

**SPORTS AUTHORITY OF THE METROPOLITAN GOVERNMENT OF NASHVILLE
& DAVIDSON COUNTY**

**Minutes of February 18, 2021 Meeting of the Finance Committee
Cisco WebEx Conference
9:00 a.m.**

Committee Members: Jon Glassmeyer (Chair), Margaret Behm, Dan Hogan, Glenn Farner, Frank Harrison

Board Members: Cathy Bender (Chair), Frank Harrison (Vice-Chair), Emmett Wynn (Secretary/Treasurer), Kim Adkins, Margaret Behm, Don Deering, Jad Duncan, Glenn Farner, Melvin Gill, Jon Glassmeyer, Dan Hogan, Aaron McGee, Anna Page

Staff: Monica Fawknorton, Quinton Herring, Melissa Wells, Margaret Darby (Legal)

Titans/ Nissan Stadium: Bob Flynn, Jenneen Kaufman, Ashlee Stokley, Adolpho Birch, Burke Nihill

Predators/ Ford Ice Center: Kyle Clayton, Keith Hegger, Sean Henry, Michelle Kennedy, David Kells

Sounds/ First Tennessee Park: Doug Scopel, Adam Nuse

Nashville SC: Mary Cavarra, Ian Ayer

Visitors: Balagun Cobb (Metro Legal), Tom Cross (MetroLegal), Tom Eddlemon, Butch Spyridon (NCVC), Kellen DeCoursey (CAA/ICON), Ron Gobbell and Tim Debusse (Gobbell Hays Partners), Nick Homrich(CAA/ICON), Greg McClarin (Metro Finance), Jeremy Mitchell (Bell and Associates Construction), Bill Phillips (Metro Deputy Mayor), Shanae Phillips, Steve Jones and Tom Clark (Mortenson/Messer), Jim Pustejovsky (Capital Project Solutions), Trena Pennington and Jason Lusk (Metro Human Resources)

Chairman Glassmeyer called the meeting of the Sports Authority Finance Committee to order at 9 a.m. and welcomed all in attendance. **Upon a motion made by Director Farner and seconded by Director Harrison, the Finance Committee Meeting approved the minutes from the November 19, 2020 committee meeting.**

Nissan Stadium Report

Former Titans Chief Financial Officer Jenneen Kaufman, serving as a consultant with the organization, walked the board through the Nissan Stadium Report. Ms. Kaufman reviewed the financials, reporting that the Titans generated \$239,000 of ticket tax revenue for the 2020 season—much less than their average of \$1.9 million. Ms. Kaufman noted that an additional \$40,000 of ticket tax revenue was generated as a result of the Titans making the Playoffs. She additionally reported that the Titans' paid seat user fee credit will be applied to the 2021 football season and that Capital Project updates totaling \$331,000 have been added to the unfiled Capital Projects list and include invoices from water infiltration project and work on the boiler.

Ms. Kaufman informed the Finance Committee that she is leaving the Titans organization and after 24 years of service. Director Margaret Behm thanked Ms. Kaufman for a job well done and let her know she will be missed. Titans President and CEO, Burke Nihill, expressed his appreciation for her many contributions made across the organization.

Bob Flynn, Vice President of Gameday Operations for the Titans gave a report of damage to Nissan Stadium as a result of the 2nd Avenue Christmas Day Bombing, noting damage such as broken ceiling tiles, broken windows, and glass walls, etc. Mr. Flynn reported the Titans hired a structural engineer who confirmed there was no structural damage. The Titans estimate around \$15,000 worth of damage was done.

Consider Approval of a Resolution between the Sports Authority and the Nashville Conventions and Visitors Corporation approving an adjustment to the 2020 and 2021 SEC Men's Basketball Tournament Contribution

Chair John Glassmeyer recognized Director Fawknorton to address the committee. Director Fawknorton reminded the committee that in 2018 the Sports Authority, Nashville Sports Council, Powers Management, and the Nashville Conventions & Visitors Corporation entered into the SEC agreement which made it possible for the sports council to contract with the SEC to serve as the local host organization for the men's and women's basketball tournaments. Under that agreement, the Sports Authority reimburses Powers Management for certain tournament expenses and the Nashville Conventions & Visitors Corporation contributes \$100,000 dollars annually to the Sports Authority until 2029 the amount increases to \$150,000.

