

**ERIE COUNTY CONVENTION CENTER AUTHORITY
MINUTES
Thursday, January 18, 2024**

Board Members Present: Dahlkemper, Glass, Hilbert (Teams), Johnson, McCormick (Phone), Nuber, Richards (Teams), Riley, Sapienza, and G. White

Board Members Excused: Deitrick

Others Present: Charles Iverson, Ed Snyder, Jim Walczak; Solicitor, Ray Williams, and Neal Wurst

Ms. White called the meeting to order at 3:02 PM.

Ms. White asked if there was any public comment. There was no public comment.

Ms. White asked for approval of the December 19, 2023, minutes.

Mr. Riley motioned to approve the December 19, 2023, minutes. Mr. Nuber seconded the motion. The motion was approved unanimously.

FINANCIAL REPORT

Mr. Iverson presented the December 31, 2023, Financial Statement to the Board. He said we had another pretty strong month to close out a very strong year ending up in excess of nearly \$85,000 ahead of budget.

Mr. Iverson said the arena, as we discussed last month, did come through with a very strong month for December. He said it was attributed to the Otters games. Mr. Iverson said we had four budgeted, but we ended up with 5 games based upon the final schedule. He said that in addition to that, we had the AEW professional wrestling event which exceeded our expectations. Mr. Iverson said that obviously resulted in more concession and food and beverage revenue in addition to box office fees that really drove the \$63,000 favorable variance that we saw in the arena.

Mr. Iverson said that the theatre also had another strong month. He said again, we had 14 event days versus 9 that were budgeted. Mr. Iverson said that we had one additional Broadway show, Mannheim Steamroller, that was not included in the original budget. He said that in addition we had a family show, the Polar Experience, which we did not expect. Mr. Iverson said that both of those shows did very well. He said that due to the strong attendance, our food and beverage and concessions for the theatre did very well. Mr. Iverson said that that drove their \$25,000 favorable variance.

Mr. Iverson said the ballpark is right on plan.

Mr. Iverson said lastly, at the convention center, even though they ended up the month slightly short of budget, it was stronger than forecasted. Mr. Iverson said we had budgeted for events that significantly outperformed their expectations, and we generated about \$40,000 more in revenue than budgeted. He said that was even considering we had two events that did not actualize. Mr. Iverson said one of those events was Joshua Revolution, which moved up to the theatre in December, and Eriez Magnetics holiday party which cancelled. He said despite the cancellation of those large events, the convention center outperformed their revenue budget. Mr. Iverson said the only other thing that set them back was maintenance expenses. He said that the convention center had some significant repairs and maintenance expenses for the month.

Mr. Iverson said that in addition to that, we did elect to create a reserve for bad debt on the books this month for the Flagship Niagara. He said that it was associated with the last Flagship Niagara Tall Ships event. Mr. Iverson said that Gus and I discussed and decided to create the reserve for the remaining balance and continue to pursue collection. He said that we were just concerned that the funds might not actually be collected. He said that the reserve was about \$11,000.

Mr. Iverson said that overall, we had a strong month allowing us to end the year almost \$800,000 ahead of budget in terms of performance across the four operating venues.

Mr. Glass motioned to accept the December 31, 2023; Financial Statements as presented. Mr. Sapienza seconded the motion. The motion was approved unanimously.

MANAGEMENT REPORT

Mr. Pine said that at the November 2023 board meeting, we adopted Resolution 2023-014 related to the Fly Erie Fund. He said that in January, he had the opportunity to meet with James Grunke, Director of the Erie Regional Chamber of Commerce. He said in my conversations with him, there are currently no actionable items that he is requesting from us, nor does he see any in the near future. Mr. Pine said that as we discussed the Erie County Convention Center Authority has the funds set aside. He said there is no reason to transfer any funds over at this time. Mr. Pine said we are going to wait for them to have a specific plan and request and then act accordingly. He said that Mr. Grunke is aware that we have the intention of participating in funding appropriate items related to attracting more commercial airlines to Erie. He said as far as I am concerned, we have a system in place. Mr. Pine said as I learn more from Mr. Grunke, I will inform the board. Mr. Pine said that they are talking about setting up a nonprofit and perhaps a board. He said that Mr. Grunke shared that if a board is created, they would be interested in having him participate. Mr. Pine said he would be more than happy to sit on a board for the Fly Erie Fund. He said he thinks that it would be a good thing for us to participate to help direct them in terms of keeping the project moving forward. Mr. Pine said that our organization relies on the success of the airport for our industry that relies on tourism.

