



louisville arena authority

**Board of Directors Meeting
September 8, 2014
9:00 a.m. EST
KFC YUM! Center**

MINUTES

Directors in Attendance: Ms. Jayshree Amin, Mr. Eric Gunderson, Ms. Cheri Bryant Hamilton (ex-officio), Ms. Alice Houston, Mr. Jim King, Mr. Lee Kirkwood, Mr. Tim Mulloy, Mr. Steve Rowland, Ms. Lindy Street, Ms. Maura Temes, Mr. Dan Ulmer, Chairman Larry Hayes

Directors Absent: Mr. Rick Guillaume, Mr. Michael Houlihan, Ms. Lesa Seibert, Vice Chairman William Summers V

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.

DISCUSSION ITEM: Acceptance of the July 14, 2014 Board Meeting Minutes – Chairman Hayes

Mr. King moved to accept the minutes of the July 14, 2014 Arena Authority Meeting. The motion was seconded by Mr. Mulloy and the motion passed unanimously with no abstentions.

DISCUSSION ITEM: Presentation of Financial Statements –Chairman Hayes

Mr. Alex Rorke of Hilliard Lyons informed the board that the TIF district performed positively last year and is anticipated to stay on track. Hilliard Lyons is currently in discussion with Standard & Poor's (rating agency) regarding the annual review. Moody's will be visiting the arena in February.

DISCUSSION ITEM: AEG Management Update- Dennis Petruzzo

Mr. Allan Latts, Chief Operating Officer of Heaven Hill gave an update on their partnership with the KFC Yum! Center. Heaven Hill has partnered with the facility since it's opening in 2010 with two bars at the club level (Burnett's V Lounge and Evan Williams Bourbon Bar). Heaven Hill is expanding their current sponsorship with the arena with the addition of a new bar located on the Main Concourse. The new bar was designed by Populous and will offer a premium lounge experience for about 70 patrons. Table service will be available with a small offering of appetizers and featured beverages.

Mr. Justin Jokovich, Finance Director provided the AEG Financial Update for the month of June 2014. In June, the facility hosted 8 total events: Cher, Rod Stewart, Midwest Music Festival, Lionel Richie and three meetings & banquets. The income statement for the period ending June 30, 2014 resulted in a net operating profit of \$79,765.

The 2013/2014 Net Operating Profit (Fiscal Year End) was \$1,403,002.38. The Net Operating Profit was \$200,000 over the minimum guarantee due to the LAA and \$250,000 over budget. The Settlement amount due from AEG to LAA was \$41,974.38; this payment was made to the LAA in August and approved by the Finance Committee.

For the month of July 2014 (the first month of the new fiscal year), the facility hosted 6 total events: New Edition, USA Gymnastics Champions and five other events. The income statement for the period ending June 30, 2014 resulted in a net operating loss of \$459,085. Mr. Jokovich noted that July is anticipated to be a slow month for the arena due to the increase in concerts at outdoor venues.

According to the Rolling Forecast for fiscal year 2014-2015 (as of the period ending July 31, 2014) AEG projects a net operating profit of \$1.588 million.

Ms. Sandra Kendall, Marketing Director gave an update on the 2014 Summer Plaza Series which featured 3 free community events. Kid's Fest took place on August 3rd and featured an abundance of free kids activities such as as face painting, local mascots and a juggler. Over 400 people enjoyed this community event. The Soul Lounge took place on August 10th and featured 5 local artists; over 400 people were in attendance. The final event, Salsa Sunday was postponed due to inclement weather. Each Friday in September, the KFC Yum! Center also welcomes the community to enjoy lunch on the plaza. Several popular area food trucks will be on site serving a multitude of dining options.

Mr. Sean Langer, Director of Operations gave an update on the facilities green initiatives. The Pathosans Cleaning System was installed in August 2013. The system delivers an electrical current through water to convert it into two cleaning agents; degreaser/all-purpose cleaner and sanitizer. Utilizing this system has enabled the arena to forgo purchasing a multitude of cleaning products and lessen the environmental footprint. Smart valves were installed in the facility bathrooms in July 2013 on 130 men's urinals, resulting in a reduction of water use from 1 million gallons to 23,000 since installation. Since January 2014, 35,000 pounds of mixed recyclable materials have been collected. The facility also modified the lids of the recycling containers which is expected to increase the amount of recyclable materials collected by 70%. A Cardboard Baler was installed in November 2013. Since installing the baler the facility has collected 25,000 pounds of cardboard. Lastly, the facility has collected 17,000 pounds of food waste.

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 9:50 a.m.

Respectfully submitted,
Amelia Priest