



**CROSS INSURANCE ARENA
BOARD OF TRUSTEES**

MINUTES
Wednesday, April 13, 2022

Call to Order

The Board of Trustees meeting was called to order by Chair Tom Tyler called to order at 9:07am the Cross Insurance Arena, Club Room 1, Portland, Maine.

Attendance:

Board of Trustees

- Sam Surprise, District #1
- Vacant, District #1
- John Jamieson, District #2
- Steve Webster, District #3
- Tom Tyler, District #4, Chair
- Jon Crimmins District #5
- Vacant, District #6
- Lori Norman, At Large (Absent Excused)
- Joe Gray, At Large

Spectra Staff, Cross Insurance Arena

- Mike Loconte, General Manager, Cross Insurance Arena
- Mark Eddy, Director of Finance

Maine Mariners

- Adam Goldberg, Vice President of Business Operations

Cumberland County

- James Gailey, Cumberland County Manager
- Susan Witonis, Commissioner of Cumberland County
- Katharine Cahoon, Administrative & Special Projects

Welcoming of Guests and Introductions

Chair Tyler asked for a moment of silent in honor of Skip Foss who recently passed away and was an invaluable employee who had worked for the Cross Insurance Arena for over 40 years.

BT22-010 Approval of Minutes of the February 2022 Meeting

A motion was made by Trustee Steve Webster and seconded by Trustee John Jamieson to approve the February 2022 minutes. The vote was called and the motion passed unanimously in favor, 6-0.

BT22-011 Update on Trustee Appointments

County Manager Jim Gailey stated that there are 2 seats that are currently vacant, Portland, District #1 and At Large which consists of the Lakes Region. He has posted the notice of vacancy at the Chamber of Commerce and with the Forecaster through their various publications. Trustee Sam Surprise asked if the Board could recycle the list of applicants that had applied when Trustee Lori Norman had applied. County Manager Gailey stated that this was a different District and therefore required different applicants. There was a general consensus that the Trustees would reach out to individuals that might be interested in joining the Board.

BT22-012 Maine Mariners Update

Vice President of Business Operations Adam Goldberg provided an update regarding the Mariners Season, the season overall finished with a steady attendance rate and ticket usage is lower however he is unable to compare to last year's season. They had 1138 FSE, deposits were carried over, and Operations added a 5th sales rep to focus on group ticket sales. He continued that he appreciated GM Mike Loconte helpfulness with taking the ice off. Game 23 is the final game and they would like to make the play offs in Las Vegas April 28 – 30th. Overall, atmosphere is very positive and staff moral is higher than last year. Racing night has been a very positive as there have been crossover in sales. 38 FSEs HAVE BEEN A DEFINITIVE NO and there have been Flex Pack sales. Trustee Sam Surprise asked about attendance. VP of Business Operations Goldberg said that it has been good, it's back up. GM Loconte noted that walk ups have been higher and that is unusual. VP of Business Operations Goldberg added that seeking feedback from customers with digital surveys to assess attendance and found that less COVID protocols was associated with high attendance. Trustee Joe Gray asked if the current Maine Mariner contract had been signed, County Manager Gailey confirmed that it had been.

BT22-013 Financial Report – January and February 2022

GM Loconte highlighted the financials that resulted from events over the last two months which included a tradeshow, real estate conventions and dinner and a show. The January financial report, page 13 of the agenda packet, resulted in a favorable event income variance of \$4k and other income of \$5k favorable variance. Indirect expenses were budgeted for \$216k and actual indirect income included \$201k which resulted in a favorable variance of \$15k. For year to date (7 months) there were 4 unbudgeted shows resulting in \$151k or a favorable variance. Other income was reduced due to lower

sponsorship renewals resulted in -\$20k of other income, while indirect expense were \$1,191K versus budgeted \$1,307k resulting an actual Net Operating loss of -\$235k versus the budgeted amount -\$482k resulting in a \$116k favorable variance. The rolling forecast on page 15 of the agenda packet has a projected actual net operating loss of -\$364k and -\$980k budgeted net operating loss yielding a \$615k variance.

The February financial report on page 23 of the April Agenda packet the number of actual versus budgeted number of events remained the same however event income was higher due to increased attendance and concession stand revenue. This resulted in Other Income of Actual of \$191k versus budgeted \$148k and Other Income \$66k versus budgeted \$53k a Favorable Variance of \$12k. Adding indirect expenses resulted in Actual Net Income of \$57k versus the Budgeted Net Income -\$16k and a positive favorable variance of \$74k.

