

SPORTS AUTHORITY OF THE METROPOLITAN GOVERNMENT OF NASHVILLE & DAVIDSON COUNTY

Minutes of August 17, 2017 Meeting of the Board of Directors

Bridgestone Arena

10:30 a.m.

**Board Members:** Kim Adkins, Margaret Behm, Ralph Perrey, Dudley West, Emmett Wynn, Khalat Hama, Christie Wilson, Chuck Meriwether, Catana Starks, Cathy Bender, Lisa Howe, Rip Ryman, Ralph Perrey

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

**Titans/ Nissan Stadium:** Jenneen Kaufman (CFO), Steve Underwood (CEO), Walter Overton,

**Predators:** Sean Henry, Kyle Clayton, Keith Hegger, Danny Butler, David Urso, Gerry Helper, Pete Webber

**First Tennessee Park:** Doug Scopel (Senior Vice President), Adam Nuse (General Manager)

**Visitors:** Brasher Burbank (Stewart Logistics), Joey Garrison (Tennessean), Jonathon Schneider (Commonwealth Development), Joshua Haston, Karen Johnson (Metro Council), Burkley Allen (Metro Council), Edwin Acevedo (BKON)

Chairwoman Kim Adkins called the meeting of the Sports Authority to order at 11:15 a.m. and welcomed all in attendance. Ms. Adkins reminded everyone the appeals process for decisions by the Authority could be found at the top of the agenda. Chairwoman Adkins recognized Councilwomen Burkley Allen and Karen Johnson who, on behalf of the Metro Council, presented a resolution recognizing and commending Nashville Predators' Head Coach, Peter Laviolette, the 2016-2017 Nashville Predators Team, and the entire hockey staff for their extraordinary success during the 2016-2017 season and for their influence on the growth of youth hockey. Councilwoman Johnson added that August 17<sup>th</sup> would be considered "Nashville Predators Day" in Nashville and Davidson County. Nashville Predators President and CEO, Mr. Sean Henry, accepted the resolution and thanked the Metro Council.

**Upon a motion duly made and seconded, the Sports Authority unanimously voted to approve the minutes of the June 15, 2017 meeting.**

***Executive Director's Report***

Chairwoman Adkins recognized Ms. Monica Fawknotson to give the Executive Director's Report. Ms. Fawknotson began her report with a brief review of the meeting agenda, noting that three items would require action by the Authority:

1. Consideration of a Resolution to accept a donation from the Nashville Breastfeeding Coalition.
2. Consideration of the Executive Director's open range pays increase
3. Consideration of Cleaning Services Agreement between Powers Management, LLC. and Jani- King of Nashville.

Ms. Fawknorton continued by reporting that the Titans and Commonwealth Development Group (CDG) have been working to remedy the damage to the upper deck of Nissan Stadium caused by a shell misfiring during the July 4<sup>th</sup> fireworks show. They have installed steel beams to support and reinforce the hole in the cement, concrete is being patched, and the seats are being replaced. The work will be completed before the preseason game on August 19<sup>th</sup>. CDG has also completed Phase Three work at the Stadium (sealant and joint replacement). After noting that the Titans have been reimbursed for all projects within Phase One and Two, Ms. Fawknorton concluded her report by sharing two upcoming Sports Authority events:

1. Solar Eclipse Viewing Party: Monday, August 21<sup>st</sup> at First Tennessee Park
2. Mamava Ribbon Cutting Ceremony: Tuesday, August 29<sup>th</sup> at First Tennessee Park.

***Consideration of a Resolution to accept a donation from the Nashville Breastfeeding Coalition for the FY18 Sports Authority Public Investment Plan***

Chairwoman Adkins recognized Ms. Fawknorton to discuss the Nashville Breastfeeding Coalition Resolution. Ms. Fawknorton stated that the Sports Authority received a \$500 donation from the Nashville Breastfeeding Coalition to support efforts to bring two Mamava Pods to Sports Authority facilities through Metro's Public Investment Plan. The Authority needs to accept the donation because the amount falls beneath the Council's minimum threshold for approval. **Upon a motion duly made and seconded, the Sports Authority unanimously voted to approve the resolution to accept a donation from the Nashville Breastfeeding Coalition for the FY18 Sports Authority Public Investment Plan.**

***Personnel Committee Report/Consideration of Executive Director's Open Range Increase***

Chairwoman Adkins recognized Ms. Cathy Bender, Chair of the Personnel Committee, to give the Personnel Committee Report. Ms. Bender stated that the Personnel Committee met to discuss the Executive Director's annual evaluation and proposed Open Range pay increase. Comments surrounding Ms. Fawknorton's job performance were extremely positive and they thanked her for her work. Ms. Bender noted that the Open Range increase is between 2-5% with 2% being standard. Ms. Bender concluded her report by stating that it was the Personnel Committee's recommendation to extend the 3% increase to the Executive Director's salary. **Upon a motion duly made and seconded, the Sports Authority unanimously voted to approve the increase of 3% to the Executive Director's open range pay plan.**

***Facility Questions***

Chairwoman Adkins called for facility questions by the board. There were no questions for the facilities.

