



louisville arena authority

Board of Directors Meeting

November 10, 2014

9:00 a.m. EST

KFC YUM! Center

MINUTES

Directors in Attendance: Mr. Rick Guillaume, Ms. Cheri Bryant Hamilton (ex-officio), Mr. Michael Houlihan, Mr. Lee Kirkwood, Mr. Tim Mulloy, Mr. Stuart N. Ray, Mr. Steve Rowland, Ms. Lesa Seibert, Ms. Maura Temes, Mr. Dan Ulmer, Vice Chairman William Summers V, Chairman Larry Hayes

Directors Absent: Ms. Jayshree Amin, Ms. Alice Houston, Mr. Jim King, Ms. Lindy Street

Consultants and Staff: Mr. Dennis Petrullo, 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 September 8, 2014 Board Meeting Minutes – Chairman Hayes

Ms. Seibert moved to accept the minutes of the September 8, 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

Vice Chairman Summers initiated the finance update by notifying the board that the Form 990 (Annual Tax Return) was prepared by Crowe Horwath and would be presented by Rachel Spurlock. A copy of the Form 990 was distributed to the board members along with a summary report of the 2013 calendar year. The form is based on the audited 2013 financial statements and was reviewed in-depth during the November Finance Committee meeting. The anticipated file date for the Form 990 is November 17, 2014. Upon review of the Form 990, Mr. Summers moved to accept the Form. The motion was seconded by Ms. Temes and passed unanimously with no abstentions.

Mr. Alex Rorke of Hilliard Lyons informed the board that there is not a formal schedule in place to meet with the rating agencies. A board member orientation with Hilliard Lyons has been scheduled for December, all board members are encouraged to attend.

DISCUSSION ITEM: AEG Management Update- Dennis Petruzzo

Mr. Gary Friedman, Learfield Sports provided a sponsorship update. Learfield's vision is to provide innovative facility partnerships that are unique, creative and provide interactive experiences for arena patrons. Out of this concept came the Norton Commons partnership as part of the 3rd Street development (located on the main concourse). The Norton Commons partnership features a full-size home façade offering a sample of the Norton Commons community. Additionally, Heaven Hill's new bar located in the southeast corner of the main concourse will open to patrons at the end of the week.

Mr. Justin Jokovich, Finance Director provided the AEG Financial Update for the month's of August & September 2014. In August, the facility hosted 4 total events: Katy Perry, Miley Cyrus and two meetings & banquets. The income statement for the period ending August 31, 2014 resulted in a net operating loss of \$21,523.

In September 2014, the facility hosted 14 total events: Joel Osteen, Black Keys, Eric Church, Disney on Ice and PBR. The income statement for the period ending September 30, 2014 resulted in a net operating profit of \$7,117.

According to the Rolling Forecast for fiscal year 2014-2015 (as of the period ending June 30, 2015), AEG projects a net operating profit of \$1.634 million. The Rolling Forecast has risen slightly since last month's projections. Mr. Jokovich noted that the forecast was a conservative estimate; the 2014 fiscal year profit was \$1.4 million.

Ms. Sandra Kendall, Marketing Director gave an update on 2014 community events. The Wave 3 News Concert Series is a monthly concert series presented by Wave 3 News that will be taking place on the KFC Yum! Center's Norton Plaza. Three fall dates are scheduled (September-November) and the series will reconvene with three additional concerts in the spring. The Concert Series is a free event that showcases local and regional artists as well as featuring popular local food trucks.

Additionally, Ms. Kendall gave a re-cap of the KFC Yum Center's first NBA exhibition game which took place on Saturday, October 4th featuring the Miami Heat vs. New Orleans Pelicans. The game had sold out attendance (21,091) with 81% of attendees coming from within the Louisville/Southern Indiana area and 19% coming attending from outlying areas. Paul McCartney's Out There tour also took place at the facility in October. The concert also boasted a sold out attendance (17,347) with 52% of attendees from Louisville/Southern Indiana and 48% from outlying areas.

Andrea McDaniel, Human Resources Director concluded the management presentation noting that 1,093 facility employees have completed the Encore Front Line Training. This includes employees from Venue Services (KSF), Centerplate/Food Services, University of Louisville and AEG.

DISCUSSION ITEM: General Counsel Update – Chairman Hayes

Chairman Hayes introduced Mr. Ed Glasscock, 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 9:56 a.m.

Respectfully submitted,
Amelia Priest