

MINUTES OF THE MEETING

METROPOLITAN AUDITORIUM COMMISSION

WEDNESDAY, December 5, 2018

9:00 A.M. ROOM A-31 of the Municipal Auditorium

PRESENT: Blake McDaniel, Alice Chapman, John Landers, Leeanne Lisk, Aleah Armstrong, and Christy Watkins.

ABSENT: Perri duGard Owens.

GUESTS: Theresa Costonis, Attorney, Metro Legal Department and Tara Ladd, Attorney, Metro Legal Department.

Mr. McDaniel called for the approval of the minutes for the meeting held on October 10, 2018. The motion to approve the minutes was made by John Landers. Vote – Unanimous.

Mr. McDaniel called for report on Musicians Hall of Fame and Museum (MHOF&M). John Landers stated he had spoken with Peter Heidenreich, who was not able to be here today.

Mr. Skoney brought up issue with a smell in back restrooms of the outer-ring downstairs in MHOF&M. Municipal Auditorium is responsible for the maintenance of this area. ServePro was called to address the smell. Investigation has discovered a cracked/busted sewer pipe line in the chase between the bathrooms. Possible solutions to fixing the cracked pipe are either bust through the bathroom walls or bust through the front wall to access the pipes in the very small chase. It will be expensive to fix. This is also in the Manager's Report.

Ms. Armstrong asked if this has affected the MHOF&M attendance. Mr. Skoney replied that these are bathrooms in the back that are not used much, but that the MHOF&M has an event January 12th for which they will use this area and it has to be done by then.

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Mr. Skoney reported that the MHOF&M attendance numbers are still up from the past, but not as high as when the Rolling Stones Exhibit was ongoing.

Mr. McDaniel called for the Staff Reports.

Mr. Skoney said that things would be a little different now because of Ms. Hill's impending retirement at the end of this year. Derrick Pentico, our current Event Manager, will be preparing the Sales Report and Taneisha Alexander, our Box Office Manager will be preparing the Marketing Report. They will not be in the commission meetings, but will submit their reports to him (Mr. Skoney) and he will present them in the commission meetings. Mr. Skoney also stated that Kristie Bailey, our Finance Manger will be taking on the Commission Meetings/Agendas/Minutes and the HR duties.

Mr. Skoney reported that we are fielding a lot of calls for bookings. Calls have increased immensely since the advent of the Live Nation contract, which has brought our visibility up. Our Financial standings are allowing us to use leverage to maximize our revenues.

Mr. Skoney stated for marketing, that we have Mike Epps and Blues Show, both in February, for which we have been marketing. Taneisha Alexander and Sharon Hill have met with the Nashville CVC in order to place an ad in their annual guide that the CVC puts out.

Mr. McDaniel asked Mr. Skoney to present the Manager's Report.

Mr. Skoney reported that the Fall Season has been a busy time for Municipal Auditorium. Events mentioned: Kevin Gates, Neal McCoy & J. Balvin – all concerts. JamFest, one of our regular cheerleading competitions returned. A new event we hosted was the CMA Radio Remote. They came in and extensively decorated the building, carpeted the arena floor, and built booths for all

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the radio stations across the country to do remotes from. Mr., Skoney stated that probably every country music star in the business was through our building during this event. Also there was a crowd that camped out to see the stars as they entered the venue. He said that this was a private event and that the customer really liked the venue and is looking for dates for next year.

Mr. Skoney reported the upcoming events which include the Police Exams; Delta Sigma Theta Christmas Party; a Technical Rehearsal (20 days in 2 segments); 4 Live Nation concerts: Moon Taxi, on New Year's Eve, Bring Me The Horizon, Toni Braxton, and Excision.

Mr. Skoney spoke about Real Country Season 2. They had wanted dates in April 2018, but due to events we already have contracted, we couldn't agree to their April dates. We are currently holding dates in July for them.

Mr. Skoney reported that we are a small staff, which has had 2 employees out due to surgeries; one employee is scheduled to return in January and one in February. He reported that we have been very lucky and had other employees step up and everything has been running well, but it has been a very trying time with these 2 employees gone.

Mr. Skoney stated that the Concessions Contract is still with the Purchasing Department and no contract has been signed yet.

Mr. Skoney reported that we have been doing renovations for which we received 4% money about a year ago. We are making good progress. Recoating the loading dock, removed a condenser, and made an extra parking spot.

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Mr. McDaniel inquired about the status of the Restroom Renovations for Municipal Auditorium.

