

**BERKS COUNTY CONVENTION CENTER AUTHORITY
MINUTES OF THE REGULAR MEETING OF
THURSDAY, OCTOBER 19, 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 (via phone)

Ms. Marilu Rodriquez was excused.

The meeting was chaired by Mr. Gombar.

Also present:

Mr. Paul Troisi, Esquire, Barley Snyder, LLP
Ms. Christina Gilfert, ASM
Mr. John Long, Reading Royals
Mr. Timothy Kraft, RKL
Mr. Luke Byrne, RKL

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 August 17, 2023 were unanimously approved.

AUDIT REVIEW

Mr. Kraft and Mr. Byrne provided the Board with the audit report for the Authority’s fiscal year audit and reviewed it with the Board. Mr. Byrne noted it was a clean audit opinion and there were no issues to discuss. He noted that the Authority’s net position increased by \$1,276,739.00 from the prior year.

Upon a motion duly made and seconded, it was unanimously moved to approve the Authority's audit reports.

TREASURER'S REPORT

Ms. Richards provided the Board with the Treasurer's Report, which contained the financials for the months of August and September 2023 and reviewed the report with the Board. Ms. Richards noted that the Authority had a decrease in cash of \$184,366.49 in August, resulting in total cash held of \$11,844,156.92 and a decrease in cash of \$1,230,281.95 in September, resulting in total cash held of \$10,613,874.97. She noted that the majority of the decrease was the result of bills being paid, including the replacement of the HVAC systems in both the Arena and SPAC, which was a major expense. Ms. Richards also noted that the Authority's two checking accounts are earning a significant amount of interest with Fulton Bank.

Ms. Richards provided the Board with an update on the hotel tax receipts paid to the Authority for the months of July and August 2023. She advised that the hotel tax receipts for July were \$209,689.44, which was a decrease of \$94,011.78 against July 2022 and the hotel tax receipts for August were \$228,170.92, which was a decrease of \$44,216.44 against August 2022. She noted that even with the decrease in the hotel tax receipts for July and August, the total hotel tax receipts for 2023 are still \$19,301.10 over the same time period for 2022.

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 August 2023, the Arena and SPAC had a combined profit of \$426,121.00, which was significantly higher than the budgeted profit of \$50,673.00. She also noted that the year to date actual combined profit was \$444,190.00, which is significantly higher than the budgeted loss of \$102,036.00.

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 August 2023, the Royals had a loss of \$107,234.00, which is slightly more than the budgeted loss of \$106,539.00. He further noted that for the year to date, the Royals actual loss is \$181,801.00, which is less than the budgeted loss of \$215,989.00.

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 October and November look to be good months with Romeo Santos expected to be a very big show and Lindsey Stirling also selling very well. He noted that there have been a lot of capital expenditures in the past two months.

Mr. Farrar noted that there has been a delay in receiving the Employee Retention Credit funds from ASM. A discussion was conducted among the Board regarding potential ways to obtain these funds. He also noted the new executive chef is doing well. He further discussed with the Board the proposal to re-do the suite level of the Arena.

Mr. Farrar advised the Board regarding the availability of obtaining cash to card machines for the Arena and SPAC. He noted each machine would cost \$15,000.00 per year (total of \$30,000.00 for both venues) and people using the machine would pay a \$1.75 transaction fee. After discussion, the Board felt that this significant expense is not necessary because the volume of questions/complaints received regarding the cashless policy is extremely minimal and most, if not all, venues nationwide are cashless.

HOCKEY COMMITTEE UPDATE

Mr. Fiucci provided the Board with an update from the Hockey Committee. He noted that the agreements have been signed with Berks Homes for the townhouses and we are now waiting for the construction of the townhouses to be completed for the Royals housing next season.

READING PARKING AUTHORITY UPDATE

Mr. Gombar provided an update on the issues with the Reading Parking Authority. He advised the Board that the Revenue Sharing Agreement with the Parking Authority appears to be dead. He further noted that there was a parking issue for the Royals preseason game as no code was provided for the garages. He also noted that parking issues is the primary complaint from Royals fans. He advised the Board that he will approach the Mayor and City Council and have a discussion about the parking issues.

SOLICITOR'S REPORT

Mr. Troisi had nothing to report.

PEARLE BUILDING UPDATE

There were no new updates regarding the Pearle Building.

CHAIRMAN'S REPORT

Mr. Gombar advised the Board that there is a movement to create a Neighborhood Improvement Zone (NIZ) which would include the Arena and Doubletree Hotel. He advised the Board that if this was passed by the State and approved by DCED there is a possibility that it

could negatively impact the hotel tax receipts received by the Authority. Mr. Gombar advised that he and Ms. Richards will continue to investigate and monitor this matter.

The Board went into executive session to discuss some personnel and litigation matters. The Board reconvened from executive session with no action to be taken.

Mr. Gombar noted that the next regular meeting of the Board would be held at the Santander Arena at 7:00 a.m., on December 21, 2023. At 8:30 a.m., upon a motion duly made and seconded, the Board unanimously resolved to adjourn.