



## louisville arena authority

**Board of Directors Meeting  
September 13th, 2021  
9:00 a.m. EST  
KFC Yum! Center Spirit Room**

### **MINUTES**

**Directors in Attendance:** Mr. Mark Blayney, Ms. Yvette Gentry, Mr. John Hodgson, Mr. Thomas Liston, Mr. Darrin McCauley, Mr. Andrew Owen, Mr. Don Parkinson, Ms. Larissa Reece, Mr. Dale Romans, Mr. Steve Rowland, Mr. Deepak Tiwari, Ms. Nicole Yates, President David James Vice Chair Louie Seger, Chair Leslie Geoghegan

**Directors Absent:** Mr. Michael Jones

**Consultants and Staff:** Mr. Eric Granger KFC Yum! Center General Manager; Mr. Justin Jokovich, KFC Yum! Center Sr. Finance Director; Ms. Sandra Moran, KFC Yum! Center Marketing Specialist, Mr. C. Edward Glasscock, General Counsel; Mr. John Egan, General Counsel; Mr. Chip Sutherland, Baird Financial; Ms. Kelly Mrsic, Baird Financial; Mr. Michael Oldiges, Baird Financial; Mr. Jeff McCaffrey DMLO

**Welcome: Chair Geoghegan**

**Roll was called by Eric Granger at 9:02 AM**

Chair Geoghegan declared a quorum and convened the meeting.

**DISCUSSION ITEM: Acceptance of the July 12<sup>th</sup> Meeting Minutes – Chair Geoghegan**

The board reviewed the minutes. A motion was made by Mr. McCauley to approve the minutes, which was seconded by Mr. Owen. The motion passed unanimously with no abstentions.

**FINANCE COMMITTEE REPORT: Treasurer Liston**

Mr. Liston noted that the Finance Committee met on Friday, September 10<sup>th</sup>. Mr. Liston noted that the Committee met with our insurance broker, Marsh to discuss the general liability and excess insurance renewal. The Authority is required to carry these insurance programs per the requirements from the 2017 Loan Agreement. Marsh is in the process of building out the overall insurance premium which includes several layers. To finalize the program, the primary layer needs to be finalized. The current carrier for this primary layer, National Casualty, has provided the best renewal quote with an increase of 9.2% to the premium. Mr. Liston noted that the coverage expires on October 1<sup>st</sup>, and Marsh does not anticipate any issues meeting this renewal deadline. Given that we will not have a board meeting before this deadline, Mr. Liston noted that the Finance Committee motioned to authorize Chair Geoghegan to make the final decision to bind the insurance renewal.

Since this motion comes from a committee, no second is required. The motion passed unanimously with no abstentions.

Mr. Liston noted that the Committee reviewed the draft Form 990, prepared by Mr. Jeff McCaffrey from DMLO. Mr. McCaffrey reviewed this draft Form 990 and noted that this year's form and presentation is very similar to what it has been over the past several years. The Finance Committee made a motion to accept the Form 990 as presented, and since this motion comes from a committee, no second is required. The motion passed unanimously with no abstentions.

Mr. Chip Sutherland from Baird gave an overview of the Moody's report, which was released on August 25<sup>th</sup>. The report affirmed the Authority's investment grade rating Baa3. Mr. Sutherland noted that the support from Metro Louisville and Commonwealth of Kentucky are the main reasons that the Authority has been able to maintain the investment grade rating. Chair Geoghegan expressed the Authority's appreciation for all their partners, including the University of Louisville, Metro Louisville, the Commonwealth, Learfield and ASM Global for their support to help maintain this investment grade rating through the COVID-19 pandemic.

**ARENA OPERATIONS UPDATE: Eric Granger, General Manager**

Mr. Jokovich reviewed the June and July monthly financial statements for ASM Global. In the month of June, the last month of the Fiscal Year, we hosted 2 events, included the Royal Comedy Tour and the Sip & Savor Bourbon experience. For the entire Fiscal Year, we hosted 68 events, including 3 concerts, 2 family shows, 25 University of Louisville basketball games, 11 sporting events, 23 community engagement events and 4 other events. The Arena incurred a net operating loss for the month of June of \$545,000, which was less than budgeted loss by \$376,000 for the month. The negative variance was largely due to the event count variance to budget, as the budget anticipated to host two concerts this month and only hosted one. For the Fiscal Year End June 30<sup>th</sup>, the arena operations incurred a Net Operating Loss of \$4.864M, which was \$1.105M under budget. The shortfall vs budget was because the budget anticipated a return to full capacity events in the 4<sup>th</sup> quarter of the Fiscal Year, which did not come to fruition because of the COVID-19 pandemic.

For the month of July, we hosted 4 revenue producing events, including Jeff Dunham, WWE Supershow, and the Louisville F&B Fest. The facility incurred a loss of \$256,000 which was \$231,000 better than budget, since the events we hosted were not anticipated in the budget. The rolling forecast for the Fiscal Year ending June 30<sup>th</sup>, 2022, is currently projecting a Net Operating Profit of \$120,000 and would be \$408,000 better than the budgeted amount, primarily due to the events hosted in the 1st quarter of this new Fiscal Year.

Mr. Jokovich reviewed the Year End Settlement between ASM Global and the Louisville Arena Authority, which is a reconciliation of the advance funding received by ASM Global and the reported Net Operating Loss for the Fiscal Year ending 6/30/21 and represents a balance due of \$912,679. The Finance Committee has made a motion to approve the 20/21 ASM Global – LAA Settlement, and since it comes from a committee it does not require a second. The motion passed unanimously with no abstentions.

Ms. Sandra Moran provided the Board with a marketing and events update. Ms. Moran noted that the arena is getting busy once again. This past weekend, the arena hosted Michael Bubl , which was the first concert that required proof of vaccination or a negative test to attend the event. Pre-

screening was provided on the plaza on Friday and Saturday before the event, along with free testing. The tour was very happy with the event and there was not any negative feedback during the event on this process from our fans. Currently no other shows on our calendar are requiring this.

This fall we will be hosting the Pepsi Plaza Concert Series, which include free concerts on the plaza during September and October. The 4-part series will include local and regional artists, local food trucks, roving entertainment, and giveaways.

Ms. Moran announced that the arena will be celebrating its 11-year anniversary this year, in lieu of the inability to celebrate the 10-year anniversary last year because of the pandemic. To celebrate this special occasion, fans can expect an 11-part concert and event series, 11 special community events and 11 themed contests and giveaways throughout the year. The concerts and events kickoff with the Lil Baby concert.

Ms. Moran gave an update on the capital projects that are ongoing at the arena, which include LED/Video upgrades, new audio equipment and carpet throughout the entire facility. The projects began in June and are expected to be completed this fall. Lastly, Ms. Moran reviewed the upcoming events at the KFC Yum! Center.

#### **DISCUSSION ITEM: EXECUTIVE SESSION**

Mr. Egan noted that the Board will go into executive session to have discussions regarding business entities, and that open discussions could jeopardize the retention, expansion or upgrading of the business, citing KRS 61.810(G). A motion was made President David James, to move into executive session, seconded by Mr. Seger. The motion passed unanimously with no abstentions, and the Board moved into executive session.

#### **DISSUSSION ITEM: General Counsel Update – C. Edward Glasscock**

Mr. Glasscock had no new information to report.

#### **DISCUSSION ITEM: New Business/Old Business – Chair Geoghegan**

There were no new business or old business items discussed.

After a call for any further business, which there was none, Chair Geoghegan adjourned the meeting at approximately 9:50am.

Respectfully submitted,  
Yvette Gentry