

**BERKS COUNTY CONVENTION CENTER AUTHORITY
MINUTES OF THE REGULAR MEETING OF
THURSDAY, JUNE 15, 2017**

The regular meeting of the Board of Directors (the “Board”) of the Berks County Convention Center Authority (the “Authority”) was called to order at 7:00 a.m. in the SMG Board Room, the Santander Arena, 700 Penn Street, Reading, Pennsylvania.

The following members were present:

Mr. P. Michael Ehlerman
Mr. Michael Fiucci
Mr. Carl Herbein
Mr. John Ernesto
Mr. Michael J. Gombar, Jr.
Ms. Michele Richards

Mr. Burlee Adams was absent.

The meeting was chaired by Mr. Ehlerman.

Also present:

Mr. Benjamin Leisawitz, Esquire, Leisawitz Heller Abramowitch Phillips, P.C.
Mr. David Farrar, SMG
Ms. Christina Gilfert, SMG

The Chairman declared that a quorum was present and proceeded with the meeting.

PUBLIC COMMENTS

Mr. Fiucci introduced the two scholarship recipients for 2017, Kylie Brown from Schuylkill Valley and Emily Rupp from Governor Mifflin, to the Board and presented them their scholarships.

CHAIRMAN’S REPORT

Upon a motion duly made and seconded, the minutes of the regular meeting of the Board of April 20, 2017 were unanimously approved.

Mr. Ehlerman announced that he will be stepping down as Chairman of the Board. The Board proceeded to take nominations for its new officers, and after the nominations and voting, the Board’s new officers are as follows: (i) Chairman – Carl Herbein; (ii) Vice Chairman – P. Michael Ehlerman; (iii) Treasurer – Michele Richards; and (iv) Secretary – Michael Fiucci.

TREASURER'S REPORT

Mr. Herbein distributed and reviewed the two-month Treasurer's Report containing the financials for the months of April and May 2017. Mr. Herbein reviewed and explained to the Board the various different accounts that the Authority maintains. Mr. Herbein noted that there was an increase in cash in April in the amount of \$109,053.60, for a total cash balance of \$4,091,704.27. He reviewed the May statement as well, which contained normal monthly activity resulting in an increase in cash of \$83,917.99, for a total cash balance of \$4,175,622.26.

Mr. Herbein proceeded to review the hotel tax receipts for March and April 2017. He advised that the hotel tax receipts for March were \$156,844.70, which was an increase of \$14,657.97 as opposed to March 2016. He further advised that the hotel tax receipts for April were \$164,433.74, which was a decrease of \$50,964.37 as opposed to April 2016; however, he noted that the large discrepancy was mainly due to the Berks County Treasurer collecting a large amount of past due taxes in April 2016, which skewed the April 2016 figures.

Mr. Herbein distributed to the Board and reviewed the Authority's Operational Budget for fiscal year 2017-2018.

Upon a motion duly made and seconded, it was unanimously moved to approve all bills paid in April and May and to pay all bills listed that had been unpaid during this period. Secondly, upon a motion duly made and seconded, the Treasurer's Report was approved.

SOLICITOR'S REPORT

Mr. Leisawitz had nothing of significance to report.

OTHER BUSINESS

The Board discussed various revisions to the scholarships and changing the scholarships to be named in honor of long-time board member, Albert Boscov. The Board also discussed ways to improve the marketing and visibility of the scholarships in hopes of garnering more applicants. Following the discussion, the Board agreed that moving forward, the Authority will provide two (2) annual scholarships which will be named in honor of Albert Boscov. The scholarships will have the following criteria: (i) they will be 4 year scholarships; (ii) the scholarship amount will be \$2,000 per year for each of 4 years; (iii) the recipient must be majoring in sports management or a field pertaining to the arts; and (iv) the scholarship recipient must maintain a 3.0 GPA to maintain the scholarship each year.

Mr. Ernesto provided the board with a draft flyer that will be mailed to advertise the inaugural Reading Blues Fest which will occur on October 6-8.

MANAGEMENT REPORT

Mr. Ehlerman noted that SMG is projected to have an operating profit of approximately \$250,000 this year, which will be the first time in 8 years. Mr. Ehlerman attributed the

successful turnaround in SMG's financial situation to the hard work and determination of Mr. Farrar and his team.

Mr. Farrar distributed the latest listing of concerts, shows and events to the Board. Mr. Farrar discussed the latest capital expenditures for the Arena and SPAC. He noted that they have to replace the air conditioning unit on the 3rd floor of SPAC this fiscal year and the plan was to replace the air conditioning unit on the 4th floor of SPAC next fiscal year. The Board discussed this and determined that it may be beneficial to replace both units at the same time this fiscal year despite what was proposed in the budget. Mr. Farrar agreed to contact the service provided in hopes of realizing a cost savings by making both replacements this fiscal year. He also noted that the sound system in SPAC will be replaced at an approximate cost of \$300,000.

NEW BUSINESS

There was no new business to be discussed.

There being no further business before the Board at the public session, the Chairman announced that the next regular meeting of the Board would be held at the Santander Arena at 7:00 a.m., Thursday, August 17, 2017. At 8:00 a.m., upon a motion duly made and seconded, the Board unanimously resolved to adjourn.