



## louisville arena authority

### Board of Directors Meeting

July 14, 2014

9:00 a.m. EST

KFC YUM! Center

### MINUTES

**Directors in Attendance:** Ms. Jayshree Amin, Mr. Eric Gunderson, Mr. Rick Guillaume, Ms. Cheri Bryant Hamilton (ex-officio), Mr. Michael Houlihan, Mr. Jim King, Mr. Lee Kirkwood, Mr. Steve Rowland, Ms. Lesa Seibert, Ms. Lindy Street, Ms. Maura Temes, Mr. Dan Ulmer, Vice Chairman William Summers V, Chairman Larry Hayes

**Directors Absent:** Ms. Alice Houston, Mr. Tim Mulloy,

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

**Welcome: Chairman Hayes**

Chairman Hayes declared a quorum and convened the meeting. Mr. Hayes welcomed new board member Jayshree Amin.

**DISCUSSION ITEM: Acceptance of the May 19, 2014 Board Meeting Minutes – Chairman Hayes**

Ms. Seibert moved to accept the minutes of the May 19, 2014 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 Lyons informed the board that the June debt service payment was made and there is sufficient cash flow for the upcoming December debt service payment. Hilliard Lyons is currently working with Standard & Poor's on their annual bond rating update. It is anticipated that the TIF District report will be published in August or September of this year.

Deming Malone Livesay & Ostroff (DMLO) will continue to keep the accounting records for the LAA under the new supervision of Meredith Hughes.

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

Justin Jokovich, Finance Director provided the AEG Financial Update for the month of April 2014. In April, the facility hosted 12 total events: Brantley Gilbert, Billy Joel, Monster Jam, Cirque Du Soleil Michael Jackson, NCAA Division I Women's Basketball Regional's and two

meetings/banquets. The income statement for the period ending April 30, 2014 resulted in a net operating profit of \$139,867.

For the month of May 2014, the facility hosted 13 total events: R Kelly, Ringling Bros. Circus (7 shows) and two meetings/banquets. The income statement for the period ending May 31, 2014 resulted in a net operating loss of \$321,933. Mr. Jokovich attributed the negative variance in May's income statement to the considerably lower performance of the circus than years past; AEG is looking to re-position when the circus comes into the market due to the abundance of local events around the beginning of May associated with the Kentucky Derby. He also highlighted that two large concerts, Miley Cyrus and Paul McCartney were moved to the next fiscal year calendar due to artist rescheduling.

According to the Rolling Forecast for fiscal year 2013-2014 (as of the period ending May 31, 2014) AEG projects a net operating profit of \$1.426 million. Mr. Jokovich highlighted that the arena anticipates 22 concerts next fiscal year with about 75% of the shows already confirmed.

Sandra Kendall, Marketing Director provided a Marketing/Public Relations Committee update. The Committee recently met and had the following recommendations: develop stronger relationships and outreach in Southern Indiana, incorporate Southern Indiana into our website and invite Louisville and Southern Indiana Convention and Visitor's Bureau and Chamber staff members to future LAA meetings. The committee is currently working to implement each recommendation.

Sandra Kendall also gave a KFC Yum! Center Insider update. Since launching the new email platform in mid-May 2014, their databases experienced an unprecedented 54% growth. The segmented lists also saw rapid growth as a result of post event surveys allowing staff to be better able to target specific consumers. The KFC Yum! Center Insider is consistently among the top ways people find out about arena events.

AEG's marketing team continues to collaborate with Learfield to develop additional assets for sponsorship sales. AEG works to implement and track results of these assets. Some of these include: home page web banners, home page take over ads, branded pages on kfcyumcenter.com, restaurant, hotels and things to do in Louisville, email marketing banner ads and facebook and twitter posts. The new e-mail platform provides an opportunity to attract additional sponsors.

The KFC Yum! Center will be hosting a multitude of summer plaza events for the community. Some of these include a viewing of the World Cup Soccer game on June 26 and July 1, Kids Festival in August, as well as a Soul Lounge concert and Salsa Sunday in August.

The 2014 Mid-Year Pollstar Rankings, which are based on ticket sales from January to June 2014 ranked the KFC Yum! Center 44<sup>th</sup> in the world and 15<sup>th</sup> in the nation.

Andrea McDaniel, Human Resources Director concluded the AEG Management update with an introduction to the AEG Encore Program. AEG Encore is being implemented to help facilitate continuity throughout the facility for all vendors (ie. University of Louisville staff, Centerplate staff, Venue Services staff and AEG staff). The goal of the program is to provide excellent service at every "touch point" or interaction with guests at every facility event. About 600 employees of varying facility organizations will complete the 90 minute training program. The encore program is anticipated to be fully implemented in September 2014.

**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**

No other business to come before the Authority, the meeting was adjourned at approximately 10:01 a.m.

Respectfully submitted,  
Amelia Priest