



louisville arena authority

**Board of Directors Meeting
January 14, 2019
9:00 a.m. EST
KFC Yum! Center**

MINUTES

Directors in Attendance: Mr. Larry Bond, Mr. Jack Dulworth, Mr. Rick Guillaume, 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 James (ex-officio), Vice Chairman William Summers V, Chairman Scott Cox

Directors Absent: Ms. Leslie Geoghegan, Mr. Michael Houlihan

Consultants and Staff: Mr. Eric Granger, KFC Yum! Center General Manager, Mr. John Egan, General Counsel

Welcome: Chairman Cox

Chairman Cox declared a quorum and convened the meeting.

DISCUSSION ITEM: Acceptance of the November 12, 2018 Board Meeting Minutes – Chairman Cox

Vice Chairman Summers moved to accept the minutes of the November 12, 2018 Louisville Arena Authority meeting. The motion was seconded by Mr. Rick Guillaume and the motion passed unanimously with no abstentions.

DISCUSSION ITEM: Finance Report – Vice Chairman Summers

Vice Chairman Summers introduced Kelly Mrsic of Hilliard Lyons who provided the Finance Report.

Ms. Mrsic updated the board on the debt service payment made on December 1, 2018. This was the second payment on the 2017 bond issue and was an interest only payment of \$8.4 million.

S&P published their annual credit rating report in late December 2018 and affirmed the A- rating. Moody's report is anticipated to arrive early to mid-February.

As the Louisville Arena Authority is on a December 31 calendar year, Ms. Mrsic informed the board it is time to start preparing for the annual audit. Investors will need a copy of the audit by the end of May. The finance committee will review the audit and present it to the full board at a future meeting.

DISCUSSION ITEM: AEG Management Update – Eric Granger

Chairman Cox informed the board of Mr. Granger's one-year anniversary as General Manager of the arena and thanked him for his dedication and hard work over the previous year.

Mr. Justin Jokovich, Senior Director of Finance, provided the AEG Financial update for the months of October and November 2018. In October, the arena hosted 8 events including 2 University of Louisville Men's Basketball Games, WWE Live, Fleetwood Mac, Keith Urban, Elton John and 2 meetings/banquets. The income statement for the period ending October 31, 2018 resulted in a net operating profit of \$514,354, which was \$20,000 under budget for the month. Mr. Jokovich noted this was the most profitable October in the history of the arena.

For the month of November, the arena hosted 12 events including 5 University of Louisville Men's Basketball Games, 2 University of Louisville Women's Basketball Games, Louisville Soul Music Festival, Lynyrd Skynyrd, Travis Scott and 2 meetings/banquets. The income statement for the period ending November 30, 2018 resulted in a net operating profit of \$520,048, which was \$28,435 ahead of budget for the month. Year to date, the arena is operating at a net operating profit of \$926,584, which is \$122,719 ahead of budget.

According to the Rolling Forecast for the 2018-19 fiscal year (as of the period ending November 30, 2018) AEG is projecting a net operating profit of \$1.795 million, which is \$35,000 above budget for the year and \$295,000 above the performance expectation of the Louisville Arena Authority.

Ms. Sandra Moran, Director of Marketing, provided a year in review for the 2018 calendar year.

KFC Yum! Center hosted 117 events in 2018, including 24 concerts/comedy shows, 9 family shows, 40 sporting events and 44 meetings/banquets. 925,888 people attended KFC Yum! Center's ticketed events in 2018.

Ms. Moran reviewed the full list of concerts and comedy shows hosted in 2018 including 8 sold out concerts: Kid Rock, Pink, Maroon 5, Martin Lawrence, Elton John, Louisville Soul Music Festival, Travis Scott and Bob Seger. KFC Yum! Center had the most tickets sold for a single event on the entire tour for Kid Rock, Pink, and Elton John.

Ms. Moran informed the board of various ways KFC Yum! Center gave back to the community during the holidays. The KFC Yum! Center hosted a winter weather drive at the University of Louisville men's game on November 27th and the women's game on November 29th. Fans donated close to 1,200 items which were delivered to the homeless through several local charities. The University of Louisville hosted their annual toy drive in partnership with UL Athletics CardsCARE program and Kyle's Korner for Kids. More than 800 new toys were collected at the men's game on December 12th and donated to Norton Children's Hospital and Home of the Innocents. On December 20th, KFC Yum! Center staff members prepared and served a meal for approximately 400 people at Wayside Christian Mission.

Ms. Moran updated the board on the growth of the arena's marketing assets and shared the top social media posts from 2018 which include show announcements for Backstreet Boys, Elton John and Bob Seger.

Ms. Moran concluded her report with a review of upcoming shows announced for 2019 and noted the arena currently has more shows on sale at one time than any other point in its history.

DISSUSSION ITEM: General Counsel Update – John Egan

Mr. Egan informed the board of ongoing discussions with Yum! Brands with regard to extending the naming rights agreement.

DISCUSSION ITEM: New Business/Old Business – Chairman Cox

No other business to come before the Authority, the meeting was adjourned at approximately 9:24 a.m.

Respectfully submitted,
Lauren Annan