

SPORTS AUTHORITY OF THE METROPOLITAN GOVERNMENT OF NASHVILLE & DAVIDSON COUNTY
Minutes of March 3, 2016 Meeting of the Finance & Audit Committee
Peabody Conference Room in Lindsley Hall
9:30 a.m.

Board Members: Margaret Behm (Chair), Ralph Perrey, Dudley West, Kim Adkins, Emmett Wynn
Staff: Monica Fawknotson, Ilesha Montesrin (Sports Authority Temp), Margaret Darby (Legal)
Titans/ Nissan Stadium: Jenneen Kaufman, Steve Underwood, Jeff Rhinehart, Bob Flynn
Predators/ Bridgestone Arena: Kyle Clayton, Michelle Kennedy
Visitors: Bob Lackey (Metro Finance), Brandon Hess (Metro Finance), Brasher Burbank (Stewart Logistics, Inc.)

Chairwoman Margaret Behm 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 January 19, 2016 meeting.**

Executive Director's Report

Chairwoman Behm recognized Ms. Monica Fawknotson to give the Executive Director's Report. Ms. Fawknotson reported that on February 2nd, she, Ms. Margaret Darby, Mr. Bob Lackey, Ms. Jenneen Kaufman, Mr. Bob Flynn, Mr. Jeff Rhinehart, and Mr. Walter Overton met to discuss the current reporting procedures for Capital Expenses. Out of that meeting came a "Cap Ex Communication Tool," a spreadsheet which will provide information on anticipated, current, and completed capital projects at Nissan Stadium. Ms. Fawknotson stated that in previous years, the Titans had a similar spreadsheet that was included in the Titans monthly Periodic Report to the Board. She then stated that the second item on the agenda is Sports Authority's Operating Budget for FY17. The budget requirements have changed this year, along with the administration in the Mayor's Office. This item will require the Finance Committee to recommend approval to the full Board so it may be ratified at the meeting on March 17th.

Titans/Nissan Stadium Report

Chairwoman Behm recognized Ms. Jenneen Kaufman to give the Titans/Nissan Stadium Report. Ms. Kaufman presented three different communication tools that included completed projects, current projects, and anticipated projects. The communication tool for current projects includes a special column for the total cost estimate and the cost that is incurred to date. This has been done to show how much progress has been made thus far, these projects include:

- Storm water pump generator (\$325,850)
- Light raker paint project (\$575,000)
- Light pole project-Includes inspection of poles and new parking lot identification signage (\$30,000)
- Parking lot reseal and striping (\$18,575.40)
- Leak repairs (\$9,783.49)

- Magnetometers (\$500,000)
- Club renovation- furniture, tables, and trash cans (\$950,000)

The communication tool for anticipated projects includes a column that states when it has been presented to Sports Authority and one to state whether the contract has been completed. She then stated that some projects on the “Anticipated” spreadsheet, list March 2016 as the date presented to Sports Authority because the Titans are giving formal notice at this meeting. Furthermore, most of the anticipated projects have “TBD” listed under the contract completed category because they have not finalized the contracts. The projects that are anticipated are comprised of the following:

- Club window gaskets and glazing replacement (Price TBD)
- Roof replacement on concession stands and other buildings (Price TBD)
- Security video surveillance system (\$1,050,000)
- Access control system (\$85,000)
- Lighting control system (\$500,000)
- Telecommunication room clean agent system (\$70,000)
- Direction signage- Interior (Price TBD)
- Manitou- Fork lift for use on the field such as stair setup (\$60,000)
- Control room equipment- wireless PL system and wireless camera system (Price TBD)
- East and west freight elevators- new controllers, gates, and gate controllers (\$425,000)
- Door replacement throughout the Stadium (Price TBD)
- Jersey barrier covers (Price TBD)
- Speakers at gate entrances (Price TBD)
- Bathroom renovation- Floor coating for slipping and repaint (Price TBD)
- Truck bay and field side fiber optic cable management (\$475,000)
- Two way radios (\$250,000)
- Concourse high bay lighting (Price TBD)
- Phone system replacement (Price TBD)
- Paint all structural steel and scoreboard structures (Price TBD)
- Sports lighting system (\$1,800,000)

The completed projects collectively make up the Unfiled Reimbursements and they include:

- HVAC Motor VFD Project (\$31,939.88)
- Domestic water valve install (\$20,883)
- Moisture mitigation design project in upper concourse (\$86,700)
- Expansion joint replacement test area (\$157,570)
- Club renovation- LED video walls (\$439,956.43)
- HVAC unit in main computer room (\$82,884)
- Inflatable field cover (\$466,659.40)
- Various equipment (\$133,683.60)

Ms. Kaufman stated that this tool is preliminary and adjustments can be made. The Titans are in the process of combining quotes, contracts, and invoices (from the unfiled reimbursement list) for dissemination to the Sports Authority. A list of approved vendors for miscellaneous projects around Nissan Stadium will also be provided. The role of the Sports Authority in this effort is not to approve the projects, but to facilitate proper and effective communication. Ms. Kaufman noted that when the Titans give notice of a new project they will be available for questions, discussions, and will supply any necessary materials.

