



## louisville arena authority

**Board of Directors Meeting**  
**November 13, 2017**  
**9:00 a.m. EST**  
**KFC Yum! Center**

### MINUTES

**Directors in Attendance:** Mr. Larry Bond, Mr. Jack Dulworth, Ms. Leslie Geoghegan, Mr. Rick Guillaume, Ms. Deborah King, Mr. Stuart Ray, Mr. Joe Reeves, Mr. Steve Rowland, Mr. Jeff Spalding, Ms. Lindy Street, Metro Council President David Yates (ex-officio), Vice Chairman William Summers V, Chairman Scott Cox

**Directors Absent:** Mr. Michael Houlihan, Ms. Alice Houston, Mr. Darrin McCauley

**Consultants and Staff:** C. Edward Glasscock, General Counsel

**Welcome: Chairman Cox**

Chairman Cox declared a quorum and convened the meeting.

**DISCUSSION ITEM: Acceptance of the September 11, 2017 Board Meeting Minutes – Chairman Cox**

Mr. Jack Dulworth moved to accept the minutes of the September 11, 2017 Louisville Arena Authority meeting. The motion was seconded by Vice Chairman Summers and the motion passed unanimously with no abstentions.

**DISCUSSION ITEM: Finance Report – Vice Chairman Summers**

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

Mr. Sutherland provided an update on the schedule of the bond refinancing. The bonds are scheduled to be priced on December 5, 2017.

Mr. Sutherland informed the board that the finance committee approved the budget for the upcoming calendar year and noted the budget does not take into account the refinancing. With a successful refinancing, a new budget will be presented to the finance committee for approval and will include the new debt service payments.

Chairman Cox informed the board of the meetings recently held with rating agencies Moody's and S&P. He noted the ratings should be received by the end of the week.

Vice Chairman Summers requested a motion to approve the budget for the upcoming calendar year and mentioned the potential amendments to the budget following the refinancing. He noted the finance committee recommended approval of the budget to the full board. Mr. Rick Guillaume moved to approve the budget. The motion was seconded by Mr. Jack Dulworth and the motion passed unanimously.

**DISCUSSION ITEM: AEG Management Update**

Mr. Justin Jokovich, Senior Director of Finance, provided the AEG Financial update for the months of August and September 2017. In August, the facility hosted 6 events including James Taylor and 5 meetings/banquets. The income statement for the period ending August 31, 2017 resulted in a net operating loss of \$344,316, which was \$19,139 better than budget for the month.

For the month of September, the facility hosted 6 events including Ed Sheeran, Bryson Tiller, Bruno Mars, Thomas Rhett and 2 meetings/banquets. The income statement for the period ending September 30, 2017 resulted in a net operating profit of \$632,548, which was \$212,662 better than budget for the month.

Year to date, the arena is operating at a net operating loss of \$142,132, which is \$240,441 better than budget. Mr. Jokovich noted that due to strong financial months October-December, the operating loss will switch to a strong positive number.

According to the Rolling Forecast for the 2017-18 fiscal year (as of the period ending September 30, 2017) AEG is projecting a net operating profit of \$1.72 million, which is roughly \$200,000 over the minimum guarantee to the Louisville Arena Authority.

Ms. Sandra Moran, Director of Marketing, provided an update on venue recognition and upcoming events.

In October, Pollstar released their 3<sup>rd</sup> Quarter rankings of the top 200 venues in the world based on ticket sales. KFC Yum! Center ranked 19<sup>th</sup> in the nation and 40<sup>th</sup> in the world. Ms. Moran provided a comparison of the rankings for other venues in the region including US Bank Arena (26<sup>th</sup> nation, 51<sup>st</sup> world) and Bankers Life Fieldhouse (52<sup>nd</sup> nation, 94<sup>th</sup> world) and noted KFC Yum! Center outperforms other venues in the region.

Pollstar also released its Top 10 World Tours, based on ticket sales August-October 2017. KFC Yum! Center has hosted 5 of the Top 10 tours which include Guns N' Roses, Lady Gaga, Bruno Mars, Roger Waters and Ed Sheeran.

Ms. Moran informed the board that KFC Yum! Center was nominated by Homeland Security as one of five arenas in the nation to participate in CREATE's Soft Target Security Study for the venue's security enhancements over the last three years, including the installation of metal detectors. Data from the study will be used to identify improvements to security measures as well as identify how to implement measures already in place to other venues.

Ms. Moran concluded her report with an update on upcoming shows. Janet Jackson is headlining her first tour at the KFC Yum! Center in December. Kid Rock is the first artist to headline four shows at the KFC Yum! Center with his upcoming concert on January 20, 2018. The Harlem

Globetrotters will host two games in 2018 for the first time since 2014. Other upcoming events for 2018 include Luke Bryan, Pink, Jeff Dunham, Shania Twain and Maroon 5.

Mr. Brian Gaskill, General Manager for Centerplate, provided an update on rebranded concession stands and new menu offerings for the upcoming season. Two stands on the suite level and one stand on the upper concourse will be rebranded to Triple B Bourbon Barrel BBQ and Triple B Bourbon Barrel Burgers. These new concepts will be available to patrons starting December 1, 2017. Four stands on the main concourse will be rebranded to Burgers & Sausage, Deli & Healthy Fare and Sweets & Treats. Additionally, Centerplate has introduced a new premium box menu and an enhanced suite menu.

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

Mr. Glasscock informed the board that the team has been working on the bond refinancing and had nothing new to report.

**DISCUSSION ITEM:           New Business/Old Business – Chairman Cox**

Following an executive session, Chairman Cox requested a motion to adopt a resolution authorizing issuance of refunding bonds and related actions. Mr. Rick Guillaume moved to adopt the resolution. The motion was seconded by Ms. Leslie Geoghegan and the motion passed unanimously.

Additionally, a motion was requested to approve a settlement of \$10,000 in the RAM litigation. Mr. Joe Reeves moved to approve the settlement. The motion was seconded by Vice Chairman Summers and the motion passed unanimously.

No other business to come before the Authority, the meeting was adjourned at approximately 9:45 a.m.

Respectfully submitted,  
Lauren Helms