

**BERKS COUNTY CONVENTION CENTER AUTHORITY
MINUTES OF THE REGULAR MEETING OF
THURSDAY, DECEMBER 20, 2012**

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. P. Michael Ehlerman
Mr. Carl Herbein
Mr. Michael Fiucci
Mr. John Ernesto
Mr. Brian D'Amico

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. Matt Salkowski, SMG
Mr. Mark Wallace, Reading Royals
Ms. Stephanie Hackash, Reading Royals
Mr. Donald Spatz, Reading Eagle

Mr. Albert Boscov and Mr. Burlee Adams 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 October 18, 2012 were unanimously approved.

TREASURER'S REPORT

Mr. Herbein distributed and reviewed the two-month Treasurer's Report containing the financials for the months of October and November 2012. Mr. Herbein noted that advances in the amount of \$200,000 and \$100,000 were made from the Authority's investment account to SMG and the Reading Royals, respectively. Mr. Herbein advised that, as of November 30, 2012, the Authority had a cash balance of \$719,477.44.

Mr. Herbein commented that the hotel tax receipts for September and October were \$120,994.66 and \$136,547.90, respectively. Mr. Herbein noted that the hotel tax receipts for

September were greater than 2011 by approximately \$11,500 and for October were lower than 2011 by approximately \$13,000. However, the figures for October 2011 included a lump sum “catch-up” payment from Econolodge, therefore if the October 2011 figures were adjusted to remove the \$13,000 lump sum payment, the 2012 and 2011 figures for October were essentially equal. Mr. Herbein noted that the tax receipts through October for calendar year 2012 are approximately \$13,000 greater than for the same time period in 2011.

Mr. Herbein concluded by reviewing the operating figures for SMG and the Reading Royals from July through November 2012. He noted that although each segment’s actual losses for the partial year are greater than the budgeted loss amounts, the actual loss amounts are significantly less than the actual loss amounts for the same time period in 2011, which is an encouraging statistic.

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 actual season ticket sales are approximately \$313,000, which is greater than the budgeted figure of \$256,000. He further noted that actual advertising revenue is approximately \$805,000, which again is greater than the budgeted figure of \$790,000. Finally, he stated that actual suite sales are approximately \$349,000, which is less than the budgeted figure of \$421,000. He noted that the shortfall on suite sales is due to losing 2 suite holders. While the Royals continue to work with 6 companies regarding the 2 open suites, no new sales have been made to date.

Mr. Collings distributed and reviewed the most recent Event Schedule. Mr. Collings noted that ticket sales remain a roller coaster, with some events selling really well and other events selling poorly. Mr. Collings noted the schedule is busy for the next few months and that an additional three shows have been added, which are not currently on the schedule.

Mr. Salkowski advised that all capital improvements to the Arena/SPAC have been completed, with the exception of the plaster repairs on the second floor of SPAC, which are almost complete. Mr. Collings noted that the Jehovah’s Witnesses have scheduled a one day event for December 30, 2012 and although they are paying rent, they have also agreed to clean all of the carpets in SPAC, which will result in a cost savings of approximately \$4,000.

NEW BUSINESS

Mr. Ehlerman noted that there was no new business to discuss; however he circulated the 2013 meeting schedule which remains the 3rd Thursday of every other month beginning with Thursday, February 21, 2013.

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, February 21, 2013. At 7:30 a.m., upon a motion duly made and seconded, the Board unanimously resolved to adjourn.