



louisville arena authority

Board of Directors Meeting

March 13, 2017

9:00 a.m. EST

KFC Yum! Center

MINUTES

Directors in Attendance: Mr. Larry Bond, Mr. Jack Dulworth, Ms. Leslie Geoghegan, Mr. Rick Guillaume, Mr. Michael Houlihan, Ms. Alice Houston, Ms. Deborah King, Mr. Darrin McCauley, Mr. Stuart Ray, Mr. Joe Reeves, Mr. Steve Rowland, Mr. Jeff Spalding, Ms. Lindy Street, Metro Council President David Yates (ex-officio), Vice Chairman William Summers V, Chairman Scott Cox

Directors Absent:

Consultants and Staff: Mr. Dennis Petruzzo, KFC Yum! Center General Manager, C. Edward Glasscock, General Counsel

Welcome: Chairman Cox

Chairman Cox declared a quorum and convened the meeting.

DISCUSSION ITEM: Acceptance of the January 9, 2017 and February 10, 2017 Board Meeting Minutes – Chairman Cox

Mr. Darrin McCauley moved to accept the minutes of the January 9, 2017 and February 10, 2017 Louisville Arena Authority Meetings. The motion was seconded by Mr. Rick Guillaume and the motion passed unanimously with no abstentions.

DISCUSSION ITEM: Presentation of Financial Statements – Vice Chairman Summers

Vice Chairman Summers introduced Mr. Alex Rorke of Hilliard Lyons who provided the finance report.

Mr. Rorke informed the board that there have been respondents to the RFP for the feasibility study. There are two very strong finalists and following further discussions with those finalists, the Finance Committee will make a recommendation to the full board.

DISCUSSION ITEM: AEG Management Update - Dennis Petruzzo

Mr. Justin Jokovich, Senior Director of Finance, provided the AEG Financial update for the months of December 2016 and January 2017. In December, the facility hosted 16 events including 7 University of Louisville Women's Basketball Games, 5 University of Louisville Men's Basketball

Games and 4 meetings/banquets. The income statement for the period ending December 31, 2016 resulted in a net operating profit of \$498,529, which was \$33,927 above budget for the month.

For the month of January, the facility hosted 13 events including Dierks Bentley, Harlem Globetrotters, 3 University of Louisville Women's Basketball Games, 4 University of Louisville Men's Basketball Games and 4 meetings/banquets. The income statement for the period ending January 31, 2017 resulted in a net operating profit of \$349,732. Year to date, the arena is operating at a net operating profit of \$149,881, which is \$221,048 above budget.

According to the Rolling Forecast for the 2016-2017 fiscal year (as of the period ending January 31, 2017) AEG is projecting a net operating profit of \$1.639 million.

Ms. Andrea McDaniel, Director of Human Resources, provided an update on staff engagement and employee support initiatives. The KFC Yum! Center hosted various events for staff members over the past few months including a family holiday party on December 19, a doughnut day prior to a University of Louisville Men's Basketball Game on February 18 and a luncheon for Employee Appreciation Day on March 3.

Ms. McDaniel updated the board on various employee support initiatives at the KFC Yum! Center including "ban the box", a new parental leave policy and educational assistance programs. AEG recently rolled out a new parental leave policy which provides up to eighteen weeks paid leave for primary caregivers and up to three weeks fully paid leave for secondary caregivers. Educational assistance is also offered to full-time employees providing up to \$5,000 per year toward a bachelor's or master's degree.

Ms. McDaniel also shared with the board photos of veterans employed at the KFC Yum! Center. Of the arena's 48 full-time employees, 9 are veterans with a combined 77 years of service. AEG has spent time learning about these veterans and their time in the military and how they apply that experience to their role at the KFC Yum! Center. Many of these veterans will be featured in upcoming AEG publications.

Ms. Lauren Helms, Executive Assistant, provided a marketing and event update. The KFC Yum! Center received the 2016 Silver Fleur-de-Lis Award at the Greater Louisville Inc. Annual Meeting on January 25, 2017 for leadership and coordination of the Muhammad Ali memorial celebration.

The KFC Yum! Center's second annual Kentucky Blood Center Blood Drive was held on February 21, 2017 and drew over 200 donors, including several arena employees. Donors were able to shoot around on the court, receive a complimentary t-shirt and enter for their chance to win NCAA men's basketball tickets and many other prizes. Ms. Helms noted that all of the blood donated during the Kentucky Blood Center's blood drive will remain in Kentucky and be given to Kentucky patients.

Ms. Helms also provided an update on the KFC Yum! Center's efforts to accommodate fans. On March 5, 2017 the KFC Yum! Center hosted Twenty One Pilots. The show included a full general admission pit and based on fan inquiries and conversations with other venues, the KFC Yum! Center was able to anticipate that hundreds of general admission ticketholders would attempt to camp out prior to the show. To accommodate these fans the arena shared clear information about when the fans could line up on venue property, created a numbering and wristband system to reward the most dedicated fans with early entry and provided water and refreshments on the plaza. Ms.

Helms shared various positive comments received from fans at the show noting the kindness and great service they received from venue staff. 40% of ticket sales for the Twenty One Pilots show came from markets outside of greater Louisville including Cincinnati, Lexington, New York, Los Angeles and Columbus, OH.

Ms. Helms reviewed the KFC Yum! Center's upcoming events and noted four major events are still to be announced for later this year including another New Year's Eve event. Ms. Helms concluded her report by informing the board that the NCAA is expected to announce the tournament host sites for the years 2019-2022 in April.

DISSUSSION ITEM: General Counsel Update – C. Edward Glasscock

Mr. Glasscock informed the board there was nothing new to report.

DISCUSSION ITEM: New Business/Old Business – Chairman Cox

Chairman Cox reviewed the progress of the TIF legislation and informed the board the bill passed the House in Frankfort and is now in the A&R committee.

No other business to come before the Authority, the meeting was adjourned at approximately 9:29 a.m.

Respectfully submitted,
Lauren Helms