an increase in cash of \$122,959.65 in May resulting in total cash held of \$1,106,808.01. She noted that the majority of the decrease in cash in April was the result of the funding provided to ASM and the Royals for cash flow purposes.

Ms. Richards provided the Board with an update on the hotel tax receipts paid to the Authority for March 2021. She advised that the hotel tax receipts for March were \$138,358.75, which is a significant increase as a result of the COVID pandemic subsiding. Mr. Ehlerman advised that it isn't accurate to compare the 2021 hotel tax receipts to 2020 due to the impact of the COVID pandemic. However, he noted that when comparing the hotel tax receipts for the first four months of 2021 to the same period in 2019, the 2021 tax receipts are only 15% off of the 2019 figures.

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 BUDGET

Ms. Gilfert provided the Board with the ASM Global budget and reviewed it with the Board. Ms. Gilfert noted that the 2021-2022 fiscal year budget forecasts a loss of approximately \$268,000 for the Arena and SPAC. She noted that this forecast could change with the receipt of funds from the City, County or from the Shuttered Venues grant program.

ROYALS BUDGET

Mr. Long provided the Board with the Reading Royals budget and reviewed it with the Board. Mr. Long noted that the 2021-2022 fiscal year budget forecasts a loss of approximately \$556,000 for the Royals. He noted that this forecast is approximately \$100,000 better than the forecasted loss in the Royals' 3 year plan and that the Royals are progressing on their 3 year fiscal plan.

AUTHORITY BUDGET

Ms. Richards provided the Board with the Authority's budget and reviewed it with the Board. Ms. Richards noted that the 2021-2022 fiscal year budget forecasts a loss of approximately \$993,000 for the Authority. She noted that this forecast could change with the receipt of funds from the City, County or from the Shuttered Venues grant program. Ms. Richards also provided the Board with a Cash Flow Projection for the 2021-2022 fiscal year. She noted that based on the cash flow projections, the Authority would have a cash flow deficit of approximately \$283,000 and as a result the Authority may need to access its line of credit to meet its cash flow needs for the second half of the fiscal year.

Upon a motion duly made and seconded, the budgets for ASM Global, the Royals and the Authority were unanimously approved.

SOLICITOR'S REPORT

Mr. Mayer advised the Board that he had received a letter from a California attorney regarding a copyright infringement claim related to a post on the Reading Royals social media accounts. He advised the Board that he spoke with the attorney and advised her that the post was removed and further that the Authority did not own the team when the infringing post was made. He advised the Board that he will send the attorney a letter explaining these facts and hopefully absolving the Authority of any potential liability.

ASM GLOBAL UPDATE

Mr. Farrar provided the Board with an update on the Arena/SPAC operations. Mr. Farrar advised the Board that ASM has entered into a new contract with Ticketmaster that will be more favorable to ASM; however, he noted that the new contract will only apply to tickets sold after July 1, 2021.

Mr. Farrar noted that ASM has filled its Director of Marketing, Director of Operations and Director of Food and Beverage positions. He noted that ASM still has another 6-7 positions to fill, but he hopes that ASM will be back to full staffing in the next month.

Mr. Farrar noted that SPAC continues to have a solid listing of shows, which are selling well. He said the Arena has a lot of dates on hold for the Spring and he hopes that the dates finalize so the schedule fills for the Spring. He also noted that ticket sales are going well for the shows that are already been announced for the Arena. Mr. Farrar said he is working with Mr. Bonacci on securing a larger show for the Arena's 20th anniversary celebration. He noted that the show will likely be at the end of 2021 or beginning of 2022 even though the Arena's formal anniversary date is in September 2021. He advised the Board that the Reading Eagle will be doing a story in September on the Arena's 20th anniversary. Mr. Gombar suggested the Board form a committee to assist Mr. Farrar with planning for the 20th anniversary celebration. Mr. Ernesto, Ms. Richards and Mr. Fiucci volunteered to be on the committee.

The Board had a discussion concerning the replacement of the ice plant at the Arena. Requests for funds were made to the City and County to assist with the purchase of the new ice

plant. Mr. Farrar will continue to work on this issue and keep the Board informed of the progress.

ROYALS UPDATE

Mr. Farrar provided the Board with an update on the Royals operations. He said that approximately 89% of season ticket holders carried over their tickets for the 2021-22 season as opposed to asking for refunds due to the cancellation of the 2020-21 season. He further noted that ticket sales continue to progress well.

CHAIRMAN'S REPORT

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 August 19, 2021. At 8:30 a.m., upon a motion duly made and seconded, the Board unanimously resolved to adjourn.