



# louisville arena authority

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**Board of Directors Meeting  
February 11, 2013  
9:00 a.m. EST  
KFC YUM! Center**

## MINUTES

**Directors in Attendance:** Mr. Andrew Beshear, Mr. Michael Houlihan, Mr. Lee Kirkwood, Mr. Tim Mulloy, Ms. Lesa Seibert, Ms. Maura Temes, Vice Chairman William Summers V

**Directors Absent:** Mr. Eric Gunderson, Ms. Alice Houston, Metro Council President Jim King (Ex Officio), Ms. Lindy Street, Mr. Dan Ulmer, Chairman Larry Hayes.

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

**Welcome:** Vice Chairman Summers

Vice Chairman Summers established the absence of a quorum.

**DISCUSSION ITEM: Acceptance of the January 14, 2013 Board Meeting Minutes –Vice Chairman Summers**

The Minutes of the January 14, 2013 were reviewed but were not passed due to the absence of a quorum.

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

Vice Chairman Summers introduced Mr. Alex Rorke with Hilliard Lyons, the Arena Authority's financial advisor. Mr. Rorke stated that the recurring goal of Hilliard Lyons in their role as financial advisor is to maintain the current Standard & Poor's investment grade rating and to re-obtain Moody's investment grade rating; as well as take advantage of (comparatively speaking) low interest rates as the Arena Authority approaches the 2016 bond call dates.

Mr. Rorke underscored the favorable feedback Hilliard Lyons received from Assured Guaranty at a meeting last month regarding the tremendous performance of the arena from an operational and performance standpoint. Mr. Rorke concluded that all of these factors continue to assemble in a positive direction.

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

Mr. Jokovich, Finance Director at the KFC Yum! Center provided the AEG Financial Update for the month of December. The facility hosted seventeen successful events during the month of December; including Dave Mathews Band, NCAA Women's Volleyball Final Four, Under Armour High School Volleyball All-Stars, four University of Louisville Men's basketball games, and five University of Louisville Women's basketball games. The University of Louisville Men's Basketball game versus the University of Kentucky in December produced the highest grossing Men's Basketball game for concessions in arena history.

Mr. Jokovich initiated his financial report highlighting the facilities net operating profit of \$493,063 for the month of December, bringing the Year-to-Date net operating profit to \$845,726. December's profits generated a positive variance of \$536,000 above the Year-to-Date budget for the six-month period. Mr. Jokovich informed the board that per the requirements of the Management Agreement, AEG transferred \$500,000 (fifty-percent of the management guarantee payment) to the LAA in January.

Mr. Jokovich advised that the rolling forecast increased about \$16,000 since last month's forecast. AEG is currently projecting a net profit of \$1.368 million for the fiscal year ending June 30, 2013 and expressed their confidence that these numbers will continue to increase.

Dennis Petrullo, General Manager provided an update of upcoming events highlighting the sold out Luke Bryan concert, Kid Rock, Pink and Bon Jovi. The facility will host about two events per month through June noted Mr. Petrullo, facilitating a strong financial finish for the arena this fiscal year. Mr. Petrullo appraised recent management activity by noting the opportunity to host 160 children from Indian Summer Camp (a camp for children with cancer and their families) at the Harlem Globetrotters.

Mr. Petrullo informed the board that a text assistance program for fans was launched on January 27<sup>th</sup> in an effort to improve customer service and streamline the fan-to- staff communication process. *Pollstar Magazine's* annual Top 200 year-end rankings were released last month; the KFC Yum! Center ranked 31<sup>st</sup> in the nation and 65<sup>th</sup> in the world in ticket sales. Mr. Petrullo noted that the KFC Yum! Center ranked above comparable venues such as the United Center, XL Center, Scottrade Center, and the Time Warner Cable Arena.

Mr. Petrullo concluded the management update by informing the board that AT&T will be at the arena in April to address wireless issues and underscored the positive interactions between AEG and the University of Louisville in scheduling future events.

**DISSUSSION ITEM: General Counsel Update – Vice Chairman Summers**

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

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

Mr. Petrullo noted that board committees had been established and meetings have been initiated; committee meetings will take place quarterly. Mr. Petrullo emphasized the recent role of the Customer Service committee in the initiation of the text assistance program.

No other business to come before the Authority, the meeting was adjourned at approximately 9:12 a.m.

Respectfully submitted,  
Amelia Priest