



louisville arena authority

Board of Directors Meeting
July 12th, 2021
9:00 a.m. EST
KFC Yum! Center Spirit Room

DRAFT MINUTES

Directors in Attendance: Mr. Mark Blaney, Ms. Yvette Gentry, Mr. Michael Jones, Mr. Thomas Liston, Mr. Darrin McCauley, Mr. Andrew Owen, Mr. Steve Rowland, Ms. Nicole Yates, Ms. Genevieve First (on behalf of President David James), Vice Chair Louie Seger

Directors Absent: Mr. John Hodgson, Mr. Don Parkinson, Mr. Dale Romans, Ms. Larissa Reece, Mr. Deepak Tiwari, Chair Leslie Geoghegan

Consultants and Staff: Mr. Justin Jokovich, KFC Yum! Center Sr. Finance Director; Mr. Charles Wilkerson, KFC Yum! Center Marketing Specialist, Mr. C. Edward Glasscock, General Counsel; Ms. Kelly Mrcic, Baird Financial

Welcome: Vice Chair Seger

Roll was called by Justin Jokovich at 9:08 AM

Vice Chair Seger declared a quorum and convened the meeting.

DISCUSSION ITEM: Acceptance of the May 10th and May 27th, 2021 – Vice Chair Seger

The board reviewed the minutes. A motion was made by Mr. Blaney 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, July 9th. Mr. Liston asked Ms. Kelly Mrcic Baird Financial, to give a summary of the Finance Report. Ms. Mrcic noted that the last month we hosted a special meeting to approve the 2020 Calendar Year Audit, and this was filed in a timely manner to meet the bond covenants and they were also provided to the bond rating agencies. Ms. Mrcic noted that we anticipate having updating rating agency reports at the next board meeting. On June 1st, the Authority made their debt service payment of \$8.43M, which was interest only. The next payment in December will include principal and interest, for a total of \$12.1M.

ARENA OPERATIONS UPDATE: Justin Jokovich, Sr. Director of Finance

Mr. Jokovich reviewed the April and May monthly financial statements for ASM Global. In the month of April, we hosted 3 events, included two Mike Epps and 1 Louisville Xtreme game. The Arena incurred a net operating loss for the month of April of \$250,000, which was less than budgeted loss by \$107,000 for the month. The negative variance was largely due to the event count variance to budget, as the budget anticipated to host Disney on Ice this month. For the month of May, we hosted 4 revenue producing events and the facility incurred a loss of \$373,000 which was \$444,000 less than budget, also driven by the negative variance to event count vs budget. Year to Date through the first eleven months of the of the Fiscal Year the facility operations has incurred a Net Operating Loss of \$4.3M, which is \$729k less than budget thus far, largely due to negative variance of Net Event Revenue. The rolling forecast for the Fiscal Year ending June 30th, 2021, is currently projecting a Net Operating Loss of \$4.954M and is \$1.2M less than the budgeted amount. As mentioned in previous meetings, the budgeted events for the 4th quarter of the Fiscal Year did not come to fruition as we had anticipated.

Mr. Charles Wilkerson provided a marketing and events update. Mr. Wilkerson noted that we no longer have any capacity restrictions and can host events at 100% allowable attendance capacity. While restrictions are loosening, we will continue to follow updated CDC and Commonwealth of Kentucky guidelines. Additionally, the venue will continue to follow some VenueShield policies with additional cleaning and sanitation, plexiglass barriers at points of sale, clear bag policy and social distancing where possible.

Mr. Wilkerson noted that we will host our first touring event since returning to full capacity on July 17th with Jeff Dunham, and the first concert since the pandemic began, on July 17th with Keith Sweat. The University of Louisville Men's and Women's Basketball has announced that their events will be at 100% capacity this season.

Community Events are also returning to the KFC Yum! Center. In June, Robbie Valentine hosted two basketball camps. In July, the facility hosted 3 days of blood drives in a partnership with the American Red Cross. In late Summer and early Fall, a free concert series will begin on the outdoor Pepsi Plaza. This series will be a 4-part event, which include local and regional artists, and offer VIP experiences for select guests.

On June 17th, we hosted the Sip and Savor Bourbon and Dining Experience. The evening featured cocktails, a bourbon tasting, and a savory 4-course meal led by Rabbit Hole Ambassador Adam Edwards.

Since our last meeting, we have announced 7 upcoming events, including Lil Baby and Billie Eilish, which was the first post-pandemic event to sell out the arena. The arena had 3 events go on-sale on the same day for the first time in history, which were WWE, Gold Over America Tour and the R&B Music Festival. Lastly, Mr. Wilkerson reviewed all upcoming events on the schedule.

DISCUSSION ITEM: EXECUTIVE SESSION

Mr. Glasscock 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 by Mr. Seger to move into executive

session, seconded by Mr. Liston. The motion passed unanimously with no abstentions, and the Board moved into executive session.

DISCUSSION ITEM: APPROVAL OF HIRING A FOOD AND BEVERAGE CONSULTANT

Upon returning from Executive Session, Mr. Liston asked if there is a motion to authorize Chair Geoghegan to evaluate and hire a consultant to help advise the board and committees as it relates to the food and beverage contract. The motion was made by Ms. Gentry, and seconded by Mr. Seger. The motion passed unanimously with no abstentions.

DISCUSSION ITEM: APPROVAL OF ASM GLOBAL FUNDING REQUEST

Mr. Liston brought forward the Finance Committee's motion to accept the funding request from ASM Global, for operating expenses for July and June, total \$619,571. Since the motion comes from a committee, it does not require a second. The motion passed unanimously with no abstentions.

DISSUSSION ITEM: General Counsel Update – C. Edward Glasscock

Mr. Glasscock had no new information to report.

DISCUSSION ITEM: New Business/Old Business – Vice Chair Seger

There were no new business or old business items discussed.

After a call for any further business, which there was none, Vice Chair Seger adjourned the meeting at approximately 9:55am.

Respectfully submitted,
Yvette Gentry