For 8 months ending on February 2022 on page 24, the year to date Net Operating Income is -\$178k versus the budgeted -\$499k resulting in a favorable variance of \$321. The rolling forecast on page 25 lists a total projected actual net operating loss of -\$288k and -\$980k budgeted net operating loss yielding a \$691k variance. GM Loconte added that a new Director of Events was hired and Trustee Joe Gray asked about costs of utilities.

A motion was made by Trustee Jon Crimmins and seconded by Trustee Steve Webster to approve the Financial Reports from January and February 2022. The vote was called and the motion passed unanimously in favor, 6-0.

BT22-014 Event Report – January and February 2022

GM Loconte reviewed the Event Reports on pages 33 through 43 of the agenda packet and a final event income variance of \$193k. A motion was made by Trustee Joe Gray and seconded by Trustee Jon Crimmins to approve the Event Reports for January and February 2022. The vote was called and the motion passed unanimously in favor, 6-0.

BT22-015 General Manager's Report

GM Loconte highlighted some of the new popular upcoming events, I Love the 90s' concert in August, The Price is Right event in September. He noted that that event was a possible sell out show and they were adding more seating. The Maine Comic Expo in May was expected to bring in a lot of Food and Beverage Sales given the structure of the rental deal. Other upcoming shows included King and Country, MegaDeath, Trolls Live, Chicago and Blue Man Group and a Monster Truck Show. Commissioner Witonis asked about how concessions were managed. GM Loconte stated that they were sometimes farmed out to nonprofits who could receive 10% of the profits that they generated. Chair Tyler encouraged that opportunity to be explored more and GM Loconte might consider reaching out to the Windham Booster Club. Trustee Jon Crimmins asked about the option of ordering through a cellphone app in advance and picking up at the kiosk. GM Loconte is exploring this option but has found it is an expensive investment. He noted that the POS (Point of Service) software that is currently used is cumbersome and requires a lot of IT support to run smoothly. Trustee Steve Webster asked GM

Loconte what type of challenges and support needed that he has identified. GM Loconte stated that estimates have been challenging because the minimum wage has increased over the past 3 years. A motion was made by Trustee Jon Crimmins and seconded by Trustee John Jamieson to approve the Event Reports for January and February 2022. The vote was called and the motion passed unanimously in favor, 6-0.

BT22-016 Presentation of the General Manager’s 2022/2023 Budget

GM Loconte review the budget on page 56 of the agenda and noted that the current 2022-23 Fiscal year was operating at a deficit of \$512k. He stated that he has been brainstorming different ideas for events that differs from historical concert events. The events will utilize the space of the Arena, proposed ideas include trade shows, galleries, comedy shows, roller skating, and is exploring motor sports demos. Maine Hospitality was successful and is working Aura as a promotor for ComicCon and local High School graduations were successful. Chair Tom Tyler asked what the maximum events are, GM Loconte stated they range from 125 – 128. Trustee Joe Gray asked about utilities, what assumption for rates? Mark Eddy answered that there was a 30% in January which translated to a 7% increase in the budget. The Arena does not have a gas contract and their electrical contract just expired. County Manager Gailey added that the County receives rebates from the solar contract and that is passed on to the Arena. Mark Eddy remarked that they are still waiting on the final numbers for their insurance but had factored in a 10% increase. GM Loconte pointed to page 65 which listed out a few capital improvements, a new marquee which would be covered ARPAA, wifi access in dressing rooms and multipurpose rooms, and upgrade the existing sound system. The purchase of the generator was revisited and it was noted that the Arena had not lost power and installation of a permanent generator for an Alternative Care Site would be redundant. Therefore the proposed solution was to purchase a mobile generator and add a generator hookup. The POS software is also considered being replaced, County Manager Gailey said that the items mentioned would be funded through strategic financing from the County but the budget is challenging. GM Loconte directed trustees to page 67 which contained the final budget for their approval which included an increase in insurance and incentive fees. Trustee Steve Webster asked if the motion could wait until the next Trustee meeting in May. County Manager Gailey stated that that was fine as long as it was finalized before it went to the County Commissioners at their June meeting for final approval. A motion was made by Trustee Joe Gray and seconded by Trustee Sam Surprise to table the discussion regarding the General Manager’s 2022/2023 budget. The vote was called and the motion passed unanimously in favor, 6-0.

Adjournment

The meeting adjourned at 10:55 am.