



## louisville arena authority

**Board of Directors Meeting  
January 13, 2014  
9:00 a.m. EST  
KFC YUM! Center**

### **MINUTES**

**Directors in Attendance:** Mr. Eric Gunderson, Mr. Rick Guillaume, Mr. Michael Houlihan, Ms. Alice Houston, Mr. Jim King, Mr. Lee Kirkwood, Mr. Tim Mulloy, Mr. Steve Rowland, Ms. Lesa Seibert, Mr. Dan Ulmer, Vice Chairman William Summers V

**Directors Present by Telephone:** Ms. Lindy Street

**Directors Absent:** Mr. Andrew Beshear, Ms. Maura Temes, Chairman Larry Hayes

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

**Welcome: Vice Chairman Summers**

Vice Chairman Summers declared a quorum and convened the meeting.

**DISCUSSION ITEM: Acceptance of the December 13, 2013 Board Meeting Minutes – Vice Chairman Summers**

Ms. Seibert moved to accept the minutes of the December 13, 2013 Arena Authority Meeting. The motion was seconded by Mr. King and the motion passed unanimously with no abstentions.

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

Mr. Alex Rorke of Hilliard Lyon's notified the board that Standard & Poor's Rating Services lowered its rating on the bonds issued by the Kentucky Economic Development Finance Authority used to finance the Louisville Arena Authority's construction of the KFC Yum! Center. The bonds were downgraded from a "BBB-minus" to "BB". Mr. Rorke noted the lower rating has no tangible affect on the arena financing in the short term. The Bonds are insured by Assured Guaranty Corp. and the ability to make debt service payments in the near-term was not questioned by the rating agency.

Regions Bank was appointed as Bond Trustee, effective December 18, 2013.

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

Justin Jokovich provided the AEG Financial Update for the month of November 2013. In November, the facility hosted 20 total events: Katt Williams, John Mayer, Jimmy Buffett, 6 University of Louisville Men's Basketball games, 6 University of Louisville Women's Basketball games, 3 University of Louisville Women's Volleyball matches and 2 meetings & banquets.

The income statement for the period ending November 30, 2013 resulted in a net operating profit of \$600,372. The Year-to-Date (5 month period) is showing a net operating loss of \$100,572; this is about \$255,000 ahead of budget. According to the Rolling Forecast (a forecast based upon confirmed events) AEG is projecting a profit of \$1.605 million for the 13'-14' fiscal year; this is an improvement of about \$150,000 since last month.

Mr. Petrullo informed the Board that Billy Joel will be performing at the KFC Yum! Center on April 6, 2014 for the first time in years. Billy Joel is one of the highest grossing touring artists in the world. Mr. Petrullo reviewed the current show list with the Board and noted that there are several large acts that will be announced in the coming months.

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

Mr. Glasscock informed the Board that Ram has filed a motion to set a trial date but General Counsel feels it may be premature to do so at this time.

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

Vice Chairman Summers engaged the Board in a discussion about the Louisville Arena Authority meeting every other month rather than monthly. Many Board Members noted the importance of engaging the Boards committees to keep all members actively involved. It was concluded that the committees will meet prior to the next board meeting and further discussion will be had on the board meeting schedule.

No other business to come before the Authority, the meeting was adjourned at approximately 9:25 a.m.

Respectfully submitted,  
Amelia Priest