

ERIE COUNTY CONVENTION CENTER AUTHORITY
MINUTES
Thursday, June 19, 2025

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

Board Members Excused: Schmitt

Others Present: Gus Pine, Ed Snyder, Jim Walczak; Solicitor; Neal Wurst and Steve Morvay

Ms. White called the meeting to order at 3:01 PM.

INTRODUCTION OF GUESTS: None.

MINUTES FROM PREVIOUS MONTH:

Ms. White asked for approval of the May 15, 2025 minutes.

Mr. Riley motioned to approve the May 15, 2025 minutes. Mr. Glass seconded the motion. The motion was approved unanimously.

Ms. White asked for approval of the May 29, 2025 special board meeting minutes.

Mr. Glass motioned to approve the May 29, 2025 special board meeting minutes. Mr. Riley seconded the motion. The motion was approved unanimously.

PUBLIC COMMENT: None.

FINANCIAL REPORT:

Mr. Hesch said, overall, May was a good month for the Authority and facilities as it relates to event activity. He said every facility had events that either were at budget or in excess of budget, which also helped our operating revenues as a whole which exceed budget by about \$35,000. He said that we did have a little bit of a miss as it relates to food and beverage and concessions, which I will touch on briefly. Mr. Hesch said we also had timing issue on the expense side. He said this is not an expense hit it is just the timing of when we budgeted the expense versus when it actually hit. Mr. Hesch said it was about \$105,000 that should have hit in April. He said I think we reported that April was about \$206,000 ahead of budget at the bottom line, it should be more like \$100,000. He said I think we are \$89,000 shy of budget in May when we should have been about \$4000.00 to \$5000.00 ahead of budget. Mr. Hesch said, so again, purely timing. He said just keep that in mind, because that is an overarching impact at all facilities for May. Mr. Glass said so we are doing better than what you projected. Mr. Hesch said, yes it just evens itself out. Mr. Hesch said that is in our personnel services which is our payroll, wages, benefits expense line.

Mr. Hesch said at the arena, operating revenue was \$65,000 in the month of May. He said this is where the concession miss happened. He said we held one concert in May. Mr. Hesch said, historically, concerts do very well as it relates to food and beverage spend so we budgeted that way. He said, however, this one missed and only generated about \$13,000 in concessions. Mr. Hesch said food and beverage was about \$39,000 at the arena. He said, and again, with the impact of the timing issue, they missed their bottom line by \$106,000 for the month of May.

Mr. Hesch said at the Warner we budgeted for 7 events. He said, ultimately, 11 were held. He said they exceeded their operating revenues by about \$30,000 and missed at the bottom line by just \$3000 so they were almost even in the month of May.

Mr. Hesch said at the ballpark we initially budgeted 16 games. He said there were two that were postponed, and it does appear we over budgeted by one game for May. He said, despite that, the revenues did come in just about on budget

and then again, they had about a \$9,000 impact from this timing issue, which drove their bottom line to a budget miss of about \$15,000.

Mr. Hesch said the convention center also exceeded their operating revenues by about \$15,000. He said they had some good food and beverage expense control and came in under budget by \$37,000. He said outside of that and the personnel services, there were no major variances to make note of and they ultimately missed bottom line by \$16,000.

Mr. Hesch said Liberty Park held its first event in May. He said it was a country concert. Mr. Hesch said we actually did not have that event budgeted so that was an add. He said this concert did quite well and total operating revenues for Liberty Park were \$87,000. Mr. Hesch said we had not really budgeted expenses outside of some minor personal services. He said they did exceed their bottom line by \$50,000 for May. Mr. Glass asked if this concert was a ticketed event. Mr. Hesch said, yes. Mr. Zaphiris said how is security at Liberty Park because they just had that big problem at Perry Square last weekend that they had to call in the entire police force to break up the 150 people fighting. Mr. Pine said they do not have a perimeter. He said that is why we will not do events in a scenario like that. Mr. Pine said when you cannot create a safe perimeter, you cannot properly address that. Mr. Pine said we have a full force and we have armed officers as well for all events. Mr. Snyder said even when we have free events, we have perimeter control.

Mr. Hesch said touching on year-to-date, revenues are ahead of budget by \$67,000 through the end of May and our expenses are also up. He said they are up \$249,000. Mr. Hesch said most of this is attributable to some approved budget items. He said I think they initially appeared under capital, but they are kind of exploratory at this point and are hitting our P&L instead of being capitalized. Mr. Hesch said they are approved; they are strategic initiatives and future planning. Mr. Hesch said, if you look at our legal and professional expenses, those are up \$126,000. He said we are doing feasibility studies for the CRIZ, eligible projects, to kind of line those up as well as some other potential growth opportunities. Mr. Hesch said our technology expenses are over budget by about \$53,000. He said a little bit of this could be the NetSuite implementation. Mr. Hesch said we have seen a little bit of an increased cost as we have had to loop in another third party to help us get the data out of our current system into our NetSuite system. Mr. Hesch said, more than likely, the bulk of this is with VNET which is our local IT service provider. He said, obviously this is well timed with the increase in recent IT hacks, we feel the need to boost redundancy. Mr. Hesch said we only have one IT person that oversees all of our buildings so we just want to have some help for him and to ultimately strengthen our IT security. Mr. Zaphiris asked who do we use to watch our back-end of the house. A brief discussion followed.