Mr. Pine said that Dan Pora has been our general manager at the Sheraton for 10 years. He said that he thinks we have had about three general managers at that facility over the past 15 years. Mr. Pine said that we have been blessed to have Mr. Pora for the past 10 years. He said that Mr. Pora is from Erie and his family is from Erie. Mr. Pine said that his kids are out of high school so now it is an opportunity for him and his wife, Deborah, to move on. Mr. Pine said that Mr. Pora received a great opportunity within White Lodging to move to their Richmond, Virginia property. He said it is a large, 400-room, downtown property, and a great opportunity for him. Mr. Pine said that we congratulate Mr. Pora. Mr. Pine said in terms of replacing Mr. Pora, I have had conversations with HVS, which is our asset manager and helps us oversee the hotels. He said that the hotel has started the process of their normal search for a general manager replacement. Mr. Pine said that we will have the ability to walk alongside that process and be able to do interviews with their final candidates. Ms. White asked if, in the interim, there is a person that is going to be handling Mr. Pora's responsibilities. Mr. Pine said that both properties have a general manager and assistant general manager. He said that in the meantime, the Assistant General Manager, Rachel Crandall, will take over. He said she has been at the Sheraton about five years. Mr. Pine said that she will handle any interim duties.

Mr. Pine said that he sent an email to all the board members last week regarding the recent wind storms. He said we did sustain some substantial damage to all of our facilities. Mr. Pine said that at the hotels and convention center there was some sign damage, specifically the south facing signs at the convention center. He said a little less concerning, would be the sign that is out by the road. He said that is because the tower is likely going away with the Bayfront Parkway project but there is still concern because the sign is up, and it looks damaged. Mr. Pine said we are going to have a conversation about when we should take the sign down. He said, I think we are going to want to do that sooner rather than later.

Mr. Pine said that there was a power outage at the arena related to the storm. He said that we had a hockey game on Wednesday evening that we had to move due to the power outage. He said that we are going to replay that game on February 5th. Mr. Pine said that the outage took out a brine pump associated with the ice system. He said that the pump that was supposed to kick in, as a secondary pump, did not. Mr. Pine said that we were not confident that we would have good ice for the hockey game, so we made the decision to re-schedule. He said that since it was a Wednesday game and not a weekend game, it was a little less concerning for us. Mr. Pine said that we needed to decide before the visiting team left and got on the road to get here because that would have been a bigger expense. Mr. Pine said that the biggest concern was the roof over the auditorium at the theatre. He said that it was not a new roof. Mr. Pine said that he thought it was the roof that was done in 2002. He said it is about 20 years old and that it was a rubber membrane. Mr. Pine said it stayed attached on the outside of the rooftop, but it was essentially billowing in the middle after coming delaminated. He said that an emergency repair was done on Tuesday but that we continued to have winds come through the next day. Mr. Pine said it took away some of the repairs that were initially done. Mr. Pine said we are going to need to continue to do some temporary repairs, but we will likely need to completely replace that roof. He said, if we can, we would prefer to do it in the spring, but we want to make sure that we can get through the winter with the roof that we have in place.

Mr. Pine said that we are trying to submit a damage claim as one singular insurance claim. He said that if we do that, obviously that is a single deductible versus separate claims. He said that Insurance Management Group is working with us to try to get that through as a single claim. Mr. Pine said that he will keep the board updated on the progress. He said that even though we had issues with the roof we were still able to continue with our scheduled Broadway show that evening. He said that we did have some minor leaks but luckily, they were on the easternmost part of the roof and not over the auditorium. He said this allowed us to continue with the performance. Mr. Pine said the leaks did not damage any of the elaborate plaster. He said essentially it was all hallway water damage which is plaster but it is flat plaster and can be easily repaired.

