

**BERKS COUNTY CONVENTION CENTER AUTHORITY
MINUTES OF THE REGULAR MEETING OF
THURSDAY, APRIL 18, 2013**

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 Sovereign Center, 700 Penn Street, Reading, Pennsylvania.

The following members were present:

Mr. Carl Herbein
Mr. Michael Fiucci
Mr. John Ernesto
Mr. Burlee Adams
Mr. Brian D’Amico

The meeting was co-chaired by Mr. Carl Herbein and Mr. Michael Fiucci.

Also present:

Mr. Zane Collings, SMG
Matthew Mayer, Esquire, Leisawitz Heller Abramowitch Phillips, P.C.
Ms. Hope Parkin, SMG
Mr. Matt Salkowski, SMG
Mr. Mark Wallace, Reading Royals
Ms. Stephanie Hackash, Reading Royals
Mr. Donald Spatz, Reading Eagle
Mr. Vaughn Spencer, Mayor, City of Reading

Mr. P. Michael Ehlerman and Mr. Albert Boscov were absent.

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

There were no comments from the public.

Upon a motion duly made and seconded, the minutes of the regular meeting of the Board of February 21, 2013 were unanimously approved.

TREASURER’S REPORT

Mr. Herbein distributed and reviewed the two-month Treasurer’s Report containing the financials for the months of February and March 2013. Mr. Herbein noted that the Authority had total cash held of \$1,053,104.69 as of February 28, 2013 and total cash held of \$852,868.59 as of March 31, 2013. He further noted that the total cash held decreased by just over \$200,000 from February to March, as the Authority made two advances of \$100,000 each to SMG and the Reading Royals, respectively, in March to cover operating expenses.

Mr. Herbein advised that the total hotel tax receipts for calendar year 2012 were \$1,329,496.04 as compared to \$1,286,903.08 for calendar year 2011, an increase of \$42,592.96, which represented a 3.3% increase year over year. Mr. Herbein further noted that the hotel tax receipts for February and March 2013 were \$85,154.20 and \$100,071.65, respectively, which represented increases of \$14,289.40 and \$6,712.55 when compared to the same months in 2012.

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

SOLICITOR'S REPORT

Mr. Mayer stated that there was no significant legal activity to report.

MANAGEMENT REPORT

Mr. Wallace provided an update on the Reading Royals. Mr. Wallace noted that the Royals advanced to the Eastern Conference Semifinals, which is the second round of the ECHL playoffs. He further reported that attendance for the Royals first round playoff games was approximately twice as much as last year's playoff games. He and his staff are pushing to generate interest and maximize attendance for the next playoff game which is Friday, April 19, 2013 at 7:05. Finally, Mr. Wallace noted that 75% of season ticket holders for 2012 have renewed their tickets for next season.

Mr. Collings distributed a recent article from a Penn State University - Berks publication regarding the economic impact study completed by PSU-Berks' Dr. Lolita Paff. He also distributed the most recent event schedule for the Arena and SPAC. He noted that ticket sales for non-sporting events continue to be up and down, with some events selling well and others not selling as well. Mr. Collings noted that they have added the And1 Streetball Tour in July, which is similar to the Harlem Globetrotters and will target the urban population.

Mr. Collings noted that the Royals wore a special Washington Capitals' inspired white game jersey for the first game of the first round of the ECHL playoffs and the jerseys were subsequently sold on the Royals' online store. The specialty jersey sale was very successful and accounted for the largest single day sale from the online store. He advised that the Royals plan to wear another special jersey for a game in the second round of the playoffs and the jerseys will again be sold after the game.

Mr. Salkowski advised that several capital improvements will need to be made to the Arena this year. A recent letter from the Reading Area Water Authority has mandated that the Arena replace its current water meter to meet the applicable code, the cost of which is estimated at \$11,000. Mr. Salkowski also noted that one of the Arena's hot water heaters needs to be replaced and numerous seats in the Arena are in need of repair or replacement.

Mr. Collings noted that SMG has entered into an agreement with Legend Sale & Marketing in order to bolster sales of regional and national advertising. Finally, Mr. Collings noted that SMG continues to work on its grant writing program.

NEW BUSINESS

Mr. Fiucci noted that there was no new business to discuss.

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 Sovereign Center at 7:00 a.m., Thursday, June 20, 2013. At 7:25 a.m., upon a motion duly made and seconded, the Board unanimously resolved to adjourn.