Mr. Hesch said a few weeks ago, we all met to review the final audit reports. He said there was no material weaknesses or significant deficiencies out of the audit; however, they did provide us with some comments. He said those are things they note that are generally best practices that we were not doing. Mr. Hesch said we do want to get those removed so they do not show up next year in our audit. He said the first was our bank reconciliations. Mr. Hesch said they were not being performed on a consistent monthly basis. He said we were reconciling all of our bank accounts monthly, but we might do five months in June, because we are playing catch up. Mr. Hesch said we have some system capability issues and things that are very manual and time consuming so it is prevented us historically from doing that. He said I did talk with both of our finance managers and said that we do need to be doing these on a monthly basis, as we are closing the month, to ensure that all transactions are accounted for and accounts are in balance. Mr. Hesch said they are doing their current catch up from our busy season, but as they are doing that, they are sending them to me for review and approval, which was also part of that comment, so there is also some additional accountability there. Mr. Hesch said, moving forward, they will have that baked into part of their monthly close process so that should be taken care of if not this month next month, once they get caught up. Mr. Hesch said the other one is IT training systems as well as some studies into vulnerabilities and things like that. He said the big one was the training. Mr. Hesch said I have reached out to two local IT companies to get pricing for their training modules. He said a lot of the modern-day training systems are web based. Mr. Hesch said they might send an employee a link to an email to watch a three-to-five-minute video on various cybersecurity topics. He said we are going to get pricing on that and I am hopeful to have those prices back in the next week or two, and then from there, we will choose a company and get that implemented hopefully before end of summer, so we can start getting that IT training moving forward. He said and then with the vulnerability and penetration studies, we will likely budget for that next year, once we fully implement with VNET, and then probably build on top of that with wherever they are finding vulnerabilities or weaknesses. Mr. Hesch said the last one was the purchase order policy. He said currently our Purchase Order Policy reads that we get a PO for every expenditure and we are not doing that. Mr. Hesch said there are a lot of normal recurring operating expenses, like utility bills, garbage, things like that. He said their only comment was that we should sync up the policy with what we are actually doing. Mr. Hesch said we have pulled the policy and we are currently reviewing it. He said we are likely going to just edit the verbiage to read that. Mr. Hesch said we will get a purchase order unless it is a normal recurrent operational expense and that should suffice. Mr. Hesch said we will certainly review that with the auditors to make sure that it will relieve that comment.

Mr. Glass motioned to accept the May 31, 2025 Financial Report as presented. Mr. Riley seconded the motion. The motion was approved unanimously.

MANAGEMENT REPORT:

Mr. Pine said Ms. Barb Nealon sent out an email invitation, that you should have received, for August 5th for a hospitality tent at 8 Great Tuesday. He said we have invited all of our premium seat license holders, our suite holders, as well as our major sponsors of our venues to that event. He said, I thought it would be a good idea to invite you all, as our board members, as well. Mr. Pine said, if you would like to attend, I think it is a great opportunity to meet some of these folks who are supporting our venues and the activities that we do. He said if you plan on attending please let us know and we will make sure we get you introduced around.

Mr. Pine said two items I want to highlight from my written report are the ticket platform and website. He said we have a target date to launch the new ticket platform. He said it will be right after the Nate Bargatze show right around August 11th. Mr. Pine said there is a lot that is getting worked out between the teams in terms of building the backend of the system. He said but right now we are targeting August 11th for the new system. He said we will have to wrap around a whole marketing plan on explaining any nuances, differences that people are going to experience from a customer standpoint. He said we want to make sure that that transition is clear, so we will create a marketing communication plan around that as well. Mr. Zaphiris said does the new ticketing platform have the ability, when a ticket is purchased, to be able to send an alert if an event is cancelled to prevent what happened at the arena show last month where ticket buyers showed up for an event that was cancelled because they were never notified. Mr. Pine said the show Mr. Zaphiris is referring to is the Nate Bargatze show where the date was moved from June to August. He said the reason for that was because he got a TV or a movie deal. Mr. Pine said I am not sure if they canceled but I think they moved all of those summer plays to late summer, fall plays. Mr. Pine said, in our industry, we have zero control over that. He said this is technically not our show. Mr. Pine said we are the venue and lease to the promoter so we have no control of how that message is communicated. Mr. Pine said what we would have preferred to do, when something like that happens, is put up a billboard or send out a notice on social media to let everybody know that it is moved for any potential ticket buyers. He said what the show wanted to do was communicate directly to ticket buyers so not as to confuse people who have not bought a ticket yet. He said this was the only thing they authorized us to do. Mr. Pine said they had to approve the actual language of the email sent to the ticket buyers. He said, so within that window between when we found out and were given the date of the rescheduled show, we sent out three separate communications to anybody who bought tickets at that point. Mr. Pine said 150 people, or thereabouts, actually showed up. He said it sold about 7000 seats and 150 of them showed up. A brief discussion followed.

