

LUZERNE COUNTY CONVENTION CENTER AUTHORITY MEETING

JULY 8, 2020

The Regular Meeting of the Board of Directors of the Luzerne County Convention Center Authority was called to order at 12 PM by Chairman Gary Zingaretti on July 8, 2020.

The Pledge of Allegiance, led by Chairman Zingaretti, was said by all in attendance.

ROLL CALL – PRESENT: Carmen Ambrosino, Peter Biscontini (via telephone), Donna Cupinski, Neal DeAngelo (via telephone), John Pickering, Eugene Rafali (via telephone), Michelle Reilly, Anthony Ryba, Tom Woods, and Gary Zingaretti. **ABSENT:** John Ruckno. Also present were members of ASM Global Administration - General Manager Will Beekman, Assistant General Manager/Director of Finance Carrie Grantuskas, Director of Marketing Stephen Poremba Director of Operations Michael Wilczynski, and Mary Jo Kishel of Rosenn, Jenkins & Greenwald, along with members of the media Jerry Lynett from the Times Leader and Eric Mark from the Citizens' Voice. Joe Joyce, Joyce Insurance Agency, and Ed Miller, Assured Partners were also present.

CORRESPONDENCE:

Chairman Zingaretti stated that he has not received any correspondence for this month.

PUBLIC COMMENTS:

Chairman Zingaretti asked if there were any public comments and there were none.

APPROVAL OF THE MINUTES:

Chairman Zingaretti asked for a motion to approve the minutes of the June 10, 2020 regular meeting. He asked if there were any changes or additions to the minutes as drafted. A motion was made by Michelle Reilly and seconded by Donna Cupinski to approve the minutes of the June 10, 2020 regular meeting. **ON THE QUESTION:** All those in favor of approving the meeting minutes as drafted signify by saying "AYE". **OPPOSED:** No one opposed the motion. **ABSTAIN:** No one abstained. The motion carries.

PAYMENT OF BILLS:

Chairman Zingaretti stated that everyone should also have backup information for the payment of the bills totaling \$ 10,310.00. Both bills were authorized at the last meeting. Chairman Zingaretti asked for a motion to approve those bills. Motion was made by Tom Woods and seconded by John Pickering to accept the payment of bills. Chairman Zingaretti asked if there was any discussion on the bills and there was none. **ON THE QUESTION:** All those in favor

of the motion to accept the payment of bills signified by saying “AYE”. **OPPOSED:** No one opposed the motion. **ABSTAIN:** No one abstained. The motion carries.

GENERAL MANAGER’S REPORT:

Will Beekman has a few things to talk about. He mentioned at the last meeting that we were jumping into this parking lot concert idea and Jim Gaffigan show. He also mentioned that it benefits us to do more than one show per weekend. We can spread the production cost over three shows. The night before Jim Gaffigan we have Almost Queen, which is the number 1 Queen tribute band in the country. No disrespect to the band, but we can work out any kinks with a lower profile event. We also added a benefit concert the night before Almost Queen while we have all of the equipment here. It helps us that we can spread the production over the three shows and also benefits some smaller venues and local organizations. We have spent the last month on the logistics and I feel way more comfortable today than I did last month and will feel even more comfortable when it is all over. At the end of the day this keeps us on the map. I think that it will be exciting and give people something to do. The Impractical Jokers show has been postponed until August of 2021; within the last twenty-four hours we were informed that Marywood University and Penn Foster would not be holding their graduations as planned. We still have two events on the calendar for October 2020 – University of Scranton graduation and the Alabama concert. I don’t think that by October we will be ready to have 7,000 people in the building. Also, Charlie Daniels, the support act, has recently passed away. I do anticipate that these two events will also be pushed back as well. We are just waiting for official word on that. One thing that we have learned from the parking lot shows is that the public is trying to grasp the concept. Once the word is out and people see pictures, they will understand more. The Garth Brooks concert at the local drive-ins did not help us because his was a live concert on a screen and we have been getting that question frequently. Steve Poremba and I have put together an educational and instructional video which should be ready today. We will get that out and that will explain basically what it is.

