

SPORTS AUTHORITY OF THE METROPOLITAN GOVERNMENT OF NASHVILLE &
DAVIDSON COUNTY

Minutes of February 13, 2017 Meeting of the Finance & Audit Committee
Peabody Conference Room
9:30 a.m.

Board Members: Margaret Behm (Chair), Ralph Perrey, Dudley West, Kim Adkins, Emmett Wynn, Khalat Hama, Lisa Howe, Bob Obrohta, Catana Starks, Rip Ryman

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

Titans/ Nissan Stadium: Jenneen Kaufman, Steve Underwood, Burke Nihill, Bob Flynn, Jeff Rhinehart, Scott Rayson

Predators/ Bridgestone Arena: Kyle Clayton, Michelle Kennedy, Keith Hegger, Beth Snider

Visitors: Bob Lackey (Metro Finance), Larry Atema (Commonwealth Development Group), Brandon Hess (Metro Finance), Jason Bobo (Metro Legal), Brasher Burbank (Stewart Logistics), Cody Engdahl (WSMV), Andrew Baker (WSMV)

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 December 15, 2016 Finance Committee meeting.**

Executive Director's Report

Chairwoman Behm recognized Ms. Monica Fawknotson to give the Executive Director's Report. Ms. Fawknotson reported that the committee had two items to consider that morning- the Titans' Capital Reimbursement Request for Nissan Stadium and the Sports Authority's FY18 Operating Budget. Ms. Fawknotson stated that the Request for Proposal (RFP) for the management of the parking lots at Nissan Stadium is not yet complete. Further discussions regarding a request by the Mayor's Office to use the lots for corporate relocations are needed before the scope of work can be finalized.

Consideration of Titans' Capital Expense Reimbursement Request for Nissan Stadium

Chairwoman Behm asked Ms. Fawknotson to continue with an overview of the Capital Expense Reimbursement Requests from the Titans. Ms. Fawknotson stated that the complete 2016 reimbursement request totals \$1,017,873.37 and is comprised of the following projects:

- HVAC Motor VFD (Variable Frequency Drive) Project- \$31,939.88
- Domestic Water Value Install- \$20,883.00
- Expansion Joint Replacement Test Area - \$157,580.00
- HVAC Unit in Main Computer Room- \$82,884.00

- Inflatable Cover for Field- \$479,180.40
- Equipment/Upgrades- \$138,220.60
- Nissan Stadium Leak Project- \$20,495.49

Ms. Fawknorton also stated that a preliminary meeting with Sports Authority staff, Nissan Stadium personnel, Mr. Larry Atema (Project Manager), and also Ms. Lisa Howe (board liaison to Nissan Stadium) was held for the purpose of reviewing and discussing all invoices that pertaining to the projects requested for reimbursement. Ms. Fawknorton stated that staff's recommendation was to approve all of the projects with the exception of the Inflatable Cover for the Field (which staff recommended be deferred). There was also a recommendation to approve, but defer payment on, the Expansion Joint Testing Area and the Nissan Stadium Leak Project until Phase Two of the stadium refurbishments is complete. Should there be any money left at the conclusion of Phase Two, it will be used to fund these two projects. In response to Mr. Ralph Perrey's question about the Inflatable Field Cover, Ms. Fawknorton stated attorneys for the Sports Authority and the Titans will continue to discuss with the hope of agreeing on the cover's eligibility for reimbursement.

Chairwoman Behm recognized Ms. Lisa Howe, board liaison to Nissan Stadium to share her thoughts on the preliminary meeting. Ms. Howe stated that Mr. Jeff Rhinehart, Facilities Manager, was able to provide detailed information about numerous invoices for various projects (some dating back to 2014). Ms. Howe additionally stated her concerns about the Inflatable Field Cover, primarily due to the level of upgrade from the previous cover. Chairwoman Behm thanked Ms. Howe for attending the meeting and recognized Mr. Larry Atema, Principal of Commonwealth Development Group, to give additional comments on Nissan Stadium projects. Mr. Atema stated that the seat replacement/expansion joint project at the stadium came in roughly \$1.8 million under budget at the conclusion of Phase One. Mr. Atema reported that work for Phase Two has recently begun and, agreeing with staff, noted that should any money be left at the end of the project, it could be used to fund both the Stadium Leak Project and Expansion Joint Testing Area. **Upon a motion duly made and seconded, the Sports Authority Finance Committee unanimously voted to recommend approval of all of the projects listed in the Titans' Capital Expense Reimbursement Request with the exception of the Inflatable Field Cover which will be deferred to a later time. Payment for both the Expansion Joint Testing Area and Leak Project will be deferred until the completion of Phase Two and, at that time, the project will be funded either from the left over proceeds from Phase Two or the Capital Stadium Fund.**

Consideration of the FY18 Sports Authority Operating Budget

Ms. Behm recognized Ms. Fawknorton to present the Sports Authority's FY18 Operating Budget. Ms. Fawknorton stated that the department is proposing a 3- year budget (FY18-20) of \$859,100 - an increase of \$26,500 over the FY17 budget. More than \$500,000 of the annual

budget is dedicated to building related expenses, i.e. insurance. Ms. Fawknorton noted that the proposed budgetary increase is the result of an ordinance currently before the Metro Council that would amend the storm water schedule and increase rates. Should the ordinance pass, the projected annual amount of the storm water increase for Nissan Stadium is \$26,500. Ms. Fawknorton stated that increases related to insurance premiums, internal service fees, cost of living adjustments, and merit increases will be adjusted internally by Metro Finance.

Ms. Fawknorton continued by reporting that Public Investment Plans (PIP) will be part of the FY18 budget process. In FY17, the Sports Authority received funding through the PIP to hire a Special Event Coordinator. Whether or not the Sports Authority will be required to submit a second year PIP for continued funding of its Special Event Coordinator, is unclear at this time. For FY18, the Sports Authority (in collaboration with the Metro Health Department) will submit a PIP for the funding of two Mamava suites, mobile pods which provide nursing mothers a clean and private place to nurse and/or express milk. Several stadiums and arenas have already implemented the use of Mamava's in their facilities, including the San Francisco 49ers and the Minnesota Vikings. Ms. Fawknorton then gave a quick overview of the budget schedule, which includes:

- Operating Budgets Due: February 10th
- Public Investment Plan Due: March 10th
- Budget Conversations with Mayor: March 13th-17th
- Public Investment Plan Hearings: March 27th- 31st

Ms. Fawknorton concluded her report by stating that staff will wait for additional information on for the previous year's PIP, the stormwater increase, and internal service fees. The proposed budget of \$859,100 is based on the information that has been received and will likely not be the final amount. **Upon a motion duly made and seconded, the Sports Authority unanimously voted to recommend approval of the FY18 Sports Authority Operating Budget, with the stormwater increase, to the full Board.**

Finally, Chairwoman Behm recognized Ms. Fawknorton to discuss some upcoming changes to the structure of Sports Authority's Board meetings. Ms. Fawknorton stated that the Board of Directors' meeting structure will change and the Board will receive only one report a month from the host facility. This will allow for a more detailed report from each facility and give the Board more time for questions and comments.

There being no other business, the meeting was adjourned.