Mr. Pine said we have begun work on the weight room at the arena. He said we have got the walls up for the workout space. Mr. Pine said they currently have 750 square feet of workout space for both teams. He said when the renovation is complete, they will have about 2500 square feet. He said it will likely be done before the end of baseball season so the team will be able to use that space and be ready for the start of the hockey season this fall.

Mr. Pine said we are in the process now, prior to the start of the new hockey season, with improvements to our concessions stands particularly as they relate to moving people quickly through the line. He said one of the biggest issues in any venue of that size or bigger is how quickly you can get people through the line and back to their seat. He said so we are adding cooking equipment in the back of the concession stands to be able to do more volume. Mr. Pine said we are likely going to keep the food offerings the same based on what we are hearing from customers, but it is going to give us more efficiency in terms of being able to execute quickly, get people through the lines and back into their seats. Mr. Pine said, lastly, we are moving from fountain and draft, which takes an extremely long time in terms of executing, to package product. Mr. Pine said we will be offering beer and soda out of the stands in packaged product. He said what that is going to entail is us putting coolers behind the staff. He said the counters will change and the taps will go away. Mr. Pine said we will still have taps, if people really want draft beer, they can go to Bud Light lounge. He said we are going to keep the craft stations because craft beer draft is typically the way people want to enjoy that. He said we will have it in the suite level as well. Mr. Zaphiris said do we lose margin on that. Mr. Pine said slightly. He said we did a 25-cent increase last year and we are contemplating that again. He said we are trying to analyze what that impact would have with making the change. A brief discussion followed.

Mr. Pine said the other piece we want to get in to place, for many reasons, is recycling. He said this is a great opportunity for us. He said we have our Business Development Manager looking at potential partners in recycling because we are going to have canned beer and plastic and will need a good way for people to get rid of those items within the arena and we need a place to take it. Mr. Pine said we want to have that all dialed in so that when we do the announcement it is part of the messaging as well.

Mr. Pine said we have several items in my management report that will probably make more sense to come through the update from the Construction Committee, so I will defer those.

Mr. Snyder said at Liberty Park we kicked in the full season this Saturday with Sol Fest, which is a yoga and health wellness event. He said we have the Erie Pride Fest on July 28th which will be a massive event. He said unfortunately last year they got hit with some really severe weather so we are hoping for better weather this year. He said 8 Great Tuesdays kicks off on July 8th. He said we have got at least three nights sold out already with hospitality tents. Mr. Snyder said our vendor mix looks really good so we are excited. Mr. Snyder said if you are here in person, I gave you a parking pass, which will get you in to the boat yard if you decide to come to an 8 Great Tuesdays this year. He said if you are not here, we will get your pass to Ms. Barb Nealon and she will get your pass to you before 8 Great Tuesdays starts.

Mr. Snyder said, on the convention center side, I want to provide you with a sales update. He said we are looking to finish at about 93% of budget for Q2 on sales. Mr. Snyder said we just want to touch on the sales team, based on what we were coming into with lost business and events moving to other facilities and spaces, they had about a \$300,000 to \$400,000 deficit. He said they clawed their way back. Mr. Snyder said June looks like it's going to be a challenge. He said we have got some business that moved because of some Erie Insurance events. Mr. Snyder said their focus now is the 3rd and 4th quarter to try to finish the year strong. He said I am proud of the team and where they have been. Mr. Snyder said we also have had some nice contracts that have come in in the last couple months. He said some highlights of the New York State Teacher's Union, Pa Downtown Development, the Pennsylvania Chapter of Tax Professionals and we have locked in the State Pool Tournament for another couple of years, as well. Mr. Snyder said it has been a tough couple of months for the sales team with recovering business, but they have been working hard and keeping their heads down so we appreciate that effort. Mr. Riley said the key losses that you note here, First Energy, the Community Foundation and a couple Erie Insurance events, do you know what was behind their decision not to use our facilities this year. Mr. Snyder said the Community Foundation moved to the Warner Theater. He said that was kind of driven, I think, by the recipient of the award. He said that event will be back here in 2026. Mr. Snyder said First Energy, I think we've talked about before, there was some changed leadership on their side, and they decided to go a different direction. He said and then we lost two Erie Insurance events that were supposed to be this week based on issues that they are having. He said we have given them dates for September, so hopefully we get those rescheduled. Mr. Pine said the Community Foundation did mention as well, and I only bring this up because it likely is not the last time we are going to hear it over the next couple years, is their concerns about the construction situation and being able to access the convention center. Mr. Snyder said the sales team has been proactively reaching out, even before some of the closures were made public, to let people know that access to the convention center will be available. He said we have got plans for folks. He said we can run shuttles if there are issues. Mr. Snyder said that is a concern, specifically from local businesses, of access to the Bayfront during construction starting on Labor Day for the next year to a year and a half. Mr. Snyder said I think our national and regional business is unaffected, because they do not know once, they are here in our hotels, they do not have to worry about it. He said but the local folks, the galas and banquets, there is definitely a concern of getting down here for the next year. A brief discussion followed.

