

SPORTS AUTHORITY OF THE METROPOLITAN GOVERNMENT OF NASHVILLE &  
DAVIDSON COUNTY

Minutes of July 19, 2018 Meeting of the Finance & Audit Committee  
Nissan Stadium  
9:30 a.m.

**Board Members:** Kim Adkins, Margaret Behm, Cathy Bender, Jad Duncan, Leslie Fram, Lisa Howe, Bob Obrohta, Catana Starks, Dudley West, Emmett Wynn

**Staff:** Monica Fawknotson, Ilesha Montesrin, Quinton Herring, Margaret Darby (Legal)

**Titans/Nissan Stadium:** Steve Underwood, Walter Overton, Burke Nihill, Bob Flynn, Susanna Nickell, Jenneen Kaufman, Ryan Cowden

**Predators:** Sean Henry, Kyle Clayton, Michelle Kennedy, Keith Hegger, Danny Butler

**Sounds/First Tennessee Park:** Doug Scopel, Adam Nuse

**Visitors:** Jon Cooper (Metro Legal), Laura Womack (Nashville Fairgrounds), Ed Henley (Pillars Development), Roxanne Bethune (Alliance Synergy Group), Brasher Burbank (Stewart Logistics), Chuck Mashburn (Stewart Parking), Scott Rayson (Metro Legal), Bob Lackey (Metro Finance), Mary Cavarra (MLS2Nashville), Toby Compton (MLS2Nashville), Ron Gobbell (Gobbell Hays Partners), Michelle Scopel (Gobbell Hays Partners), Dick Darr (Capital Project Solutions), Jim Pustejovsky (Capital Project Solutions), Dave Heflin (Capital Project Solutions), Annie Parrish (Barton Malow), Yomi Ojo (Metro Finance), Nancy Amons (WSMV), Brian Murdock (D.F. Chase Inc. Construction), Eleanor Kennedy (Nashville Business Journal), Joey Garrison (Tennessean), Tom Eddlemon (Metro Finance)

Chairwoman Lisa Howe called the meeting of the Sports Authority Finance & Audit Review Committee to order at 9:30 a.m. and welcomed all in attendance. **Upon a motion duly made and seconded, the Sports Authority unanimously voted to approve the minutes of the May 17, 2018 Finance Committee meeting, with the correction of a typo on page 2.**

***Executive Director's Report***

Chairwoman Howe recognized Ms. Monica Fawknotson to give the Executive Director's Report. Ms. Fawknotson gave a brief overview of the agenda and stated that Chairwoman Howe would be resigning from the Board and moving to Texas. Ms. Fawknotson thanked Ms. Howe for her service on the Board and wished her and her family the best on their new venture.

***Consideration of Resolution approving commencement of A/V Systems Upgrade at Bridgestone Arena***

Chairwoman Howe recognized Ms. Fawknotson to discuss the A/V systems upgrades at Bridgestone Arena. Ms. Fawknotson stated that at the Sports Authority's April meeting, the Board

approved the list of Bridgestone Arena Capital Improvement Fund (CIF) projects for FY19. Approval was contingent on available funding. The list included the replacement of Bridgestone Arena's current video and sound system. In a letter dated June 28, 2018, Mr. Sean Henry, Nashville Predators CEO, stated that the organization anticipates beginning a multi-phase replacement project (three phases) this summer. The first phase includes the control room (Summer 2018). The organization also plans to install LED ribbon boards in the lower and upper level of the bowl and in the vomitories. The final part of Phase 1 will be the replacement of the audio system.

The Facility Assessment Study by Venue Solutions Group (VSG), commissioned by the Authority, recommended replacing the following equipment as scheduled below:

- Video Production (2019)
- Large Format Video Displays – Ribbon Boards (2018)
- Large Format Video Displays – Center Hung (2019)
- Large Format Video Displays – Other (2020)
- Sound Systems (2019)
- Audio Video System (2022)

Mr. Henry's letter estimates the cost of the first phase to be \$8,500,000. Mr. Bob Lackey (Metro Finance) noted that currently the CIF's available balance is \$3,734,022.27- insufficient to cover the costs.

Mr. Clayton reported that the Predators (with assistance from Metro Finance) are continuing to pursue options to extend the CIF loan. In response to a question, Mr. Lackey stated his belief that the bank would be interested in pursuing an extension due to the success of the Arena and current loan continues to experience. Mr. Dudley West inquired about anticipated changes to the loan agreement should First Tennessee Bank agree to an extension. Mr. Clayton stated the arena would not pursue an increase to the cap in the short term, but in the long term would like to see the cap increase. Mr. Henry added that, currently, the cap is five times the CIF revenue generated the prior year- or \$10 million. An extension to the loan agreement could include a change to the formula and/or a prolonged expiration date (currently expires in 2020). An extension would require the Metro Council's approval, since the city ultimately backs the loan. Notably, Mr. Henry's letter states that if the CIF does not have available funds at the start of Phase 1, the Predators will pay the initial expenses and be reimbursed when CIF funding becomes available. The CIF generated \$2.6 million in FY18 and the Predators expect an increase of \$400,000 in contributions annually. Ms. Margaret Darby (Metro Legal)

recommended attaching the plans and specifications for Phase 1 to Exhibit A of the Resolution. **Upon a motion duly made and seconded, the Finance Committee unanimously voted to recommend approval of an amended Resolution (which includes the plans and specifications for Phase 1) and commencement of AV Systems Upgrade at Bridgestone Arena, to the full Board.**

*Nissan Stadium – Financial Update*

Chairwoman Howe recognized Ms. Kaufman to give an update on upcoming capital projects at Nissan Stadium. Ms. Kaufman stated the following updates are for existing projects:

- Security Video Surveillance System – The work is nearing completion and expected to be fully operational by the start of the season. The scope of the project will include the updating of cameras in the parking lots, control room, concourse and the onsite MNPD booking room.
- Two-way Communication System (radios) – The work is continuing and includes new hand-held radios and new antennas to broaden the reception.
- Video Booth Under Scoreboard – A proposal from Powell Building Group was recently signed and the work will commence in the near future.
- Phone System Replacement – A proposal from Black Box Network was recently signed and the work will commence in the near future.

Ms. Kaufman noted that new Wi-Fi access points are needed at various locations around the facility. The NFL announced this new requirement due to the increase of patrons using mobile ticketing. The new access points would be located at the entry gates in order to increase the coverage area and also accommodate the increase of Wi-Fi users. Costs for the Wi-Fi Access Points is \$74,675.00

*There being no other business, the meeting was adjourned.*