

**BERKS COUNTY CONVENTION CENTER AUTHORITY
MINUTES OF THE REGULAR MEETING OF
THURSDAY, FEBRUARY 18, 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 (via telephone)
Mr. Albert Boscov
Mr. Burlee Adams (via telephone)

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

Also present:

Mr. Matthew Mayer, Esquire, Leisawitz Heller Abramowitch Phillips, P.C.
Mr. David Farrar, SMG
Mr. T.J. Heininger, SMG

Mr. Michael Fiucci and Ms. Michele Richards were 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 December 17, 2015 were unanimously approved.

TREASURER'S REPORT

Mr. Herbein distributed and reviewed the two-month Treasurer's Report containing the financials for the months of December 2015 and January 2016. Mr. Herbein reviewed the various accounts the Authority maintained and advised that the Authority had a total cash balance of \$3,690,422.07 as of the end of December, which was an increase of \$24,390.98 from the end of November. He also reviewed the accounts for the month of January 2016 and noted that the Authority had a total cash balance of \$3,789,411.82 as of the end of January, which was an increase of \$98,989.75 from the end of December. Mr. Herbein reviewed the expenditures from the Construction Fund Account and noted that the Authority has spent \$995,454.21 of the \$1,500,000 in the account.

Mr. Herbein proceeded to review the hotel tax receipts for November and December 2015. He advised that the hotel tax receipts for November and December were \$137,681.02 and \$104,165.23, respectively, and that these tax receipts were \$12,493.55 and \$14,155.92 greater than November and December 2014. Mr. Herbein noted that the tax receipts for calendar year 2015 were \$138,975.00 greater than the tax receipts for calendar year 2014.

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

Mr. Farrar advised that the past few weeks have been really good for SMG. He noted that the attendance for the Flyers alumni game, the high school basketball games and the Royals "Pink in the Rink" game were very good and the food and beverage numbers for each event were also very good. He noted that they have a lot of good shows lined up and look to remain busy.

Mr. Farrar distributed a chart tracking the current and completed capital expenditures for the Arena and SPAC. He advised that there are two current capital expenditures for which he is seeking approval from the Board. The cooling tower on the Arena needs to be repaired or replaced. He received an estimate of approximately \$300,000 to replace it, but also received an estimate of approximately \$62,000 to repair the cooling tower. Part of the work was already completed and the remaining repair work will be completed soon. Additionally, SMG received a proposal to purchase 19 magnetometers for \$73,000. The magnetometers are required for major acts and are currently being rented on a show by show basis.

Mr. Farrar advised that SPAC continues to lose money on an annual basis. SMG is looking at ways to curb the losses, but it is mainly due to increased competition and the need for expensive repairs to the sound and lighting system in SPAC. Finally, Mr. Farrar noted that the attendance for Royals' games has been poor for a variety of reasons.

Upon a motion duly made and seconded, it was unanimously moved to approve the repair of the cooling tower and the purchase of the magnetometers.

NEW BUSINESS

Mr. Ehlerman advised the Board that all members should complete their Statement of Financial Interests form and return the form to Mr. Mayer, the Authority's Solicitor.

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, April 21, 2016. At 8:00 a.m., upon a motion duly made and seconded, the Board unanimously resolved to adjourn.