



## louisville arena authority

### **Board of Directors Meeting**

**March 8, 2021**

**9:00 a.m. EST**

**KFC Yum! Center**

### **DRAFT MINUTES**

**Directors in Attendance via Zoom videoconference:** Mr. Mark Blayney, Ms. Yvette Gentry, Mr. Michael Jones, Mr. Thomas Liston, Mr. Darrin McCauley, Mr. Timothy Mulloy, Mr. Andrew Owen, Mr. Don Parkinson, Ms. Larissa Reece, Mr. Dale Romans, Vice Chair Louie Seger, Chair Leslie Geoghegan

**Directors Absent:** Mr. Steve Rowland, Mr. Deepak Tiwari, Metro Council President David James (ex-officio)

**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 Director, Mr. C. Edward Glasscock, General Counsel; Mr. John Egan, General Counsel; Mr. Chip Sutherland, Baird Financial

**Welcome: Chair Geoghegan**

Chair Geoghegan declared a quorum and convened the meeting.

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

**DISCUSSION ITEM: Acceptance of the January 11<sup>th</sup>, 2021 Minutes – Chair Geoghegan**

The board reviewed the minutes. A motion was made by Mr. Hodgson to approve the minutes. Seconded by Mr. Blaney, as amended by recognizing Mr. Mulloy was present. The motion passed unanimously with no abstentions.

**FINANCE COMMITTEE REPORT: Chair Geoghegan**

Chair Geoghegan asked Mr. Chip Sutherland, Baird Financial, to give a summary of the Finance Report. Mr. Sutherland noted that Baird, alongside ASM Global, hosted a Board Member training session for Ms. Gentry, Mr. Tiwari, and Mr. Seger last week. Mr. Sutherland noted that the next Moody's rating report is expected to be released by the next board meeting, and there is no expectation of a rating adjustment at this time.

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

Mr. Jokovich reviewed the December and January monthly financial statements. In the month of December, we hosted 8 events. The Arena incurred a net operating loss for the month of December of \$475,000, which was slightly better than budget by \$4,000 for the month. For the month of January, we hosted 12 revenue producing events and the facility incurred a loss of \$292,000 which was \$48,000 less than budget. The negative variance to budget for the month of January is largely because the budgeted expectation for allowable attendance capacity was higher than current restriction of 15%. Year to Date through the first seven months of the of the Fiscal Year the facility operations has incurred a Net Operating Loss of \$2.9M, which is \$113k better than budget thus far. The rolling forecast for the Fiscal Year ending June 30<sup>th</sup>, 2021, is currently projecting a Net Operating Loss of \$4.839M and is \$1.081M less than the budgeted amount. As mentioned at the last meeting, our expectations for events for the 4<sup>th</sup> quarter of the Fiscal Year have been updated, and we do not anticipate full capacity events to return by April as previously budgeted. Included in the forecast are the recently announced upcoming events Mike Epps and the Professional Bull Riders.

Ms. Sandra Moran provided an events and community engagement update. Ms. Moran noted that we wrapped up the University of Louisville basketball season this past weekend and hosted 22 basketball games throughout the season. 10 Men's basketball games and 9 Women's basketball games were nationally televised. Governor Beshear recently announced an increase allowable capacity from 15% to 25%, and this was in affect at the Men's Basketball game March 6<sup>th</sup> vs Virginia.

Ms. Moran noted there has been a lot of media coverage about the recent event announcements, including a new 3-year lease agreement with the Louisville Xtreme arena football team. The Xtreme will play 8 home games this season beginning in April and through July. Additionally, the first touring show since the pandemic began is returning to the arena on March 27<sup>th</sup> and March 28<sup>th</sup> with the Professional Bull Riders tour. The recently announced Mike Epps show was met with such great demand that a second show was added. Fan reaction and ticket sales have been very positive for both events. VenueShield will be implemented at these events including temperature checks, mask requirements, limited capacity, and pod seating.

Ms. Moran provided an update to the Yum! Brand signage project, as a part of their renewal agreement included updating some of their signage throughout the building and on the exterior of the building. The restaurant logos on the east end of the building will be replaced with their updated logos, and all the Yum! concession stands will be updated as well. Lastly, Ms. Moran presented the schedule of upcoming events.

Mr. Seger asked how the attendance and food and beverage sales were at the last Men's basketball game. Mr. Granger answered that we were close to selling out the additional tickets that were made available due to the increased capacity. Mr. Granger noted that the food and beverage sales on a per person basis were consistent with the current season sales. Mr. Granger also mentioned that we are working hard on the capital projects for this summer, and the RFP process has begun. The projects, including the new scoreboard, should all be completed by the end of August.

## **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 by Mr. Seger to move into executive session, seconded by Mr. Mulloy. 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: APPROVAL OF ASM GLOBAL FUNDING REQUEST**

Chair Geoghegan brought forward the Finance Committee’s motion to accept the funding request from ASM Global, for operating expenses for March and April, totaling \$751,838. A motion was made by Mr. Owen and seconded by Mr. Parkinson. The motion passed unanimously with no abstentions.

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

After a call for any further business, which there was none, Chair Geoghegan adjourned meeting at approximately 9:34am.

Respectfully submitted,  
Eric Granger