Mr. Glass asked if McCreary Roofing was on site. Mr. Pine said yes, they have been on site assisting with the repairs. A brief discussion followed.

Mr. Pine said last week, we mailed a Statement of Financial Interest form to all board members. He said if you did not receive a copy in the mail, we have extra copies along with us today, if needed. He said that this form needs to be completed by each board member and sent directly to the state by May 1, 2024. He said that a copy needs to be sent to the Erie County Clerk, as well. Mr. Pine said that he provided instructions in the memorandum he sent with the form. He said if you have any questions, please contact me. A brief discussion followed.

Mr. Snyder said that he has nothing major to note from his management report except that the convention center is hiring a full-time housekeeping manager. He said we are hoping to fill this position in February of 2024. He said this position is to try and improve the building cleanliness and appearance, especially with the amount of volume of activity we have.

Mr. Snyder said that regarding Mr. Dan Pora, the hotel is throwing a small party for him tomorrow, at 2:00 pm. He said if you would like to attend the party, feel free to stop by the Sheraton. Mr. Snyder said that we also have a photo of the convention center that we have framed for Mr. Pora. He said he would have it available for board members to sign after the meeting if they chose.

Mr. Nuber motioned to accept the Management Reports as presented. Mr. Riley seconded the motion. The motion was approved unanimously.

OLD BUSINESS

Mr. McCormick, Chairperson of the Construction Committee, shared that the Sheraton Renovation Project is moving along well. Mr. McCormick said that they were a couple of days behind schedule. He said we had a goal of being able to rent the fifth floor for the Stars and Stripes Gymnastic Invitational. Mr.

McCormick said it was tight but that everybody worked together, the staff at the hotel and the contractor, and they made it so we were able to rent the fifth floor for the gymnastic tournament. He said that he might have the date a little bit wrong here, but we are about to turn over the third floor to them sometime this month. Mr. McCormick said that the goal is to have it finished by the middle of March. Mr. McCormick said that everybody is working together, and it seems to be moving ahead. He said that we had a little problem with some of the chemical spray bleeding through the skim coat, but they have solved that problem, and we are proceeding ahead. Mr. McCormick said that that issue is not holding us up.

Mr. Pine said the fourth floor is set to come back to us on February 9th. He said that we will release the third floor to them starting on January 22nd and we are going to release the second floor on February 12th. Mr. Pine said that the project is set to finish on March 20th. He said that is the completion date that we have all agreed to. Mr. Pine said that gets us completed in plenty of time prior to our sell out. He said that our next sell out opportunity, looking ahead, is April 8th for the total eclipse. Mr. Pine said that we should also have the restaurant back by then as well. Mr. McCormick said that there is not only an opportunity of a sellout, but that the rates are at least double, maybe triple for this event throughout the city.

Ms. White asked if there were any comments related to the restaurant. Mr. McCormick said we found out last Monday that there is an issue with the vent to the fireplace. He said I do not think anybody on the committee was satisfied with how they were going to handle the vent for the fireplace, so that is currently under review. Mr. McCormick said that we do not have an answer to that at this moment. Mr. McCormick asked Mr. Pine if we had an update. Mr. Pine, said yes. He said that Mr. Neal Wurst and I met with EE Austin yesterday and we have come up with a solution. He said that we proceeded with ordering the fireplace and the issue has been addressed and is within our budget. Mr. Pine said that working with local contractors has been much more seamless. Mr. Pine said that we only have three months to get this completed in time and I'm feeling that is achievable.

OTHER BUSINESS

Mr. McCormick, said as Nominating Committee Chairperson, he spoke with the current officers, and they have agreed to serve another term. He said Ms. White as Chairperson, Mr. Riley as Vice Chairperson, Mr. Glass as Treasurer and Mr. Hilbert as Secretary.

Mr. Sapienza motioned to approve the Officers as presented by the Nominating Committee. Mr. Nuber seconded the motion. The motion was approved unanimously.

ADJOURNMENT

Mr. Sapienza motioned to adjourn. The motion was approved unanimously.

The meeting adjourned at 3:24 PM.