

**BERKS COUNTY CONVENTION CENTER AUTHORITY  
MINUTES OF THE REGULAR MEETING OF  
THURSDAY, AUGUST 21, 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. Michael Fiucci  
Mr. Brian D’Amico  
Mr. John Ernesto

The following members participated by telephone:

Mr. Carl Herbein  
Mr. Burlee Adams

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. Robert Cavalieri, Esquire, SMG  
Mr. Michael Vind, Esquire, Stevens & Lee, P.C.

Mr. Albert Boscov was absent.

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

**PUBLIC COMMENTS**

Mr. Michael Vind from Stevens & Lee distributed a Memorandum to the Board and explained the refinancing proposal contained therein to the Board pursuant to which the Authority could: (i) refinance its 1999 and 2001 bonds; (ii) terminate its existing interest rate swap agreements with regard to such bonds; and (iii) acquire an additional \$1,500,000 of financing to be used for future capital expenditures. Mr. Vind advised the Board that PNC Bank issued the financing proposal that included both 3 and 5 year fixed rate of interest terms. Mr. Vind explained the transaction and the cost savings that the Authority could achieve if they accepted PNC Bank’s proposal. Mr. Vind further explained the concept behind the existing and potential new interest rate swap agreements to the Board so they could better assess PNC Bank’s refinancing proposal.

Mr. Vind also presented a corporate resolution to the Board pursuant to which the Board would agree to accept the PNC refinancing proposal and authorize the Chairman and Secretary of the Authority to execute any and all documents required to effect the bond refinancing. After some discussion, upon a motion duly made and seconded, the Board unanimously agreed to approve the bond refinancing proposal and authorized the Chairman and Secretary to execute the corporate resolution approving the proposal.

Upon a motion duly made and seconded, the minutes of the regular meeting of the Board of June 19, 2014 were unanimously approved. Mr. D'Amico abstained from voting on the approval of the June 19, 2014 meeting minutes due to the fact that he did not attend said meeting.

### TREASURER'S REPORT

Mr. Herbein distributed and reviewed the two-month Treasurer's Report containing the financials for the months of June and July 2014. Mr. Herbein noted that in June the Authority made a deposit of \$26,254.33, which represented funds acquired from the collection of accounts receivable from the sale of the Reading Royals. Mr. Herbein noted that the Authority had total cash at the end of June of \$1,241,314.89. Mr. Herbein stated that there was a payment of \$35,000 made to former Reading Royal, Rob LaLonde, in July which was the settlement of a lawsuit filed by Mr. LaLonde. Mr. Herbein noted that the Authority had total cash at the end of July of \$1,205,801.11.

Mr. Herbein noted that the hotel tax receipts for May and June 2014 were \$151,766.96 and \$159,115.69, respectively. Mr. Herbein advised that these tax receipts were an increase of \$6,283.56 and \$12,708.04 over the same months in 2013, respectively.

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. Cavalieri discussed the effect that the new Allentown arena may have on the Authority's Arena. He stated that the Allentown arena is in its honeymoon period and has booked some big name acts as part of its grand opening, but that these acts have to be partially funded by the Arena since they could not be profitable based on the seating capacity of the Allentown arena. He stated that he thought the new arena would have an effect on the Authority's Arena, but the Authority would simply need to continue to push to book more acts and continue to make ticket sales.

Mr. Farrar introduced himself as the new general manager of the Arena and SPAC. He proceeded to distribute the most recent event schedule for the Arena and SPAC. Mr. Farrar stated that he just booked the Trans-Siberian Orchestra (TSO) for two Christmas shows in the

beginning of January. He noted that this was a significant booking since the Arena is the smallest venue on TSO's tour and that TSO chose the Arena over other area venues (including the Allentown arena) based on TSO's prior good ticket sales in Reading. Mr. Farrar further noted that he recently met with the executive director of the Kirby Center in Wilkes-Barre and they plan to work on some joint promotions in hopes of bringing more and better acts to SPAC.

Mr. Farrar noted that one half suite was recently upgraded to a full suite and as a result, there are only 2 full suites open at the current time. He also noted that they have made an offer to an individual for the position of new Food & Beverage director. Finally, in response to Mr. D'Amico's request, Mr. Farrar stated he would provide the Authority with a report on the financial impact of ballroom rentals in SPAC.

Ms. Parkin noted that SMG had a server go down recently and as a result they had to purchase a new server and maintenance package from Lynx Computers for \$5,100.

### 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, October 16, 2014. At 8:30 a.m., upon a motion duly made and seconded, the Board unanimously resolved to adjourn.