

ERIE COUNTY CONVENTION CENTER AUTHORITY
MINUTES
Thursday, October 17, 2024

Board Members Present: Deitrick, Glass, Hilbert, Johnson, Nuber, Richards, Riley, Schmitt (TEAMS), White & Zaphiris (TEAMS)

Board Members Excused: Dahlkemper

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

Ms. White called the meeting to order at 3:04 PM.

Ms. White asked for approval of the September 19, 2024 minutes.

Mr. Glass motioned to approve the September 19, 2024 minutes. Mr. Riley seconded the motion. The motion was approved unanimously.

PUBLIC COMMENT:

There was no public comment.

FINANCIAL REPORT

Mr. Hesch presented the September 30, 2024 Financial Statement to the Board. He said that September was a very good month for the Authority as a whole. Mr. Hesch said, over all facilities, we exceeded our budgeted expectations by about \$95,000. He said all venues participated, in that everybody was at least at or ahead of budget.

He said the Arena had a really strong month and finished ahead of budget by about \$57,000. He said this was largely due to strong performance as it relates to the facility and equipment rental revenues, as well as food and beverage. Mr. Hesch said combined, the two of those exceeded budget by \$75,000. He said that there were a couple of main drivers behind that. He said, as it relates to the facility and equipment rental, recently the arena had implemented a new ice rental booking system. He said the new booking system is called Finnley Sport. He said in the past you would reserve ice time by communicating via email or phone calls. Mr. Hesch said they implemented this Finnley Sport system and now any public individual or organization that wants to reserve ice time can do it online. He said I think this streamlined the process and made it a little bit easier. Mr. Hesch said in September we took in about \$26,000 of ice rental revenue. He said most of that was attributable to one local association that moved their ice time from another facility into our facility. He said, as it relates to food and beverage, when Mr. Iverson did the budget last year, there was two Otters exhibition games but no regular season games budgeted. He said what actually happened was no exhibition games, but the season home opener happened at the very end of September. He said for the exhibition games, we budgeted about 1000 in attendance between the two games. Mr. Hesch said the season home opener had about 4500 in attendance. Mr. Hesch said we had strong food and beverage revenues that exceeded budget by about \$49,000.

Mr. Hesch said the Warner performed almost exactly on budget. He said that it was about \$300 over budget. Mr. Hesch said that event activity was in line with expectations. Mr. Hesch said there was some shuffling with some ticketed events that did not happen, but they were able to book some other events to replace those. He said there was no significant variances, really to report as it relates to the Warner.

Mr. Hesch said and a similar story with the ballpark. He said there were seven games budgeted and seven games happened. Mr. Hesch said no significant variances to report and the ballpark came in about \$6,000 ahead of budget.

Mr. Hesch said touching on the convention center, the strong event activity continues. He said that drove operating revenues up over budget by about \$178,000 in the month of September. Mr. Hesch said, the main drivers were in facility, equipment rental revenue, which was about \$33,000 ahead. He said that also concession, food and beverage revenue, which was very strong, about \$107,000 over budget. Mr. Hesch said there was some strong expense control in place. He said that allowed a lot of that variance to flow through to the bottom line. Mr. Hesch said the convention center finished ahead of budget by about \$125,000 for the month of September.

Mr. Hesch said year-to-date the Authority's performance remains very strong. He said that we are \$378,000 ahead of budget as of the end of September. Mr. Hesch said, in looking ahead, we have made some adjustments at the arena the theater and convention center, just mainly attributable to variations in event activity that we expect. He said as it relates to the arena, we

have decreased the bottom line by about \$113,000. He said that we touched on this last month as well. Mr. Hesch said we had anticipated Disney on Ice to take place in December of this year and it will now be taking place in January of 2025. Mr. Hesch said there was one additional Otters hockey game that was budgeted in 2024 that will not happen. Mr. Hesch said, as it relates to the theatre, in the fourth quarter, there is going to be an additional nine events that were not budgeted. He said that should yield a strong result so we have increased their bottom-line performance by about \$106,000. Mr. Hesch said at the convention center, just because of the high level of activity they are experiencing, which does look like it will remain through the balance of the year, we have increased their bottom line by \$154,000. He said the net effect of the three facilities is a positive \$147,000 adjustment to the bottom line through year end so it should remain strong.

Mr. Richards motioned to accept the September 30, 2024; Financial Statements as presented. Mr. Deitrick seconded the motion. The motion was approved unanimously.

MANAGEMENT REPORT

Mr. Pine said the UPMC ballpark field replacement has started. He said we are about halfway through the project. Mr. Pine said we have got all the turf removed from the outfield. He said I anticipate that probably by the second week of November we will have all the turf down.

Mr. Pine said we have started the budget for 2025. He said I will be asking those of you on the Budget and Finance Committee, to hold Tuesday, November 19th. He said we will reach out to you with a time for date. Mr. Pine said at the committee meeting we will review the drafted 2025 budget proposal and then present it to the board at the November meeting for approval.

Mr. Pine said tonight we are hosting a retirement event for Mr. Iverson. He said after 16 years Mr. Iverson is retiring and this is one of the celebrations we will be having to commemorate this occasion. Mr. Pine said if you have not RSVP'd to the event, please do so.

Mr. Pine said another party to mention, December 16th is going to be our Erie Events employee holiday celebration. He said we will be sending out an invitation to the board for that event and I hope to see you there.

