



louisville arena authority

**Board of Directors Meeting
September 10, 2018
9:00 a.m. EST
KFC Yum! Center**

MINUTES

Directors in Attendance: Mr. Larry Bond, Mr. Jack Dulworth, Ms. Leslie Geoghegan, Mr. Rick Guillaume, Mr. Michael Houlihan, Ms. Alice Houston, 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

Directors Absent: Ms. Deborah King, Chairman Scott Cox

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

Welcome: Vice Chairman Summers

Vice Chairman Summers declared a quorum and convened the meeting.

DISCUSSION ITEM: Acceptance of the July 16, 2018 Board Meeting Minutes – Vice Chairman Summers

Mr. Jack Dulworth moved to accept the minutes of the July 16, 2018 Louisville Arena Authority meeting. The motion was seconded by Ms. Alice Houston 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 informed the board of the continuing work on the investment policy. The Finance Committee is currently refining the policy and it will be presented to the full board at the November meeting.

The Finance Committee is also preparing a budget for the board to consider at the November meeting. The budget will be for the upcoming calendar year, beginning on January 1. Mr. Sutherland noted one of the key components of the budget is the TIF number, which is expected in late September or early October, and will include the increment financing from January 1, 2017 thru December 31, 2017.

Mr. Sutherland concluded his report by informing the board the Louisville Arena Authority will have to report annually to the Capital Projects and Bond Oversight Committee as part of the agreement with the new bond refinancing.

DISCUSSION ITEM: AEG Management Update – Eric Granger

Mr. Justin Jokovich, Senior Director of Finance, provided the AEG Financial update for the months of June and July 2018. June was the final month of the 2017-18 fiscal year. The arena hosted 117 events during the fiscal year including 22 concerts, 4 family shows, 5 Feld shows, 23 men’s basketball games, 17 women’s basketball games, 6 sporting events, 29 meetings/banquets, and 11 other events. In June, the facility hosted 4 events. The income statement for the fiscal year ending June 30, 2018 resulted in a net operating profit of \$1.766 million, which was \$87,471 better than budget for the year and \$266,000 better than the performance expectation that AEG must deliver to the Arena Authority annually.

For the month of July, the facility hosted 8 events including Journey & Def Leppard, Shania Twain, Smashing Pumpkins, Sugarland, Rod Stewart and 3 meetings/banquets. The income statement for the period ending July 31, 2018 resulted in a net operating profit of \$244,530. Mr. Jokovich noted this was the most profitable July since the arena opened.

According to the Rolling Forecast for the 2018-19 fiscal year (as of the period ending July 31, 2018) AEG is projecting a net operating profit of \$1.761 million, which is consistent with budget at this point.

Mr. Eric Granger, General Manager provided an arena operations update. Mr. Granger informed the board of the busiest July in arena history with 5 concerts. A strong concert schedule is taking shape for the current fiscal year, with more concerts confirmed at this point in the fiscal year than any previous year in the arena’s history. Mr. Granger noted more concerts will be confirmed once the final basketball schedules are released.

As the season approaches, a major focus area for the arena is fan experience. Prior to the first basketball game on October 28th, Centerplate will unveil new concession stand concepts with more locally sourced and healthier options, along with value combos. A new bar location will open on the west side of the arena, and a new suite menu will include better options for “event day” purchases.

To further enhance the guest experience, the arena has conducted several job fairs to increase its operations and event staff and will revamp its training programs to ensure absolute premier customer service. New programs will be announced soon which will enhance the guest experience for all fans.

Operationally, general and detailed cleaning are taking place to prepare for the upcoming season. The new stage is scheduled for delivery in a few weeks and will be used for the first time at Martin Lawrence on September 29th.

Mr. Granger concluded his report by informing the board of the recent participation of several staff members in Habitat for Humanity.

DISSUSSION ITEM: General Counsel Update – C. Edward Glasscock

Mr. Glasscock informed the board there was nothing new to report.

DISCUSSION ITEM: New Business/Old Business – Vice Chairman Summers

No other business to come before the Authority, the meeting was adjourned at approximately 9:18 a.m.

Respectfully submitted,
Lauren Annan