While the goal is to provide notification in advance of beginning new projects, Mr. Steve Underwood acknowledged that there may be circumstances that require immediate repair or action-like the terrorist attacks in Paris. He noted that the stadium lease agreement does not require prior approval for a project that requires an instantaneous act.

In response to a question about Metro's contribution for Capital Expenses, Mr. Bob Lackey of Metro Finance stated that Metro's obligation is to contribute \$1,000,000 every year to the Stadium Capital Fund. From that fund Metro reimburses the Titans for money spent on projects each year. Mr. Underwood continued by stating that it has always been the Titans' practice to carry the balance until such a time when Metro can reimburse them. He noted that the Titans are currently carrying a balance of roughly \$5.5 million that has not yet been requested for reimbursement. In addition to other projects, this figure includes a Wi-Fi project which, to date, has not been presented to the Authority. Mr. Underwood noted that the Titans have no intention of requesting that the entire amount be reimbursed this upcoming year, but proposed a meeting to discuss the amount of money that the Titans are carrying and what might be a reasonable amount to request for reimbursement. Ms. Kim Adkins asked how the Titans ensure diversity participation from vendors on these projects. Mr. Jeff Rhinehart replied that the Titans release a RFP and that Powell Building Group notifies minority businesses. In conclusion, Mr. Underwood reiterated that the communication tools are preliminary and the Titans' organization will give as much or as little information that is desired by Sports Authority and Metro Finance.

Sports Authority FY17 Operating Budget

Chairwoman Behm recognized Ms. Monica Fawknorton to begin her presentation of the Sports Authority's operating budget for FY17. Ms. Fawknorton began with a budget update of the current fiscal year, noting that the department expects to finish the year under budget. Ms. Fawknorton provided committee members with a copy of the Sports Authority's monthly Budget Accountability Report (BAR) for the period ending January 31, 2016.

Ms. Fawknorton reported that, for FY17, the Finance Department is not requesting that departments submit budget reductions, but, rather, 3-yr budget projections. Departments requesting budgetary improvements should be prepared to defend why their project(s) are worthy of public funding and should note that decisions regarding budget improvements will be based on how they fall in line with the Mayor's priorities- education, public safety, transportation and infrastructure, economic & community development, and building a better quality of life.

Departments have also been given an opportunity to make an improvement request by means of a Public Investment Plan (PIP). The PIP focuses on collaboration and bringing departments together to accomplish similar goals and objectives. Ms. Fawknatson reported that the Sports Authority will be submitting a PIP requesting \$35,000 plus fringes for one additional full-time employee dedicated to Special Events. The additional position is critical because the number of events in the footprint at Nissan Stadium has increased by 177% in the past 3 years. There has also been an increase in concerts at the Ascend Amphitheater and more events at Cumberland Park. The Cumberland River Compact hopes to double the number of its events along the river to over 200+ this year, and the Titans have renewed their focus and commitment to bringing more events to Nissan Stadium. Ms. Fawknatson stated that the Sports Authority will continue to collaborate with the Mayor's Office- Special Event Team (Mayors' Office, Public Works, MNP, MTA, and Parks), Stewart Logistics, Inc. (Parking Contractor), the Titans, Downtown Partnership, Ascend Amphitheater, and tenants of the Bridge Building. Other partners the Sports Authority collaborates with include: Bridgestone Arena, Nashville Sports Council, and NCVB. Ms. Fawknatson feels that this new position will make events at the stadium more efficient and more likely for repeat events. The department projects that revenue from events will increase with the addition of a dedicated special events staff member, and Ms. Fawknatson anticipates that the increase will be enough to absorb the salary of the new staff member. PIPs will be presented before a panel of five people who will decide how the money is best spent. Ms. Fawknatson noted that the only budget request being submitted for FY17-FY19 is for the addition of one full time employee. The Sports Authority's proposed budget for FY17, FY18, and FY19 is \$784,300. **Upon a motion duly made and seconded, the Sports Authority unanimously voted to recommend approval of the Sports Authority's FY17 Operating Budget to the full board.**

There being no other business, the meeting was adjourned.