



louisville arena authority

Board of Directors Meeting

March 9, 2015

9:00 a.m. EST

KFC YUM! Center

MINUTES

Directors in Attendance: Ms. Jayshree Amin, Mr. Rick Guillaume, Mr. Michael Houlihan, Ms. Alice Houston, Mr. Lee Kirkwood, Mr. Tim Mulloy, Mr. Stuart Ray, Mr. Steve Rowland, Ms. Lesa Seibert, Ms. Lindy Street, Ms. Maura Temes

Directors Absent: Ms. Cheri Bryant Hamilton (ex-officio), Mr. Dan Ulmer, Vice Chairman William Summers V, Chairman Larry Hayes

Consultants and Staff: Mr. Dennis Petrullo, KFC Yum! Center General Manager, C. Edward Glasscock, General Counsel

Welcome: Mr. Rick Guillaume

Mr. Guillaume declared a quorum and convened the meeting.

DISCUSSION ITEM: Resolution of “Jim King Board Room” – Dennis Petrullo

Mr. Stuart Ray presented the Louisville Arena Authority, Inc. Resolution of the Board of Directors, pursuant to KRS 273.010. The resolution recognized former Louisville Metro President and Louisville Arena Authority Board Member Jim King for his many accomplishments and contributions to the Arena Finance Committee, the Arena Board, the Louisville Metro Council and the wider Louisville community and henceforth identifies the regular meeting room of the Arena Authority Board of Directors and its Finance Committee in the KFC Yum! Center as the “Jim King Board Room”.

Mr. Houlihan moved to adopt the resolution of the “Jim King Board Room”. The motion was seconded by Mr. Rowland and the motion passed unanimously with no abstentions.

DISCUSSION ITEM: Acceptance of the January 12, 2015 Board Meeting Minutes – Mr. Rick Guillaume

Ms. Seibert moved to accept the minutes of the January 12, 2015 Arena Authority Meeting. The motion was seconded by Mr. Mulloy and the motion passed unanimously with no abstentions.

DISCUSSION ITEM: Presentation of Financial Statements – Mr. Rick Guillaume

Mr. Guillaume introduced Mr. Alex Rorke of Hilliard Lyons, who reported that there is no new business to report and everything is proceeding on track.

In honor of Mr. Jim King, Mr. Rorke discussed the dedication and commitment of Mr. King to the Finance Committee, specifically his dedication to a recent presentation to the Program Review Committee in Frankfort. Mr. Rorke informed the Board that there has yet to be a ruling from the Attorney General regarding the presentation.

DISCUSSION ITEM: AEG Management Update - Dennis Petrullo

Mr. Justin Jokovich, Finance Director provided the AEG Financial Update for the months of December 2014 and January 2015. In December, the facility hosted 18 total events: Coyote Calhoun's Acoustic Concert, 6 University of Louisville Men's Basketball games, 5 University of Louisville Women's Basketball games, 2 NCAA Sporting Events, 3 meetings & banquets and 1 other event. The income statement for the period ending December 31, 2014 resulted in a net operating profit of \$761,042.

For the month of January 2015, the facility hosted 14 total events: New Year's Day Laugh-A-Thon, Harlem Globetrotters, 4 University of Louisville Men's Basketball games, 5 University of Louisville Women's Basketball games and 3 meetings & banquets. The income statement for the period ending January 31, 2015 resulted in a net operating profit of \$148,177.

According to the Rolling Forecast for fiscal year 2014-2015 (as of the period ending January 31, 2015) AEG projects a net operating profit of \$1.841 million.

Mr. Jokovich also addressed the Food and Beverage expenses for the month of December 2014. For December 2014, AEG Management Louisville, LLC received retro commission in an amount that was more than budgeted for. A portion of this retro commission will be given back to the University of Louisville.

Mr. Jokovich also discussed the upcoming NCAA Division I Men's Basketball Championship (2nd and 3rd Rounds). Mr. Jokovich informed the Board that contractually, AEG Management Louisville, LLC must partner with the University of Louisville on any NCAA sporting event, and revenue generated from NCAA sporting events is split 50/50 with the University of Louisville.

Ms. Sandra Moran, Marketing Director, provided the Board with a brief introduction of the Louisville Arena Authority Public Relations and Marketing Committee. The PR/Marketing Committee is comprised of four members from the Louisville Arena Authority Board of Directors; Mr. Tim Mulloy, Ms. Lesa Seibert, Ms. Lindy Street, Mr. Dan Ulmer. The PR/Marketing Committee meets quarterly to discuss marketing initiatives at the KFC Yum! Center. The committee met in February 2015 to review the marketing initiatives of 2014 and to discuss marketing goals for 2015.

Mr. Tim Mulloy provided the Board with a more in-depth report of the February 2015 PR/Marketing Committee meeting. Mr. Mulloy discussed the success of email marketing initiatives resulting in \$856,238 in ticket sales in 2014. According to the Pollstar Arena Ticket Sales Rankings, the KFC Yum! Center advanced from 25th in the nation in 2013 to 21st in the nation in 2014 in arena ticket sales.

Mr. Mulloy also recapped the free events that the KFC Yum! Center hosted for the community in 2014, including several well-attended plaza events. In 2015 the KFC Yum! Center will seek to build upon the success of these free community events and provide additional opportunities.

DISSUSSION ITEM: General Counsel Update – Mr. Rick Guillaume

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

DISCUSSION ITEM: New Business/Old Business – Mr. Rick Guillaume

No other business to come before the Authority, the meeting was adjourned at approximately 9:45 a.m.

Respectfully submitted,
Lauren Helms