The 2020 Men's basketball tournament was cancelled after the 1st round due to COVID-19. As a result of significant losses in revenue, NCVC President and CEO Butch Spyridon and the NCVC requested that the Sports Authority reduce last year's commitment by 50% and this year's (the 2021 tournament) by 40%. In response to a question by Director Behm, Ms. Fawknorton stated that the requested reductions would not impact the Sports Authority's ability to meet its obligations to Powers Management under the agreement. All other aspects of the SEC Agreement remain unchanged. **Upon a motion made by Margaret Behm and seconded by Dan Hogan, the committee unanimously voted to recommend approval of the resolution.**

Consider approval of a resolution authorizing an amendment to the Lease Agreement between the Sports Authority and MFP Baseball, Inc.; Consider approval of a resolution authorizing an amendment to the Lease Agreement between the Sports Authority and the State of Tennessee

Again, Chair Glassmeyer recognized Ms. Fawknorton to address the committee. Ms. Fawknorton reported that the Sports Authority lease with MFP Baseball, Inc. gives the Sounds the right to receive and retain parking revenue. The Sounds pay "Additional Rent" also known as the "Annual Maintenance Contribution" for use of the state-owned parking garage. The Maintenance Contribution is paid to the Sports Authority and passed through to the State of Tennessee. The current annual maintenance contribution is \$132,000 and every five years the amount increases by 10%.

As a result of COVID-19 and the cancellation of the 2020 Minor League Baseball season, there was no parking revenue. The Sounds requested an adjustment to the Annual Maintenance Contribution and the State, after being approached by the Sports Authority, agreed to defer the payment and extend the term out one year bringing the lease term to 31 years. Margaret Darby explained both agreements will essentially waive cost for the year of 2020 and the fee will be

added to the end of the agreement. **John Glassmeyer made a motion to recommend approval of the resolution approving the amendment to the agreement between the Sports Authority and MFP Baseball, Inc.; Dan Hogan seconded the motion and the committee unanimously voted to recommend approval.**

Upon a motion made by Dan Hogan and seconded by Glen Farner, the Finance Committee also voted unanimously to recommend approval of the resolution approving the amendment to the agreement between the Sports Authority and the State of Tennessee.

Consider Approval of FY21 Position Control & Ratification of the FY22 Department Operating Budget

Chair Glassmeyer continued with the next item on the agenda, FY21 Position Controls and Ratification of FY22 Department Operating Budget. Ms. Fawknorton began with FY21 Position Control, noting that she strongly believes the current open position (previously held by Ilesha) and the department's other administrative position (currently held by Quinton) should be upgraded from an Administrative Services Officer 2 or ASO2, to Administrative Services Officer 3 or ASO3. The goal in upgrading the positions is to fill the open position with someone capable of performing higher level administrative functions and to add Fixed asset and Capital tracking to the second administrative position. Staff believes the cost to upgrade the positions will be between \$22,000-\$31,000 including salaries and fringes.

Ms. Fawknorton continued that while the Personnel committee met the day before and voted to recommend approval to the Finance Committee and the full board, a couple of budget issues had just come to her attention...including the fact that the Sports Authority's insurance premiums for its facilities is doubling. Ms. Fawknorton recommended that the board wait until the March meeting to discuss the budget when she should have more information from the Dept. of Finance.

MLS Stadium Update

Finally, Chair Glassmeyer recognized Sports Authority Project Manager Jim Pustejovsky of Capitol Project Solutions to give the MLS Stadium Update. Mr. Pustejovsky reported that the Development Committee approved a change order in the amount of \$63,488 for "landfill tipping fees" which is moving dirt from the build site and paying to dump it somewhere else. These fees, under the Development Agreement are the responsibility of Metro/Sports Authority. Mr. Pustejovsky reported that the fees are already budgeted and will be funded from Infrastructure budget.

With no additional questions or business, the Finance Committee Meeting adjourned.