Tom Woods asked a question – Ticket sales are not that great? Will responded that people are still trying to figure out exactly what this is and it is general admission. There is really no incentive to buy the tickets early. I think that since it is outdoors, people are keeping an eye on the weather. We are happy with the way that it is trending and we feel that sales will pick up as we get closer.

Tom also asked about the benefit. Will did not have a list of the bands off the top of his head but it is mostly smaller, non-profit organizations that will benefit. Will did not personally want to be involved in picking the beneficiaries. All of the bands are performing for free – there are 12 different acts coming in. We leaned on them a little bit Tom stated that the bands are thrilled. Tom commended Will and Carrie for doing a really great job. Will stated that they stepped outside of their comfort zone and are still outside of it.

Donna Cupinski added that the Garden Drive-In is also doing Blake Shelton now. Will stated that he heard that other artists, including the Rolling Stones, are planning to do a never before

seen concert from 1972. Garth Brooks did ok locally – Across the country 63,000 tickets were sold at \$100 each.

Michelle Reilly asked if the Trolls show was postponed or cancelled. Will responded that it was postponed and they are looking for a new date.

COMMITTEE REPORTS:

CAPITAL IMPROVEMENTS & STRATEGIC PLANNING COMMITTEE:

Vice Chairwoman Donna Cupinski had nothing to report at this time. We had looked at the parking lot but it is a crazy time to go and spend money.

FINANCE COMMITTEE:

Tony Ryba had nothing to report at this time.

LAND DEVELOPMENT COMMITTEE:

Michelle Reilly stated that they had a Land Development Committee meeting today. They are still working on a counterproposal to the latest proposal by Singh and his attorney, Angelo Terrana. We are working to get some more information to help us decide which direction to go in before we respond. It is a work in progress.

POLICIES AND PROCEDURES COMMITTEE:

Carmen Ambrosino had nothing to report at this time.

SUITES:

Tom Woods stated that there is nothing to report at this time

RIGHT TO KNOW REQUESTS:

Peter Biscontini reported that there have been no requests.

OLD BUSINESS:

Chairman Zingaretti asked if anyone had any old business. There was no old business.

NEW BUSINESS:

Chairman Zingaretti stated that there are insurance policies up for renewal. We have Joe Joyce from Joyce Insurance Agency and Ed Miller from Assured Partners here. Everyone was given a copy of the proposal from both companies.

Joe Joyce stated Joyce Insurance provides the D&O (Directors and Officers) Liability Insurance and they provided pricing for two renewal options. For Option 1, the D&O Liability carries a \$1,000,000/\$3,000,000 limit with a deductible of \$25,000 and the Employment Practices Liability carries a \$1,000,000/\$3,000,000 limit with a deductible of \$5,000 at a cost of \$14,293. Option # 2 carries a lower \$10,000 deductible for D&O at a cost of \$15,793. The renewal quotes are from Berkley Assurance Company, who offered the two deductible options. The account was marketed to several other carriers and we were advised that they would not be able to compete with the terms offered by Berkley. The renewal date is very important – any claims going back to May 30, 2008 are covered under the current policy. Chairman Zingaretti confirmed that other points of the policies are what they have today.

Donna Cupinski asked when the last claim was – it was a claim with the circus that had to be defended. Mohegan Sun Arena had nothing to do with the animals or the care of the animals but were sued.

Tom Woods asked if there would be any rebates for our policies due to the fact that our building has been closed since March. Joe Joyce responded that it generally for auto policies. The Board is still operating and making decisions. Our policies have nothing to do with property or autos.

Carrie Grantuskas mentioned that the policies expire on August 11, 2020, while the next meeting is scheduled for August 12, 2020. Joe Joyce stated that it is critical to renew the policies before they expire.

