

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

Minutes of the November 7, 2011 Meeting of the Board of Directors
LP Field- Media Room
8:00 a.m.

Board Members: Kim Adkins, Alfonzo Alexander, Cathy Bender, J.D. Elliott, Rusty Lawrence, Steve North, Ralph Perrey, Edward Temple

Staff: Emmett Edwards (Sports Authority), Theresa Costonis (Metro Legal), Rich Riebeling

Predators/Powers Management: Jeff Cogen, Sean Henry, Michelle Kennedy, Beth Snider

Titans/ LP Field: Jenneen Kaufman, Don MacLachlan, Walter Overton, Scott Rayson

Visitors: Butch Spyridon

Mr. J.D. Elliott called the meeting to order at 8:00 a.m. and recognized Ms. Terri Costonis to read the Metro Code of Laws (Ordinance No. BL2006-1050). **Upon a motion duly made and seconded, the Sports Authority unanimously voted to approve the minutes of the September 15, 2011 meeting. Upon a motion made and duly seconded, the Sports Authority unanimously voted to approve the minutes of the September 26, 2011 Meeting.**

Executive Director's Report

Mr. Elliott recognized Mr. Emmett Edwards to give the Executive Director's Report. Mr. Edwards began by reporting that the while bids have been received, RFP #11.255 for the management of LP Field parking lots is not ready to be awarded and requested that the agenda item be deferred. **Upon a motion duly made and seconded, the Sports Authority voted to defer the agenda item (V, A) to the next meeting.**

Mr. Edwards continued by noting that the next agenda item, Shared Employee Allocation, is relative to the incentive fee payment to Powers Management and reminded the board that Alfonzo Alexander was the chair's appointee to represent the board in this matter. Mr. Alexander reported that he and Mr. Edwards had met with Powers Management leadership on three different occasions and that he and a colleague who, collectively, have over 30 years of Human Resources experience have taken the job descriptions and performed a review. Their findings show the city to currently be in a position of advantage with regards to Shared Employee Allocation. Mr. Alexander noted that the review was performed, in part, because of a request to revisit the allocation. Mr. Alexander further noted that to hire an HR consulting firm for this project would likely cost \$100,000.

After reporting that 2012 officer elections would be held at the Sports Authority's annual meeting in January, Mr. Edwards concluded his report by recognizing Ms. Terri Costonis to discuss the FY11 Guarantor Net Worth Guaranties. Ms. Costonis reported that the guarantor net worth guarantees have been received and that they do total the required \$62.5 million in the aggregate. The team net worth guaranties have not yet been received but the team expects to present them to the board at the December meeting.

Titans' Capital Improvements Plan

Mr. Elliott recognized Mr. Don Maclachlan to discuss capital improvements for LP Field. Prior to discussion, Mr. Ralph Perrey offered the following motion:

Mr. Chairman, I move to approve the Titans' undertaking of the proposed LP Field renovations as outlined in their letter to Director Edwards dated November 4, 2011. This approval is conditioned upon their undertaking of all five of the proposed projects (sound system replacement, video boards replacement, ribbon boards installation, upper deck elevators installation and development of Fan and Visitor Zones) materially as described in their letter to us for a budget not to exceed \$26,815,000.00 or an amount equal to the total collected as of 12-31-11 from the two dollar user fee for LP Field and the available proceeds from the sale of bonds underwritten by the same, whichever is less. Additionally, I move that we allow any unused funds from approved budget, after payment of all appropriate costs for the proposed projects, be used to reimburse the Titans for accrued capital expenses, if these costs are determined by staff to be appropriate for reimbursement under the applicable agreements.

Mr. Maclachlan then began by reminding the Sports Authority that the capital improvements planned include: sound system enhancements, video (HD boards in the end zone), ribbon boards, control room upgrades, elevators, and a fan courtyard. Mr. Maclachlan stated the importance of the Sports Authority being comfortable with the financial controls and the quality of the work and requested that one of its members be appointed by Chairman Elliott to serve as the board's liaison to the project. He continued by reporting that Request for Proposals (RFPs) will go out in mid-January 2012 with the expectation that contracts will be awarded the end of February. The Titans will continue to consult Metro Purchasing and Finance Director Rich Riebeling to see that the project is completed within the current maximum cost of \$26,815,000. Mr. Maclachlan emphasized that the improvements will be completed within budget and Ms. Jeneen Kaufmann, Titans Chief Financial Officer, noted that should there be an issue that would require additional funding, the Titans would have to come back before the Sports Authority for approval prior to the work being done. Metro Finance Director stated his belief that the capital improvement plan is a prudent way to move forward, and noted that his office will be monitoring the procurement process. **Upon the aforementioned motion duly made and seconded, the Sports Authority voted to approve the Titans capital improvement plan. Mr. North and Mr. Lawrence abstained.**

Mr. Edwards reported that a resolution was before the members of the Sports Authority requesting Cumberland Stadium, Inc. to develop criteria and to work with the Sports Authority to develop proposals for increasing the number of major events held each year at LP Field. **Upon a motion made duly seconded, the Sports Authority voted to adopt the resolution.**

LP Field Report

Mr. Elliott recognized Mr. Walter Overton to give the LP Field report. Mr. Overton walked the Sports Authority through the Titans November 2011 Periodic Report, noting that \$3.29 million has been generated from the seat user fee to date, that current outstanding receivables total \$2,587,554.92, and that as of July 1, 2011 the stadium capital fund has \$1,143,077.72. Mr. Overton additionally reported that the drop out remediation is complete. With regards to Riverfront redevelopment, Mr. Overton

reported that LP Field continues to work with Ed Owen, riverfront redevelopment director, to ensure that construction crews have access to the lots and noted that work on the Nashville Bridge building (formerly Nabrico) and the riverfront water park will soon be completed.

Bridgestone Arena Report

Mr. Elliott recognized Mr. Sean Henry to give the Bridgestone Arena Report. Mr. Henry began by reporting that both the Predators and Bridgestone Arena are doing tremendously, with the arena being nominated for its 5th straight Arena of the Year Award. It is also currently the 4th busiest venue in America. Mr. Henry continued by reporting that Bridgestone Arena will host the CMA Award Show and CMA Country Christmas in November.

With regards to financials, Mr. Henry reported that year-to-date Bridgestone Arena is meeting its budget, noting that the current budget is less than the prior year budget. He also stated that they continue to be aggressive in pursuing revenue opportunities.

Finally, Mr. Henry reminded the board that they had received drafts of the FY2011 Audited Financials and that approval was requested. **Upon a motion duly made and seconded, the Sports Authority voted to approve the FY11 Audit.**

In response to a question regarding recommendations for changes to the Operating & Management Agreement between the Sports Authority and Powers Management, Mr. Elliott recognized Mr. Larry Thrailkill to address the board. Mr. Thrailkill stated that the Sports Authority should expect to receive a letter from Powers Management waiving the requirement that a decision be made by December 31, 2011. It was noted that Terri Costonis is drafting a memo summarizing relevant provisions of the arena agreements and would have information sent to the Sports Authority prior to its next meeting.

There being no other business, the meeting of the Sports Authority adjourned.