

**BERKS COUNTY CONVENTION CENTER AUTHORITY  
MINUTES OF THE REGULAR MEETING OF  
THURSDAY, JUNE 18, 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  
Mr. Michael Fiucci  
Mr. Carl Herbein  
Mr. John Ernesto

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. Albert Boscov, Mr. Burlee Adams and Ms. Michele Richards 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 April 16, 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 April and May 2015. Mr. Herbein reviewed the various different accounts and noted the balance of each account. Mr. Herbein advised the Board that as of April 30, 2015, the Authority had a total cash balance of \$3,614,128.21. Mr. Herbein proceeded to review the account balances as of the end of May 2015. He noted that there was very little action in the accounts during the month of May other than the payment of the normal expenses. He noted that as of May 31, 2015, the Authority had a total cash balance of \$3,409,932.64. Mr. Herbein commented that the large decrease to the Authority’s cash balance was due to the

payment to Athletica Sports Systems in the amount of \$304,821.00 for the new dasher board system.

Mr. Herbein reviewed a list of disbursements made out of the Construction Fund. The list contained the amount of each payment, the party the payment was made to and the product or service covered by each payment. He noted that from February through the beginning of June 2015, the Authority made various payments out of the Construction Fund for capital improvements totaling \$524,074.13 and that a balance of \$971,566.98 remained in the Construction Fund to be used for future capital improvements.

Mr. Herbein proceeded to review the hotel tax receipts for March and April 2015. He advised that the hotel tax receipts for March and April 2015 were \$132,366.17 and \$133,625.70, respectively, and that the tax receipts for March and April 2015 were an increase of \$11,175.01 and \$3,368.71, respectively, over March and April 2014. Mr. Herbein noted that total hotel tax received by the Authority for calendar year 2014 was \$1,622,274.73 and that he expects the amount received for 2015 to be the same, if not higher.

Mr. Herbein presented and reviewed the Authority's operating budget for fiscal year 2015-2016. He noted that with a total projected loss for the facilities of \$198,440.00, the Authority should still have excess receipts over disbursements in the amount of \$508,060.00. In addition to the Authority's operating budget, Mr. Herbein also distributed an operating budget for the facilities for fiscal year 2015-2016 which was prepared by Mr. Farrar and Ms. Parkin. Finally, Mr. Herbein reviewed the Consolidated Income Statements for April 2015, which showed total net income for April 2015 of \$160,011.00, which exceeded the budgeted net income of \$132,134.00. Ms. Parkin commented that while the total net loss for fiscal year 2014-2015 will be less than budgeted, the facilities are not at a point where they will be break even or produce a net income.

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. Finally, upon a motion duly made and seconded, the budget was approved.

#### SOLICITOR'S REPORT

Mr. Mayer had nothing of significance to report.

#### SCHOLARSHIP RECIPIENT

At approximately 7:30 a.m., Andrea Behler, one of this year's scholarship recipients arrived at the meeting. Mr. Fiucci introduced Ms. Behler to the Board and the Board had a short meeting with her to congratulate her on being awarded the scholarship, to talk about her college plans and to have pictures taken.

## MANAGEMENT REPORT

In conjunction with Mr. Herbein's review of the budget, Mr. David Farrar distributed a handout concerning various recommended capital improvements to the facilities. Mr. Farrar reviewed the handout with the Board and discussed the details and cost of each proposed capital improvement. Mr. Farrar also provided the Board with a chart showing a list of each proposed or approved capital improvement, along with the cost of each. The chart showed that capital improvements in the amount of \$222,447.34 have been approved and completed; capital improvements in the amount of \$381,821.00 have been approved and are in progress; and capital improvements in the amount of \$356,515.00 have been proposed and submitted for approval. Upon a motion duly made and seconded, the Board approved the proposed capital improvements, with the exception of the Arena Dehumidification System at a cost of \$125,000, which is being further researched and discussed.

Mr. Farrar distributed the latest Event Schedule for the Arena and SPAC and noted that events are a little slow for the fall, but more events are being booked and should be announced soon. He further announced that the Trans Siberian Orchestra has been booked for 2 more shows in November. Mr. Farrar discussed SMG's attempts to reach the Hispanic market, which have been less than effective to date.

Mr. Farrar announced that SMG is working with the Berks County Community Foundation and the Downtown Improvement District and will be bringing 3 free concerts to downtown Reading. The three acts will be Striking Matches, Andrew McMahan and the Gin Blossoms. They have tried to hit three different genres and hopefully help spark the revitalization of the downtown Reading area.

## NEW BUSINESS

Mr. Fiucci presented the Board with a proposal to host a half hour television show on BCTV in order to promote the Authority and the events at the facilities. Mr. Fiucci noted that the show would be a monthly show, he would be responsible for organizing it and he would plan on having various guests and board members on the show. He noted the total costs for the show would be \$1,245 for the year. Upon a motion duly made and seconded, it was unanimously moved to approve the television show for a period of one year.

Mr. Ehlerman discussed a recent meeting he attended with Commissioner Christian Leinbach and Crystal Seitz, head of the Greater Reading Visitors Bureau. Mr. Ehlerman noted that Commissioner Leinbach was requesting the Authority assist with funding for the Visitors Bureau. Mr. Ehlerman noted that Ms. Seitz was seeking legislation to authorize a potential 1-2% increase to the hotel tax. Mr. Ehlerman advised that he was agreeable to such a proposal and would agree to give any potential increase exclusively to the Visitors Bureau, provided it did not decrease the amount of hotel tax received by the Authority.

Mr. Ehlerman discussed a meeting he recently had with Mr. Jack Gulati, the owner of the Reading Royals. He said that the ECHL Board of Governors recently mandated that all ECHL teams had to acquire HD cameras so as to allow HD broadcasting of hockey games. Mr. Gulati noted that the costs of such camera equipment would be between \$60,000 to \$150,000. Mr.

Gulati and Mr. Bell asserted that, under the License Agreement between the Authority and the Royals, the costs for any new camera equipment would be the responsibility of the Authority. Mr. Mayer researched the issue and the License Agreement clearly states that any such costs would be the sole responsibility of the Royals. Despite the fact that the Authority has no responsibility for such costs, Mr. Gulati asked if the Authority would share the costs. The Board discussed the issue and noted that if the Authority agreed to pay any portion of these expenses, the Authority should be entitled to a share of any gross revenues realized by the use of the HD camera equipment. Upon a motion duly made and seconded, it was unanimously moved to approve the payment of up to \$30,000 for the new HD camera equipment, provided that the Authority would be entitled to a 50% share of any gross revenues realized by the use of the HD camera equipment.

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, August 20, 2015. At 8:00 a.m., upon a motion duly made and seconded, the Board unanimously resolved to adjourn.