Chairman Zingaretti asked if there were any more questions and should this be tabled or a vote taken. Tom Woods made the motion to accept Option # 2 at a cost of \$15,793 and the motion was seconded by Carmen Ambrosino. **ON THE QUESTION:** All those in favor of Option # 2 for the D & O Insurance signify by saying “AYE”. **OPPOSED:** No one opposed the motion. **ABSTAIN:** No one abstained. Motion carries.

Joe Joyce can be contacted with any questions.

Ed Miller, Assured Partners, stated that his company provides Property & General Liability Excess Coverage Insurance. Ed spoke about how his company marketed this account as it is critical to market this account every year because of the nature of its exposure. They started to market this account in February/March 2020. Some companies are decreasing the amount of

coverage with an increase in premium of umbrella policies and excess policies. They have faced challenges in finding good, capable companies to provide these coverages. They have contacted many companies to test the market. The issue is arenas by nature, with the number of people that are in it. Some companies are willing to write parts of a policy and this leads to a much higher premium. As are other businesses, the insurance industry is in turmoil. There is no way to measure their risk; they use past history, logarithms, and past claims history. Ed is not worried about the CHUBB policies. The Arena has done well with maintenance and it is critical.

The proposals that you have in front of you indicate the pricing and the increases. Companies did not want to provide quotes until 1 week prior to the renewal date. Ed spoke about the coverages on the building. He complimented Joe Joyce on his proposals and stated that the insurance is critically important to the Board. Not much has changed in regard to the automobile insurance. Carrie Grantuskas stated that mid-year last year we added the Zamboni and the new Ribbon Board to the policy.

Carmen Ambrosino asked about the "Garage Keeper" portion of the policy. Ed Miller explained that it would cover starting vehicles in the parking lot if guests could not start their vehicles and were assisted by Parking Attendants.

Chairman Zingaretti stated that they had talked about Business Interruption Insurance at several of their meetings. Ed Miller responded that they have turned in a claim representing the Arena to CHUBB. A Pandemic Policy is now on the market for the first time and the pricing is incredible.

Ed Miller asked if there were any questions. Carrie Grantuskas asked if CHUBB would consider changing the installments of the payments. Ed will ask and they may put it on 12 equal installments. Carrie asked if it could be done in 10 or less. Ed again stressed how well the building is maintained. It is hard to find something wrong from an insurance standpoint.

Carmen Ambrosino stated that there are only 2 claims against this facility: the basketball floor claim due to a leak and a dryer fire claim. Carrie Grantuskas stated that a lot of claims are covered by ASM's insurance.

Chairman Zingaretti stated that the renewal date for this policy is August 12, 2020, the same as for the other policy. The increase for this policy is about 5.5%. Carrie Grantuskas stated that the increase is generally 4-5%. Most of the increase is due to the Umbrella Policy. Chairman Zingaretti asked for a motion to accept the renewal from Assured Partners at a cost of \$154,005. Carmen Ambrosino made the motion and it was seconded by Donna Cupinski.

Chairman Zingaretti asked if there were any questions or concerns regarding the proposal that Ed Miller brought us today. There were no questions or concerns. **ON THE QUESTION:** All those in favor signify by saying "AYE". **OPPOSED:** No one opposed the motion. **ABSTAIN:** No one abstained. Motion carries.

Ed Miller thanked the Board for their time and wished them Good Luck.

GOOD OF THE ORDER:

There is nothing to report.

EXECUTIVE SESSION:

Chairman Zingaretti stated that there is no need for an Executive Session this month.

ADJOURNMENT:

Chairman Zingaretti called for a motion to adjourn the meeting. The motion was made by Michelle Reilly and seconded by Tom Woods. **ON THE QUESTION:** All those in favor of the motion signify by saying "AYE". **OPPOSED:** No one opposed. **ABSTAIN:** No one abstained. The motion carries.

APPROVED:

A handwritten signature in cursive script, reading "Thomas Woods", written in black ink. The signature is fluid and stylized, with a long horizontal flourish extending to the left.

Mr. Tom Woods, Secretary