

**BERKS COUNTY CONVENTION CENTER AUTHORITY
MINUTES OF THE REGULAR MEETING OF
THURSDAY, APRIL 21, 2016**

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. Carl Herbein
Mr. John Ernesto
Mr. Albert Boscov
Mr. Michael Fiucci
Ms. Michele Richards

The meeting was chaired by Mr. P. Michael Ehlerman.

Also present:

Mr. Matthew Mayer, Esquire, Leisawitz Heller Abramowitch Phillips, P.C.
Ms. Hope Parkin, SMG

Mr. Burlee Adams was excused.

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

PUBLIC COMMENTS

There were no public comments.

CHAIRMAN'S REPORT

Upon a motion duly made and seconded, the minutes of the regular meeting of the Board of February 18, 2016 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 2016. Mr. Herbein noted that in February there was a \$125,000 transfer to SMG to cover the fiscal year losses. Mr. Herbein also noted that in both months transfers were made out of the Authority's Revenue Fund which represents the funds received from the hotel tax that exceed the Authority's monthly debt service requirement. Mr. Herbein next noted that the Authority has \$473,666.10 remaining in its Construction Fund Account. He then reviewed the various accounts the Authority maintained and advised that the Authority had a total cash balance of \$3,720,317.85 as of the end of February, which was a decrease of \$69,093.97 from the end of January. He also reviewed the accounts for the month of

March and noted that the Authority had a total cash balance of \$3,810,680.28 as of the end of March, which was an increase of \$90,362.43 from the end of February. Mr. Herbein proceeded to review the hotel tax receipts for January and February 2016. He advised that the hotel tax receipts for January and February were \$110,538.66 and \$128,361.11, respectively, and that these tax receipts were \$3,046.73 and \$12,661.60 greater than January and February 2015. Mr. Herbein noted that the County Treasurer is doing a good job of collecting delinquent taxes as he has collected approximately \$12,000.00 and \$9,000.00 in delinquent hotel taxes in January and February, respectively.

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. Secondly, upon a motion duly made and seconded, the Treasurer's Report was approved.

SOLICITOR'S REPORT

Mr. Mayer had nothing of significance to report.

MANAGEMENT REPORT

Ms. Parkin distributed a chart tracking the current and completed capital expenditures for the Arena and SPAC. Ms. Parkin advised that the repairs to Cooling Tower #1 are complete and that the repairs to Cooling Tower #2 should be complete next week. Ms. Parkin also noted that the magnetometers are in place and have been working very well. Mr. Ehlerman noted that there are 3 potential capital expenditure projects scheduled for June at a total projected cost of approximately \$100,000 to \$150,000.

Ms. Parkin discussed the status of the Reading Royals hockey season and distributed an attendance comparison for the 2014-15 season to the 2015-16 season. She noted that per capita expenditures have increased this year by \$0.53 per person; however, overall attendance is down 17,790 people from last year and as a result, even though per capita spending is up, it has resulted in a \$103,000 gross loss. Both Ms. Parkin and Mr. Ehlerman noted that the Royals management is aware of the issues and that they are taking steps to address the issues for next season.

Ms. Parkin distributed and discussed the event schedule. She advised that April is a busy month with 73 shows including Jazz Fest. Mr. Ernesto thanked SMG and said they did a great job with ticketing and other matters during Jazz Fest. Ms. Parkin noted that the summer is busy and they are working to confirm shows for the fall.

Finally, Mr. Herbein reviewed SMG's financials and stated that SMG forecasts a \$211,000 loss for the current fiscal year, which is \$11,000 over the budgeted \$200,000 loss. He noted that the drop in attendance for the Royals games is a huge factor in this projected loss.

NEW BUSINESS

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, June 16, 2016. At 8:00 a.m., upon a motion duly made and seconded, the Board unanimously resolved to adjourn.