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

OLD BUSINESS:

Mr. Glass, Construction Committee Chairperson, said our window project at the Sheraton has taken a hiatus due to the availability of rooms to allow the contractor in to replace the windows. He said they will probably pick up again the end of September. He said they only have about 20 to 22 windows to replace out of the first 100.

Mr. Glass said, earlier this week, our construction manager, the owners, architect and engineers met to go over the 50% Construction Documents for the Bayfront Market House. He said we all made our own lists of items from our personal review. Mr. Glass those comments were fielded by the architect, mechanical, electrical, plumbing engineers and structural. He said it went pretty well and hopefully this process will pick up a little more speed than what it has been so far. Mr. Glass said I think they are still looking at a December 6th completion, where we can actually go out and solicit goods.

Mr. Glass said the Courtyard Refresh Project is still on track. Mr. Pine said myself, Ms. Shelly Buehler, the architect for this project and Mr. Paul Hudak, the general manager of the Courtyard will be going to the Marriott Headquarters to review the final choices on Friday, July 11th. He said they give us a limited number of choices, but there are certain variances that we are making requests for. He said the one that always comes to my mind is that we have a nice tile base on the first floor of the restaurant and meeting room area. He said they have specked out a rubber base. He said

we want to keep the base that we have. Mr. Pine said it is a higher end product, so we need to get approval on variances. He said both Ms. Buehler and Mr. Hudak are having difficulty getting those approved so that we can go ahead and make these final decisions. Mr. Pine said I have requested a meeting with them in their headquarters; we will review finals and leave that meeting with the ability to get this project underway. He said we have a six-to-eight-week lead time to order the product and we want to be prepared for a November build. He said November is when we are going to get the rooms from the Courtyard as their occupancy drops. He said we have a month or so window, but we do not want to have to be up against that. Mr. Pine said so that is the purpose for this visit.

Mr. Glass said since it has been a month since we last got together, we did hire EE Austin as the Construction Manager for the Bayfront Market House. Mr. Glass said Mr. Steve Morvay is the contact person.

NEW BUSINESS:

Mr. TJ Hesch said back in 2018, Resolution 2018-030 was approved at the board meeting. He said that included a preliminary estimate of what the soft costs would be for the UPMC Park upgrade project. He said at that time, it was \$1,763,000. Mr. Hesch said as we look to close out the project, and we are going through the audit we have been asked to get approval from the board for the final cost. Mr. Hesch said this Resolution 2025-004 lists the final cost of \$1,990,125 in final soft costs for that UPMC Park project. Mr. Hesch said we so just seeking approval. Mr. Richards said is this an increase in the overall cost of the project. Mr. Hesch said this is not an increase this was money that was already spent as part of the project. He said the state auditor has asked that we formalize it by getting approval for the final soft cost numbers used in the park project. Mr. Richards said so we are not jeopardizing any matching dollar demands. Mr. Hesch said, no. Mr. Pine said originally the board authorized us to spend the \$1.7 million. He said the actual final cost was above that so the state auditor wants to see that our board indeed approves that additional spend that happened back in 2018. He said it has all been spent. Mr. Pine said what we are trying to get right now, the state still owes us \$6.5 million in the RACP reimbursement. He said we are trying to get that closed out because we are paying interest only on that now. Mr. Pine said I have asked Mr. Hesch to get this closed out as soon as possible, so we are not writing that check every month. He said that this is one of those processes coming from that discussion.

Mr. Glass motioned to accept Resolution 2025-004 as presented. Mr. Hilbert seconded the motion. The motion was approved unanimously.

OTHER BUSINESS: None.

EXECUTIVE SESSION: None.

ADJOURNMENT:

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

The meeting adjourned at 3:46 PM.