Mr. Snyder said our Assistant General Manager, Lisa DiLuzio, attended the IMEX Conference in Las Vegas about a week and a half ago. He said it is the largest conference in the United States for meeting planners and professionals that work in our industry. He said there were over 15,000 attendees and 5000 exhibitors. Mr. Snyder said she was there to get some professional development opportunities and learn industry trends and all about AI and how that is going to take over our industry. Mr. Snyder said we are looking forward to what she can bring back to the team and download that information to us here in the building. Mr. Snyder said Erie Events and White Lodging will be ending our marketing services through Caldwell Marketing. He said we have used them since the inception of the brand Bayfront Landing, and they have done an excellent job getting that brand off the ground for us. Mr. Snyder said with our new Marketing Director, Erica Pavlov and our Marketing Department, we are going to take those services on in house. He said this will save us a little bit of money and have more control and flexibility on how we market Bayfront Landing outside of the Erie market.

Mr. Snyder said, in my management report, the prospect list is a lot shorter than it usually is. He said our sales team has done a fantastic job of closing contracts in the last few weeks. He said a lot of what was on that list previously has been locked into contract for future years. Mr. Snyder said so, to replace that, our sales associate who handles all of our convention association activities in Harrisburg and Hershey, she had an event last night with about 15 meeting planners at the state association business. He said she made about a dozen sales calls in the Hershey and Harrisburg area for state association groups. Mr. Snyder said we are very excited for her to start backfilling that funnel and building those prospects back up. He said she also has a lot of success with her email quarterly newsletter that she does. Mr. Snyder said that she has got about 800 contacts she sends out to we get a lot of lot of click throughs and a lot of stuff for that as well.

Mr. Snyder said I just want to highlight that the staff did a great job when we had the Presidential rally here at convention center on the 29th. Mr. Snyder said we had a very, very busy week before and week after with Women's March; Marcellus Shale; Erie Insurance; Knox Law and other events. He said with all those events, we were able to squeeze in that Presidential rally on that Sunday. He said I appreciate the team for doing that, while not affecting the other events we had here, specifically the Marcellus Shale Conference, which is high value to us. Mr. Snyder said, finally, Boogie on the Bay, our New Year's Eve celebration, will be back this year. He said to look for some public information on that event in November.

Ms. White said Mr. Ray Williams staff and everybody should be commended on the successful rally on Monday at the arena. Mr. White said there was lots of movement, lots of people. She said everybody was running, everybody was on it and it was very noticeable. A brief discussion followed.

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

OLD BUSINESS

Mr. Glass, Construction Committee Chairperson said Monacello Spa all metal studs are in place. He said all the mechanical and electrical, plumbing contractors are roughing in the walls. Mr. Glass said I would presume within a week or so we will start to see drywall. He said I did have one concern on the second floor, do we want to make sure that we run drywall all the way up against the roof deck, so that at nighttime you do not see the heating ducts and pipes in the mezzanine level. Mr. Wurst said that the design did not leave that area open.

Mr. Glass said yesterday, we had had a sample window pulled at the Sheraton. He said it took 30 minutes to pull the window, do the caulking that we needed done and put it back together. Mr. Glass said it went really smooth. Mr. Richards said how many do you have to do. Mr. Glass said they ordered 100 panes of glass. Mr. Richards said I thought you were just doing the ones that were most vulnerable. Mr. Glass said there is 100 of them. Mr. Glass said it takes 2 weeks to order the glass and they were ordered yesterday. Mr. Dietrick said when it comes to those windows, there was concern about how they were going to access those windows on the upper floors with the small roadway north of the hotel. Mr. Glass said they are being done from the inside. Mr. Deitrick said so they are moving around the reservations, trying to keep certain rooms empty so they can work on those as they become available. Mr. Pine said yes, that is correct. He said they are going to try and do a block of 5 to 10 rooms a day. He said they are working with Dan Pius who is the chief engineer at the Sheraton.

Mr. Roger Richards, Strategic Planning Committee Chairperson said we had the hotel quarterly meeting yesterday. He said the overall report for the third quarter, basically, and going into the fourth quarter, is that business is down at both hotels. Mr. Richards said the main reason is it sounds like the marketplace for overnight rooms is changing for what they call the transient travelers. He said those are people that are not business travelers, and they are more individuals' tourists. Mr. Richards said the best argument I heard why that happens is the economy is down and instead of spending three nights they may only spend two nights or even one night. He said they are price sensitive so the marketplace has been competitive and we had to match those prices. Mr. Richards said both entities are still very profitable, still ranked high within the system nationwide. He said the only other thing I took away from it is that this could continue, whether we are in a recession or out of a recession, another 36 months. Mr. Richards said whomever is on the Budget Committee, I would suggest not being too optimistic about your budget but to try and be more realistic, because I did not hear any good argument that that kind of market is going to come back any time soon. Mr. Richards said, the other problem is the roundabout construction. Mr. Richards said we have had power outages, all kinds of things. Mr. Richards said, if you recall, I had leaned on the Secretary of Transportation and also the governor's office that they originally were going to do the Holland roundabout, and I requested that they reverse that and do the roundabout at our location. He said the reasoning that I offered was that we are trying to develop this site, and I would like to have the construction mess behind us, so that we can use that leverage to try to convince the GAF site, the potential developer, to expedite their plans and then that would also help our marketplace.

Mr. Richards said now, on to the Marketplace, I have good news. He said the governor's office called me yesterday. He said his chief of staff said we got an additional \$9.5 million for the project. Mr. Richards said that we now have \$15 million. He said we got \$5 million through Senator Dan Laughlin and the Republican leadership of the Senate. He said that was confirmed to me privately back in August when I met with Joe Pitman. Mr. Richards said it is RACP money. A brief discussion followed.

ADJOURNMENT

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

The meeting adjourned at 3:29 PM.