

**BERKS COUNTY CONVENTION CENTER AUTHORITY  
MINUTES OF THE REGULAR MEETING OF  
THURSDAY, OCTOBER 16, 2014**

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  
Ms. Michele Richards

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  
Ms. Hope Parkin, SMG  
Mr. Vaughn Spencer, Mayor of Reading

Mr. Burlee Adams was absent but excused due to his recovering from recent surgery.

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

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

**PUBLIC COMMENTS**

There were no public comments.

**CHAIRMAN’S REPORT**

Mr. Ehlerman introduced Michele Richards as the new Board member and advised the Board that Ms. Richards has been appointed to replace Mr. Brian D’Amico in the City/County shared appointment slot on the Board.

Mr. Ehlerman noted that in return for his 10 years of service on the Board, the Authority is getting Mr. D’Amico a Reading Royals jersey with his name and high school basketball number on it. The jersey will be presented to Mr. D’Amico at a hockey game later in the season.

Upon a motion duly made and seconded, the minutes of the regular meeting of the Board of August 21, 2014 were unanimously approved.

## AUDIT REPORT

Ms. Rebecca Clouser of Reinsel Kuntz Leshner, LLP presented the Authority's Financial Statements and Audit Report to the Board and proceeded to review both documents with the Board. Ms. Clouser noted that the Authority had a clean audit report and there was nothing significant to report. Ms. Clouser reviewed the Balance Sheet and Statement of Cash Flows with the Board and noted that the only major change in the financial statements from the previous fiscal year were those entries associated with the sale of the Reading Royals. Ms. Clouser finished by reviewing the Audit Report with the Board.

## TREASURER'S REPORT

Mr. Herbein distributed and reviewed a letter from Financial Solutions, LLC concerning the Authority's recent bond refinance. Mr. Herbein noted that the actual costs and rates from the bond refinance were actually lower than previously estimated in the initial discussion concerning the bond refinance. Mr. Herbein reported that the bond refinance closed successfully on October 15, 2014.

Mr. Herbein distributed and reviewed the two-month Treasurer's Report containing the financials for the months of August and September 2014. Mr. Herbein noted that as of the end of August, the Authority had a cash balance of \$1,129,034.40. Mr. Herbein further noted that excess funds in the amount of \$320,943.59 were transferred from the Authority's Revenue Fund into the Checking Account, although as of the date of the meeting, the funds had not hit the Checking Account yet. Mr. Herbein noted that at the end of September, the Authority had a cash balance of \$1,130,807.85, which is slightly deceiving as it should be higher because the \$320,943.59 will also be included when the transfer is complete.

Mr. Herbein advised that the hotel tax receipts for July and August 2014 were \$159,064.99 and \$136,931.17, respectively, and that these tax receipts were an increase of \$30,610.60 and \$36,488.83 over the same months in 2013, respectively. Mr. Herbein further noted that the total hotel tax receipts for eight months thru August were \$1,079,654.63 as compared to \$925,810.71 for calendar year 2013. Mr. Ehlerman noted that the majority of this increase is due to the hotel tax being expanded from a 15 mile radius of the city to the entire county.

Upon a motion duly made and seconded, it was unanimously moved to approve the audit report. Further, 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. Finally, upon a motion duly made and seconded, the Treasurer's Report was approved.

## SOLICITOR'S REPORT

Mr. Mayer discussed the legal documents recently signed concerning the new Royals scoreboard being installed in the Arena. Mr. Mayer explained that the Authority has agreed that the new scoreboard is the sole property of the Royals and that the Royals could remove and take the scoreboard with them if they leave the Arena, provided that they reinstall and make operational the existing scoreboard.

## MANAGEMENT REPORT

Mr. Farrar advised that there were some personnel changes within SMG. He noted that Ms. Parkin has been promoted to Assistant General Manager/Director of Finance. He also noted that Mr. E.J. Randolph was hired as the new Food & Beverage Manager. Finally he noted that Ms. Heather Adams, SMG's senior sales manager is leaving to take a position with BCTV.

Mr. Farrar noted advertising and suite sales are up by \$45,000 and \$90,000, respectively. He stated that there are only 3 open full suites and 1 open half suite, which is the best position the Arena has been in with suites for a long time. He gave much of the credit for these positive numbers to Ms. Adams' hard work.

Mr. Farrar distributed the most recent event schedule for the Arena and SPAC. He noted that the Rudolph show and Trans-Siberian Orchestra shows are both currently selling very well. He advised that the Five Finger Death Punch show was very successful as it grossed over \$200,000. He said there are 7 shows scheduled for the Arena in the fall and they continue to work to book more acts.

Mr. Farrar advised the board of several capital improvements which are either in progress or have been completed. He noted that the new POS System and menu boards are both up and running. During recent events both seemed to work well, but we will not be able to determine if they help shorten lines until the Royals' games begin. He also noted that they recently had to replace a 14 year old air compressor and that they will be replacing the water heater on the one Zamboni in the next week or so. Finally, he advised that the repair work on the ceiling in SPAC should be completed in a week or two.

## NEW BUSINESS

Mr. Ehlerman 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 Santander Arena at 7:00 a.m., Thursday, December 18, 2014. At 8:00 a.m., upon a motion duly made and seconded, the Board unanimously resolved to adjourn.