

**BERKS COUNTY CONVENTION CENTER AUTHORITY  
MINUTES OF THE REGULAR MEETING OF  
THURSDAY, JUNE 21, 2018**

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. John Ernesto  
Mr. Michael J. Gombar, Jr., Esquire  
Ms. Michele Richards

The meeting was chaired by Mr. Ehlerman.

Also present:

Mr. Matthew Mayer, Esquire, Leisawitz Heller Abramowitch Phillips, P.C.  
Mr. Mark Wallace, SMG  
Ms. Christina Gilfert, SMG  
Mr. Ed Swoyer, Greater Reading Chamber Alliance  
Mr. Justin Del Vecchio  
Mr. and Mrs. Del Vecchio

Mr. Carl Herbein was excused.

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

**SCHOLARSHIP AWARD**

The Santander Arena Greater Reading Arts & Entertainment Scholarship was awarded to Justin Del Vecchio of Governor Mifflin High School. Justin and his parents attended the meeting and Justin was recognized and presented with his scholarship. Justin will be attending Penn State University in the Fall and majoring in Music Education.

**PUBLIC COMMENTS**

There were no comments from the public.

**APPROVAL OF MINUTES**

Upon a motion duly made and seconded, the minutes of the regular meeting of the Board of April 19, 2018 were unanimously approved.

## PEARLE BUILDING UPDATE

Mr. Swoyer provided the Board with an update regarding the Pearle Building. Mr. Swoyer advised the Board that the completed RACP Business Plan was submitted to the State on June 19, 2018 ahead of the June 20, 2018 deadline. He said it will take a month or two for the State to review the business plan and for monies to become available under the RACP grant. He also advised the Board that the Authority was granted a \$5,000 grant from the Berks Alliance for facade improvements, and may receive an additional \$5,000. Finally, he advised the Board that he is still working on submission of the grant application to the PA Department of Community and Economic Development under the Industrial Site Reuse Program, which, if awarded, would cover up to 75% of the approximately \$185,000 in demolition and environmental costs for the Pearle Building.

Mr. Swoyer presented the Board with architectural plans for the Pearle Building and reviewed them with the Board. He reviewed the proposed plans for each floor of the Pearle Building and explained that the plans are still subject to change as needed. He advised the Board that there are issues with the roof and the roof will need to be replaced. He also advised the Board that for zoning purposes, the Authority would need to install a service lane behind the Pearle Building to receive deliveries and house the dumpsters.

He will continue working on the Pearle Building project and provide the Board updates when required.

## TREASURER'S REPORT

Ms. Richards distributed and reviewed the two-month Treasurer's Report containing the financials for the months of April and May 2018. Ms. Richards reviewed and explained the report to the Board. Ms. Richards noted that there was an increase in cash in April 2018 in the amount of \$60,082.12, for a total cash balance of \$4,637,671.52. She also reviewed the May 2018 statement, which indicated an increase in cash of \$123,534.38, for a total cash balance of \$4,761,205.90. Ms. Richards advised the Board that M&T Bank will not allow the Authority to use the existing Construction Account for the Pearle Building funds and as a result, she is working to close that account.

Ms. Richards proceeded to review the hotel tax receipts for March and April 2018. She advised that the hotel tax receipts for March were \$167,640.41, which was an increase of \$10,795.71 as compared to March 2017. She further advised that the hotel tax receipts for April were \$168,372.40, which was an increase of \$3,938.66 as compared to April 2017. She noted that for calendar year 2018, the hotel tax receipts for 2018 were \$9,770.39 greater than for the same time period in 2017. Finally, Ms. Richards noted that one of our top 10 motels was two months delinquent in their hotel tax payments and that she expects those to be brought current in the next month or two.

Ms. Gilfert reviewed the Budgeted Income Statement for the operations of the Arena and SPAC. She noted that the Arena and SPAC have budgeted a profit of \$187,422 for fiscal 2019. This figure was less than the forecasted profit of \$282,772 in fiscal 2018, but she explained that a

significant portion of the difference was due to SMG hiring two new positions and the costs associated with such new hires.

Ms. Richards reviewed the Authority's budget for the upcoming fiscal year and advised the Board that she is projecting a cash loss of \$1,168,421, which is mainly due to the Authority's expenditure of \$2,000,000 for the Pearl Building project plus \$315,525 of capital expenditures for the facilities operated by SMG.

Mr. Ehlerman raised a potential issue regarding the Authority's \$40,000 contribution to DID for the Downtown Alive concert series. While the Authority has historically provided \$40,000 for this event, the funds were to be used to host one Latino concert and one concert in conjunction with the Reading Royals opening game. The funds have not been used by DID in this manner and Mr. Ehlerman and Mr. Wallace are addressing this issue with DID.

Upon a motion duly made and seconded, it was unanimously moved to approve all bills paid in January through April and to pay all bills listed that are scheduled to be paid. Secondly, upon a motion duly made and seconded, the Treasurer's Report was unanimously approved.

#### SMG REPORT

Mr. Wallace distributed and reviewed a schedule of the upcoming events for the Arena and SPAC. Mr. Wallace and Ms. Gilfert discussed a few capital expenditures for the Arena and SPAC, but there are no major expenditures planned at this time.

#### SOLICITOR'S REPORT

Mr. Mayer had nothing to report.

#### UPDATE ON BOARD POSITIONS

Mr. Gombar provided an update on the status of Mr. Izzy Gonzalez' appointment to the Board. He advised the Board that while Mr. Gonzalez has some disagreements with the City over the fines he was assessed on his properties in the City, he planned to pay the fines which should clear the way for him to be appointed. Mr. Gombar will follow up with Mr. Gonzalez in a week or two and update the Board.

#### READING ROYALS

Mr. Ehlerman advised the Board that he and Mr. Wallace are interviewing candidates for the Reading Royals general manager position. They had interviewed a good candidate, but the candidate could not agree on financial issues with Mr. Gulati.

Mr. Ehlerman advised the board that Mr. Gulati has approached him regarding the Video Board in the Arena. After some discussion, the Board decided that there is some value in potentially purchasing the Video Board from Mr. Gulati if the issue is raised and authorized Mr. Ehlerman to discuss the issue with Mr. Gulati.

## CHAIRMAN'S REPORT/NEW BUSINESS

Mr. Ehlerman advised the Board that the Authority was invited to attend the City Council meeting on July 23<sup>rd</sup> to present a 5-10 minute summary of the Authority's activities. Mr. Ehlerman reviewed what he planned to discuss at the meeting and the other board members agreed to attend the meeting with Mr. Ehlerman.

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 16, 2018. At 8:30 a.m., upon a motion duly made and seconded, the Board unanimously resolved to adjourn.