

**BERKS COUNTY CONVENTION CENTER AUTHORITY
MINUTES OF THE REGULAR MEETING OF
THURSDAY, APRIL 16, 2015**

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 (via telephone)
Mr. Michael Fiucci
Mr. Carl Herbein
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. Jim Arthur, SMG
Mr. Vaughn Spencer, Mayor of Reading

Mr. Albert Boscov, Mr. Burlee Adams and Mr. John Ernesto were absent.

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

PUBLIC COMMENTS

There were no comments from the public.

CHAIRMAN’S REPORT

Upon a motion duly made and seconded, the minutes of the regular meeting of the Board of February 19, 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 February and March 2015. Mr. Herbein reviewed the various different accounts and noted the balance of each account. Mr. Herbein advised the Board that as of February 28, 2015, the Authority had a total cash balance of \$3,554,194.82. Mr. Herbein proceeded to review the account balances as of the end of March 2015. He noted that \$10,000 was paid out of the checking account for a hockey workers’ compensation claim settlement and that \$75,660.00 was transferred into the checking account from the construction fund for

reimbursement of a payment that was made from the checking account to US Sound and Light for capital expenditures prior to the construction fund being fully set up. He further noted that various payments were made out of the construction fund for approved capital expenditures. Finally, he advised the Board that as of March 31, 2015, the Authority had a total cash balance of \$3,599,391.74.

Mr. Herbein advised the Board that he has included a new chart in the financial reports which tracks the Authority's combined operations and compares it to the budgeted figures and the prior year's figures. He noted that for February the combined operations of the Authority produced a total net profit of \$126,759, which exceeded the budgeted net profit of \$40,069. He further noted that for the current year to date, the combined operations have produced a net loss of \$131,469, which is less than the budgeted net loss of \$330,459 and also less than the net loss for the same period last year of \$185,434.

Mr. Herbein proceeded to review the hotel tax receipts for January and February 2015. He advised that the hotel tax receipts for January and February 2015 were \$107,491.93 and \$115,699.51, respectively, and that the tax receipts for January were an increase of \$3,779.42 over January 2014, while the tax receipts for February were a decrease of \$1,915.65 as opposed to February 2014. Mr. Herbein noted that on the hotel tax report provided by County Treasurer Dennis Adams there are a significant number and amount of hotel stays that are listed as "exempt" from the hotel tax. Mr. Herbein is going to inquire with Mr. Adams as to whether inquiry is being made to verify that all of these proposed exemptions have sufficient documentation to validate the exemption.

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 had nothing of significance to report.

SCHOLARSHIP COMMITTEE REPORT

Mr. Fiucci reported that the Authority had 10 applicants apply for its Santander Arena Greater Reading Arts & Entertainment Scholarship. Mr. Fiucci said the committee narrowed the applications down to the top 2 and he provided copies of those applications to the Board. Upon a motion duly made and seconded, it was unanimously moved to approve Allison Gieringer and Andrea Behler as this year's scholarship recipients. The Authority will ask the two scholarship recipients to attend the next Board meeting and will coordinate a press release concerning the awarding of the scholarships.

MANAGEMENT REPORT

Mr. David Farrar presented the Board with two written proposals concerning capital improvements to the Arena. This first is a revised proposal from Athletica Sport Systems in the amount of \$307,900 for the replacement of the Arena's dasher board system, which was

discussed in detail at the Authority's February meeting. The second proposal was from CIMCO in the amount of \$541,345 for the complete replacement of the Arena's ice plant. Mr. Farrar and Mr. Ehlerman advised the Board that they are also looking at alternatives to a complete replacement of the Arena's ice plant. One possible alternative would be to replace various valves to stop the current leakage problem and to rebuild or replace the heat exchanger; however, more information needs to be gathered concerning the cost of such repairs, although it is projected to be no more than \$150,000. The drawback to this approach is the uncertainty concerning the useful life of the condensers. Due to the timing involved with either alternative, and the need to have any such repairs or replacement completed by the start of next year's hockey season, the request is being made to conditionally approve both the repair and replacement proposal with a decision to be made in the near future on which proposal to accept. Upon a motion duly made and seconded, it was unanimously moved to approve the proposal to replace the dasher board system and both potential proposals with regard to the repair and/or replacement of the Arena's ice plant, with a further decision to be made in the next few weeks concerning the ice plant.

Mr. Farrar also discussed some pending proposals to upgrade the food and beverage system in the Arena and to replace certain outside doors that are leaking and rusting. Mr. Ehlerman noted that additional information is required on both of these proposed capital expenditures and therefore they will be tabled until the next meeting.

Mr. Farrar distributed the latest Event Schedule for the Arena and SPAC and noted various upcoming shows. He stated they recently signed several cheerleading shows and are trying to land the District III high school wrestling championships for next year. Mr. Ehlerman noted that there has been a significant increase in the number and variety of shows being booked and applauded Mr. Farrar's efforts in achieving such an increase.

Finally, Mr. Farrar noted that the new lights in the Arena have been working well and while it is still too early to see a cost savings, the electric bill for the month of February 2015 was \$8,000 less than February 2014.

NEW BUSINESS

Mr. Ehlerman noted he has an upcoming meeting with Commissioner Christian Leinbach and Crystal Seitz, head of the Greater Reading Visitors Bureau concerning a potential 1-2% increase to the hotel tax. Mr. Ehlerman expects that Ms. Seitz will want to retain the entire increase if it is approved. After discussion with the Board, the Authority would be in agreement with such a proposal provided there is no diminishment of the hotel tax receipts currently being received by the Authority.

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, June 18, 2015. At 7:50 a.m., upon a motion duly made and seconded, the Board unanimously resolved to adjourn.