



louisville arena authority

Board of Directors Meeting

March 12, 2018

9:00 a.m. EST

KFC Yum! Center

MINUTES

Directors in Attendance: Mr. Larry Bond, Ms. Leslie Geoghegan, Mr. Rick Guillaume, 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), Chairman Scott Cox

Directors Absent: Mr. Jack Dulworth, Mr. Michael Houlihan, Ms. Alice Houston, Vice Chairman William Summers V

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

Welcome: Chairman Cox

Chairman Cox declared a quorum and convened the meeting.

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

Mr. Darrin McCauley moved to accept the minutes of the February 12, 2018 Louisville Arena Authority meeting. The motion was seconded by Ms. Lindy Street and the motion passed unanimously with no abstentions.

DISCUSSION ITEM: Finance Report – Chairman Cox

Chairman Cox introduced Mr. Chip Sutherland of Hilliard Lyons who provided the finance report.

Mr. Sutherland informed the board of fund balances with Regions Bank and Stock Yards Bank and discussed the opportunity to earn interest on these funds. Mr. Sutherland noted Hilliard Lyons will research options with regard to how the funds can be invested and will make recommendations to the board.

DISCUSSION ITEM: AEG Management Update

Mr. Justin Jokovich, Senior Director of Finance, provided the AEG Financial update for the months of December 2017 and January 2018. In December, the facility hosted 15 events including 6 University of Louisville Men's Basketball Games, 4 University of Louisville Women's Basketball Games, Janet Jackson and 2 meetings/banquets. The income statement for the period ending December 31, 2017 resulted in a net operating profit of \$690,953; \$111,993 short of budget for the

month. Mr. Jokovich noted the negative variance was due to budgeting for two concerts in the month of December and only hosting one.

For the month of January, the facility hosted 14 events including 4 University of Louisville Men's Basketball Games, 5 University of Louisville Women's Basketball Games, Harlem Globetrotters, Kid Rock and 2 meetings/banquets. The income statement for the period ending January 31, 2018 resulted in a net operating profit of \$158,736; \$48,837 below budget for the month. Year to date, the arena is operating at a net operating profit of \$1.886 million; \$200,095 over budget.

According to the Rolling Forecast for the 2017-18 fiscal year (as of the period ending January 31, 2018) AEG is projecting a net operating profit of \$1.608 million.

Ms. Sandra Moran, Director of Marketing, provided an event update.

Ms. Moran reviewed upcoming concerts, comedy shows and family shows and discussed other upcoming events including the Together for the Gospel Conference, Taste of Derby and University of Louisville Commencement ceremonies.

Ms. Moran informed the board that KFC Yum! Center will host the first round of the National Invitation Tournament on Tuesday, March 13, 2018. The University of Louisville will play Northern Kentucky University. KFC Yum! Center could host second and third round NIT games depending on the team's performance.

In addition to the NIT, KFC Yum! Center will likely host the NCAA Women's Basketball 1st and 2nd rounds. Games will be played either March 16 & 18 or March 17 & 19. Game locations and times will be announced during Selection Monday.

Ms. Moran informed the board of various opportunities for the community to attend Thunder Over Louisville at KFC Yum! Center. This year, KFC Yum! Center has partnered with Greater Louisville Inc., Louisville Business First, Leadership Louisville and News & Tribune on a new networking event - Thunder Business Boom. Additional events include Thunder Over Louisville VIP Viewing Party and Garage Party. Tickets for all Thunder Over Louisville events at KFC Yum! Center can be purchased on the arena's website.

DISSUSSION ITEM: General Counsel Update – C. Edward Glasscock

Mr. Glasscock introduced Mr. John Egan who updated the board on various open records requests received by the Louisville Arena Authority.

DISCUSSION ITEM: New Business/Old Business – Chairman Cox

Chairman Cox informed the board of a pending bill which would shift the Louisville Arena Authority under the Executive Branch subjecting the Authority to the Ethics Commission guidelines. Additionally, the bill would disband the board and require new appointments from the Governor and Mayor. Members who have served four years or more would not be eligible for reappointment. Mr. Egan added that if the bill passes, members would be required to provide detailed financial statements.

Following an executive session, Chairman Cox stated no action would be taken on matters discussed.

No other business to come before the Authority, the meeting was adjourned at approximately 9:36 a.m.

Respectfully submitted,
Lauren Helms