Mr. Skoney stated it had an RFP out with the Purchasing Department for these renovations and that the bids were due back Monday. It is with Purchasing to review those bids.

Mr. Skoney honored Ms. Sharon Hill for her 40 years of service with Metro and her upcoming retirement.

Mr. Skoney commented on the Financial Reports that were provided for Fiscal Year End 06/30/2018 and for month ended 10/31/2018. He reported that last Fiscal Year ended on a high note with revenues vs. expenses being \$68K to the good. He also commented that the prior Fiscal Year was \$33K in the black. Mr. Skoney also said that this Fiscal Year we are way ahead of budgeted revenues, which is largely due to having Real Country here for 24 days.

Mr. McDaniel commented that we have doubled our net income from last year and congratulated us. Ms. Bailey stated that we also did not have to use a subsidy for the first time in many years. She also mentioned that this year, we may have to go before Council to ask for "Spending Authority" to use the monies we collect which are over our budgeted revenue. Mr. McDaniel stated that was awesome.

Mr. McDaniel moved into New Business. He stated that sometimes in the music business, situations come up that don't fall within the confines of a contract. When this happens, we sometime have to be flexible with how we do the deals. We do need to go by contracts and make sure everything is open and transparent because we are dealing with City business and the public's money. We have a situation where it doesn't fall within the contract and so there is a "gray area." There is a company who wants to do a gaming event at Municipal.

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Mr. McDaniel referred to Mr. Skoney about the length of the event. Mr. Skoney replied that it was a 10 day event in September 2019, with mostly move-in and tear-out days, and only one event day. Mr. Skoney stated that we forwarded them a contract and it has been back and forth several times between Municipal/Legal and the Gaming Co. He also said that the Gaming Co. wants us to use their addendum and that is why Theresa Costonis and Tara Ladd of Metro Legal Department were here today, to help facilitate discussions on the matter. Mr. Skoney went on to say that we are in the "contract stage" right now, but asked Mr. McDaniel to fill in the rest of the situation involving Live Nation.

Mr. McDaniel stated that it has come to light in the process of negotiating, that a person with the Gaming Co. has a long term standing relationship with Live Nation. They know that Live Nation works here a lot at/with Municipal and think it may be advantageous to bring Live Nation in on this event. Live Nation is proposing to Municipal a 50/50 split of the revenues.

Ms. Armstrong asked what work had been put in by Live Nation and what work had been put in by Municipal/Metro at this point. Ms. Hill stated she had been working on this event for approximately 2 years from a lead from the CVC. Ms. Hill has had to fill out an RFP for the last 2 years, which consumed a lot of time. She stated she has also been assisting the Metro Legal Department, which has also accumulated a lot of time into this project, with the legal contract between Metro and the Gaming Company. Ms. Armstrong proposed looking at a lessor split, considering the amount of time already invested in this endeavor.

Ms. Costonis and Ms. Ladd of Metro Legal Department discussed the contract negotiations thus far. They both stated that Metro's indemnity requirements and other edits could possibly be a "sticking point" with the Gaming Co, and there is a possibility the contract could eventually not be met. It was suggested by Metro Legal that a standard lease agreement between Metro and Live Nation for this one event, would circumvent the issues that the Gaming Co would have with the

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contract; that Live Nation would play a "middle man" role. Then Live Nation would also have their own separate contract with the Gaming Co.

Discussions amongst the Commission raised the questions of how much money was in discussion of being split. The commission requested that Mr. Skoney provide an accurate estimate of anticipated revenues and ancillaries/expenses so that the Commission can see the bottom line in order to further discuss the proposed splitting percentages of net revenues with Live Nation. Another point the Commission made was that they thought this approach could possibly be advantageous for Municipal/Metro, as well as Live Nation, and keep a good-standing working relationship with Live Nation. It was also discussed that another split be proposed, since Municipal/Metro had already completed a large portion of the leg work to get this event, and as such, should be incentivized for the work.

The Commission asked Mr. McDaniel to take the lead on contacting Live Nation in regards to moving forward with negotiating of: 1) a standard lease agreement contract between Municipal/Metro and Live Nation for this one event 2) Possible profit sharing scenarios with Live Nation, other than 50/50 split, after our hard costs have been covered, taking into consideration the amount of work Municipal/Metro has already accumulated on this project. Once these points have been discussed with Live Nation, Mr. McDaniel will bring it back to the Commission to be voted on.

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There being no further business, the meeting adjourned at 10:20 a.m.

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APPROVED:
