

**BERKS COUNTY CONVENTION CENTER AUTHORITY  
MINUTES OF THE REGULAR MEETING OF  
THURSDAY, OCTOBER 17, 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 Sovereign Center, 700 Penn Street, Reading, Pennsylvania.

The following members were present:

Mr. P. Michael Ehlerman  
Mr. Carl Herbein  
Mr. Michael Fiucci  
Mr. Burlee Adams  
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. Mark Wallace, Reading Royals  
Mr. Vaughn Spencer, Mayor, City of Reading  
Mr. Chuck Broad, Reading DID  
Mr. Don Spatz, Reading Eagle

Mr. Albert Boscov was absent.

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

**PUBLIC COMMENTS**

Mr. Chuck Broad of the Reading Downtown Improvement District (DID) thanked the Authority for its continuing support of DID and pledged to continue DID’s good working relationship with the Authority. Mr. Ehlerman mimicked Mr. Broad’s comments and thanked him and DID for their continued support of the Authority and its various events.

Upon a motion duly made and seconded, the minutes of the regular meeting of the Board of August 15, 2013 were unanimously approved.

**AUDIT REPORT**

Becky Clouser of Reinsel Kuntz Leshner, LLP presented the audit report (the “Audit Report”) to the Board for the Authority’s 2012-2013 fiscal year. Ms. Clouser provided the

Board with a detailed report and review of the financial statements contained in the Audit Report and concluded that the Authority's financial statements present fairly, in all material respects, the financial position of the Authority. Ms. Clouser also presented and reviewed the Report to the Board of Directors and noted that there was nothing significant or negative to report.

### TREASURER'S REPORT

Mr. Herbein distributed and reviewed the two-month Treasurer's Report containing the financials for the months of August and September 2013. Mr. Herbein noted that the Authority had total cash held of \$611,191.08 and \$677,271.86 at the end of August and September, respectively, which is a positive sign as the Authority's cash held increased from August to September. Mr. Herbein noted that the Authority advanced \$215,000 to the Reading Royals to use as operating funds with the hockey season beginning.

Mr. Herbein noted that the hotel tax receipts for July and August were \$128,454.39 and \$100,442.34, respectively, which represented an increase of \$5,584.01 and a decrease of \$18,297.40 when compared to the same months in 2012. Mr. Ehlerman noted that 4 hotels had not reported their tax receipts and these 4 hotels combined last year reported approximately \$17,000 in tax receipts. As a result, when reported, the August tax receipts may be down slightly compared to last year, but not drastically. Mr. Ehlerman further explained that the expanded scope of the hotel tax bill (which expands the covered area from a 15 mile radius of the city to all of Berks County) goes into effect in October 2013. He expects this expanded area will result in an increase of \$300,000 - \$350,000 in total hotel tax receipts over the next year, of which the Authority would receive 80%.

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 Audit Report and Treasurer's Report were both approved.

### SOLICITOR'S REPORT

Mr. Mayer stated that there was no significant legal activity to report.

### MANAGEMENT REPORT

Mr. Collings noted that the official changes to the Santander name went into effect on October 17, 2013 and all signs will be changed as of this date.

Mr. Collings distributed the most recent event schedule for the Arena and SPAC and advised that it will be a busy fall/winter season for the Arena and SPAC. He stated that they have met the number of budgeted shows for the Arena and have exceeded the number of budgeted shows in SPAC by 2 shows. Further, the addition of the indoor soccer and football teams were not planned or budgeted and will, therefore, hopefully add some unexpected revenue for the fiscal year. Mr. Collings stated that ticket sales continue to be up and down, but on a positive note, Phish and Florida Georgia Line each sold out in 1 day. Finally, he noted that the

new websites and mobile websites/applications for the Arena and Reading Royals are going live today.

Mr. Wallace provided an update on the Reading Royals. He noted that opening night is Saturday, October 19, 2013, and they expect a crowd in excess of 6,000 people. He stated that they are 2% over their budgeted figure for season ticket sales and have met their budgeted number for flex plan ticket sales. With that said, he continues to work on ticket sales and has several meetings with local companies regarding advertising and season ticket sales. Mr. Wallace noted that 2 full suites and one ½ suite have been added and that they are working on adding one additional ½ suite. He reported that currently they have 4 full suites open and two ½ suites open for a total of 5 open suites, which is a significant improvement as they had 10 open suites at the same time last year.

Mr. Collings stated that there were no significant capital improvements to report.

Mr. Collings reported that they are ahead of budget on both the Royals and the Arena/SPAC numbers.

Finally, Mr. Collings noted that SMG continues to work on its grant writing program and that they were recently awarded an energy audit.

#### NEW BUSINESS

Mr. Ehlerman noted that there was no new business to discuss and then announced that there would be an executive session following the public session for discussion of certain personnel and contract matters and that the Board would not reconvene after that meeting.

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, December 19, 2013. At 8:00 a.m., upon a motion duly made and seconded, the Board unanimously resolved to adjourn.