



## louisville arena authority

### **Board of Directors Meeting**

**December 9, 2013**

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

**KFC YUM! Center**

### **MINUTES**

**Directors in Attendance:** Mr. Eric Gunderson, Mr. Rick Guillaume, Metro Council President Jim King, Mr. Lee Kirkwood, Mr. Tim Mulloy, Mr. Steve Rowland, Ms. Lesa Seibert, Ms. Lindy Street, Ms. Maura Temes, Vice Chairman William Summers V

**Directors Absent:** Mr. Andrew Beshear, Mr. Michael Houlihan, Ms. Alice Houston, Mr. Dan Ulmer, 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. Vice Chairman Summers thanked Hilliard Lyons, Jerry Hurt and the AEG staff for the success of the recent board orientation.

**DISCUSSION ITEM: Acceptance of the November 11, 2013 Board Meeting Minutes – Vice Chairman Summers**

Ms. Seibert moved to accept the minutes of the November 11, 2013 Arena Authority Meeting. The motion was seconded by Mr. Mulloy 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 Moody's Investors Service Inc. lowered its rating on the project revenue bonds from Ba2 to Ba3; the agency revised its outlook from negative to stable. The release of Standard & Poor's bond rating is set to take place at the end of December. It was noted that Moody's turned down the opportunity to visit the facility as requested by the board.

All work pertaining to the transition of Trustee has been completed and is anticipated to come into effect on December 18, 2013. Mr. Rorke noted that a financial review will take place between the board and the Trustee on a quarterly basis. Lastly, efforts to minimize the size of the TIF District will be finalized by the end of December.

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

Justin Jokovich provided the AEG Financial Update for the month of October. In October, the facility hosted eleven total events: Selena Gomez, A Night with David Jeremiah, four University of Louisville Men's Basketball games, two University of Louisville Women's Volleyball matches and three meetings & banquets. The income statement for the period ending October 31, 2013 resulted in a loss of \$52,000 with a budgeted loss of \$178,000. According to the Rolling Forecast (a forecast based upon confirmed events) AEG is projecting a profit of \$1.448 million for the 13'-14' fiscal year; the arena is currently performing higher than budgeted. Mr. Jokovich noted that October is the last "slow" month prior to the initiation of NCAA Division I basketball season. November & December are expected to be the arenas most profitable months this fiscal year.

Dennis Petruzzo gave an update on upcoming events, noting 2014 headliners such as Brad Paisley, George Strait, Miley Cyrus and Cher. Mr. Petruzzo informed the board that the KFC Yum! Center will be hosting the largest number of events inside of the shortest time period since the arena opened its doors in 2010. Beginning on December 7, the arena will host nine events in 10 days, including four concerts, three University of Louisville Men's Basketball games and two University of Louisville Women's Basketball games. It is anticipated this week will be the highest revenue generating week since the arena opened.

Mr. Petruzzo concluded the management update by notifying the board that USA Gymnastics awarded Louisville, Ky the 2014 USA Gymnastics Championships which are scheduled to take place July 15-19, 2014. The five day event will showcase the national championships for acrobatic gymnastics, rhythmic gymnastics and trampoline/tumbling. The competition will be held at both the Kentucky International Convention Center and the KFC Yum! Center. Karl Schmitt, Louisville Sports Commission executive director, noted that more than 2,000 athletes will be visiting the city of Louisville for the events. The Louisville Sports Commission and AEG Facilities are local partners for the event.

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

No general counsel update.

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

No other business to come before the Authority, the meeting was adjourned at approximately 9:20 a.m.

Respectfully submitted,  
Amelia Priest