

**BERKS COUNTY CONVENTION CENTER AUTHORITY  
MINUTES OF THE REGULAR MEETING OF  
THURSDAY, DECEMBER 19, 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 Santander Arena, 700 Penn Street, Reading, Pennsylvania.

The following members were present:

Mr. P. Michael Ehlerman  
Mr. Carl Herbein  
Mr. Michael Fiucci  
Mr. Burlee Adams

Mr. Brian D’Amico participated by telephone.

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

Also present:

Mr. Zane Collings, SMG  
Matthew Mayer, Esquire, Leisawitz Heller Abramowitch Phillips, P.C.  
Ms. Hope Parkin, SMG  
Mr. Jesse Garwood, SMG  
Mr. Mark Wallace, Reading Royals  
Mr. Vaughn Spencer, Mayor, City of Reading  
Mr. Don Spatz, Reading Eagle

Mr. Albert Boscov and Mr. John Ernesto were absent.

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

**PUBLIC COMMENTS**

There were no comments from the public.

The minutes of the regular meeting of the Board of October 17, 2013 were discussed, but since not all members of the Board had been provided a copy of the minutes to review prior to this meeting, the approval of the minutes was delayed until the next meeting of the Board.

**TREASURER’S REPORT**

Mr. Herbein distributed and reviewed the two-month Treasurer’s Report containing the financials for the months of October and November 2013. Mr. Herbein noted that the Authority had total cash held of \$527,100.68 and \$507,054.01 at the end of October and November, respectively. Mr. Herbein noted that the Authority’s total cash decreased by \$20,000.00 from

October to November which was the result of the Authority's annual \$20,000 contribution to the Reading Downtown Improvement District.

Mr. Herbein noted that the hotel tax receipts for September and October were \$126,174.42 and \$147,197.23, respectively, which represented an increase of \$5,179.76 and \$10,649.33 when compared to the same months in 2012. Mr. Herbein further noted that there were additional tax receipts received for the month of September in the amount of \$7,204.53. Mr. Herbein stated that to date in calendar year 2013, the total hotel tax receipts received exceeded calendar year 2012's figures by \$85,505.59, which represents a 7.6% increase.

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.

Mr. Ehlerman advised the Board that SMG submitted a proposal to extend the current Management Agreement between the Authority and SMG ("Amendment No. 5"). SMG's proposal would provide the Authority with a \$300,000 grant in return for the Authority extending the current expiration date of the Management Agreement an additional five years, from June 30, 2020 to June 30, 2025. Mr. Ehlerman further explained that if the Authority accepted SMG's proposal and the Management Agreement is terminated prior to June 30, 2025, the Authority would need to repay SMG a pro rata portion of the \$300,000 grant based on the termination date.

Upon a motion duly made and seconded, it was unanimously moved to approve Amendment No. 5 to the Management Agreement proposed by SMG. Mr. D'Amico did not vote on the approval of Amendment No. 5 due to the fact that telephone issues prevented him from properly hearing the Board's discussion regarding Amendment No. 5.

### MANAGEMENT REPORT

Mr. Collings noted that there were no significant capital repairs required or made to the Arena or SPAC during October or November.

Mr. Collings distributed the most recent event schedule for the Arena and SPAC and advised that it continues to be a busy year for the Arena and SPAC. With that said, he noted that the shows continue to be up and down with some shows selling out very quickly and others failing to achieve their projected sales. Mr. Collings noted that there were 4,000 people in attendance for the recent boxing event and that SMG has agreed to hold a MMA event with the same promoter in March 2014.

Mr. Collings advised the Board that SMG has reduced the actual loss for the facilities and hockey by \$145,000 or 20% over the actual loss at the same time in 2012.

Mr. Wallace provided an update on the Reading Royals. He noted that total attendance is up by 2,529 people over the same number of games as last year and that the total attendance figures are the second highest for the Royals since 2008. Mr. Wallace further noted that total ticket revenue has increased by 1% over this time last year.

Mr. Wallace advised the Board that 4 full and 2 half suites remain unoccupied at the current time, but that they continue to talk to prospective businesses regarding these suites. Mr. Wallace noted that income from the suites is at its highest point since 2008 and is \$100,000 over budget. Mr. Wallace also noted that total advertising monies for the year are up, which is positive; however, these figures are still below the budgeted figures.

Mr. Collings closed by noting that the Arena has been awarded a grant for an energy audit and a \$15,000 grant from the Wyomissing Foundation to assist in promoting local programming.

#### NEW BUSINESS

Mr. Ehlerman noted that there was no new business to discuss but he did distribute the meeting schedule for 2014. 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, February 20, 2014. At 8:00 a.m., upon a motion duly made and seconded, the Board unanimously resolved to adjourn.