



## louisville arena authority

### **Board of Directors Meeting**

**August 12, 2013**

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

**KFC YUM! Center**

### **MINUTES**

**Directors in Attendance:** Mr. Eric Gunderson, Mr. Michael Houlihan, Ms. Alice Houston, Mr. Lee Kirkwood, Mr. Tim Mulloy, Mr. Steve Rowland, Ms. Lesa Seibert, Ms. Maura Temes, Mr. Dan Ulmer, Vice Chairman William Summers V, Chairman Larry Hayes

**Directors Absent:** Mr. Andrew Beshear

**Directors Present via telephone:** Metro Council President Jim King (Ex Officio), Ms. Lindy Street

**Consultants and Staff:** Mr. Ed Glasscock, General Counsel; Mr. Dennis Petruzzo, KFC YUM! Center General Manager

**Welcome:** **Chairman Hayes**

Chairman Hayes declared a quorum and convened the meeting.

**DISCUSSION ITEM:** **Acceptance of the July 15, 2013 Board Meeting Minutes – Chairman Hayes**

Ms. Seibert moved to accept the minutes of the July 15, 2013 Arena Authority Meeting. The motion was seconded by Mr. Gunderson and the motion passed unanimously with no abstentions.

**DISCUSSION ITEM:** **Presentation of Financial Statements –Vice Chairman Summers**

Vice Chairman Summers initiated the finance update by introducing Alex Rorke with Hilliard Lyons. Mr. Rorke noted that the Board is awaiting the release of the TIF district report; he anticipates these numbers will be released in September. Mr. Rorke concluded his financial update by noting that Crowe Horwath will report on the Louisville Arena Authority's tax return at the September board meeting.

**DISCUSSION ITEM:** **AEG Management Update- Dennis Petruzzo**

Justin Jokovich provided the AEG Financial Update for the month of June and the fiscal year end. The facility hosted three concerts during the month of June; including Mary J Blige, sold out One Direction, New Kids on the Block and Cirque Du Soleil. Mr. Jokovich noted that the arena hosted 138 events this fiscal year; twelve over their original budgeted event total of 126 events. The month of June produced a net operating profit of \$288,711.

Mr. Jokovich informed the board that AEG produced a 2012/2013 net operating profit of \$2,137,836; with the amount due from AEG to LAA \$839,156 (please view attached financial documents for additional information). Mr. Hayes noted the difficulty in comparing the year end management numbers of the Kentucky State Fairboard (KSFB) during their tenure to AEG Management as the year end numbers are not representative of the same cost factors.

Dennis Petrullo presented the Pollstar 2013 Mid-Year Worldwide Ticket Sales rankings. In 2012, the KFC Yum! Center ranked 65<sup>th</sup> in the world and 31<sup>st</sup> in the US in ticket sales. In the 2013 Mid-Year Rankings, the KFC Yum! Center ranked 39<sup>th</sup> in the world and 14<sup>th</sup> in the nation. The KFC Yum! Center ranked ahead of many notable arenas in the 2013 Year End Rankings; such as the American Airlines Center, Dallas, Amway Center, Orlando, Time Warner Cable Arena, Charlotte, and the United Center, Chicago. In addition, the KFC Yum! Center played host to seven of the top 10 Worldwide Tours; such as 1. Bon Jovi, 2. Bruce Springsteen & The E Street Band, 5. Justin Bieber, 6. P!nk, 8. Taylor Swift, 9. Fleetwood Mac, 10. Beyonce.

Mr. Petrullo concluded his discussion by reviewing future conventions that have been booked at the arena. He noted the importance of developing a partnership with the Louisville Convention and Visitors Bureau to fill the gaps in off season scheduling. Mr. Petrullo also highlighted that AEG is working with the Louisville Sports Commission to bring in a variety of NCAA events to Louisville and the KFC Yum! Center such as the NCAA Wrestling Championship.

**DISSUSSION ITEM:           General Counsel Update –Chairman Hayes**

Chairman Hayes introduced Mr. Ed Glassock, who reported that there is no new business to report.

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

Ms. Houston inquired about the diversity of the AEG Management staff in regards to the Louisville Arena Authority's affirmative action policy. Mr. Petrullo informed the board he would provide a diversity presentation at the next board of directors meeting.

Mr. Hayes motioned for the Louisville Arena Authority to go into Executive Session. When the meeting reconvened Chairman Hayes authorized the Executive Committee to enter into an Agreement with respect to current litigation involving environmental issues. This action will be carried out by Frost, Brown, Todd. The motion was moved by Dr. Ulmer. The motion was seconded by Mr. Summers and the motion passed unanimously with no abstentions.

No other business to come before the Authority, the meeting was adjourned at approximately 9:50 a.m.

Respectfully submitted,  
Amelia Priest