### ***Consideration of Cleaning Services Agreement between Powers Management, LLC. and Jani-King of Nashville***

Chairwoman Adkins recognized Mr. Kyle Clayton to discuss the Cleaning Services Agreement between Powers Management and Jani-King of Nashville. Mr. Clayton turned the floor over to Mr. David Urso, Senior Vice President of Business Development, who stated that a few months ago the Predators began the process of selecting a new cleaning vendor by interviewing 6 to 8 vendors. From those interviews, the organization created a Request for Proposal (RFP) focused on the following criteria:

- Demonstrated ability to clean the building
- Local ownership
- Minority-owned business status
- Management or ownership involvement in the business

The four companies that responded to the RFP were Jani-King of Nashville, SMS Holdings (the incumbent), Pritchard Stadium/Arena Company, and Service Master. The decision to award the contract to Jani-King of Nashville was made for the following reasons:

- Three-tiered model for staffing (Corporate level, Master franchisee, and individual franchisee throughout Tennessee)
- Ability to background check all employees that will enter the building
- They do not use a temporary service for staffing
- Local management/ownership involvement
- Cost was approximately 35% lower than the other bids

Mr. Urso concluded by stating that the entire process was not made known to the public, in fear that the continuity of service, from the current contract holder, would suffer. **Upon a motion duly made and seconded, the Sports Authority unanimously voted to approve the Cleaning Services Agreement between Powers Management, LLC. and Jani-King of Nashville.**

### ***Bridgestone Arena Report***

Chairwoman Adkins recognized Mr. Clayton to begin the Bridgestone Arena Report. After a short video recap of the 2016-2017 Predators season, Mr. Pete Webber continued the report by noting that the following has happened in the short off -season:

- Mr. David Poile was named the National Hockey League's General Manager of the Year
- Lost Preds player, James Neal, to the expansion of Las Vegas
- The Predators received six players from the NHL Draft
- Held a Prospect Camp
- Team Captain Mike Fisher retired
- Signed Ryan Johansen to the biggest deal in history

Mr. Webber then stated that the rookies will report September 7<sup>th</sup> and the veterans return on September 14<sup>th</sup>. The first Pre-Season game will be held on September 19<sup>th</sup>, in Florida. The season

opener will be held in Boston on October 5<sup>th</sup>; the home opener will be on October 10<sup>th</sup> against the Philadelphia Flyers.

Mr. Webber then recognized Mr. Gerry Helper, Sr. Vice President of Hockey Communications and PR, to discuss the Predators' involvement in the community. In addition to donating \$50,000 to the Nashville Public Education Fund, the Predators Foundation awarded 100 organizations a combined total of over \$500,000 in grants. In addition to already raising roughly \$300,000 towards next year's grant distribution, the Predators have a "Predsville," car worth \$110,000 (donated by Nissan) that is being auctioned off.

Mr. Helper recognized Mr. David Kells, V.P. of Booking, to continue the report. Mr. Kells thanked the Police Department, Fire Department, Mayor's Office, Public Works, the Visitor's Center and the Country Music Association for the assistance/support during the Playoffs. With the Predators season over, the Arena has begun improvements to the Upper Deck. New amenities will include additional bars, restrooms, new viewing areas, and upgraded concessions. Pollstar released a new ranking for the first half of 2017 and ranked the Arena as 5<sup>th</sup> for concert attendance in the United States (19<sup>th</sup> in the world). Mr. Kells stated that the Arena was at the end of an 11 event in 20 days run by concluding with Earth Wind & Fire and two days of Professional Bull Riding. The ice will be installed on August 24<sup>th</sup> and the Predators have invited season ticket holders to paint the lines and logos. During the 2016-2017 fiscal year, the Arena hosted 56 non-hockey events and expects the number will increase to 76 this year. In response to a question from Ms. Christie Wilson on booking and sales, Mr. Kells stated that event bookings come both from the Arena reaching out to the events and from events contacting the Arena.

Mr. Kells recognized Mr. Kyle Clayton to report on the financials for the month of June. Mr. Clayton stated that in 1999 (first year of operations), the Arena generated \$4 million in gross sales tax. This past year, however, \$15 million was generated -highest amount in the history of the Arena. The past three years have seen a growth in sales tax and they expect this growth to continue. Mr. Clayton reported that the one revenue stream that has seen a dramatic increase this past year is the food and beverage line item- up 32% from last year. Their current food and beverage contractor, Delaware North, invested \$2 million in the concession stands last year and is also expected to invest another \$500,000 this year. Last year, Powers Management invested roughly \$600,000 of their profits in improvements throughout the Arena and this year they plan to invest roughly \$750,000. Upcoming upgrades include work to the meeting rooms, the Patron Club, the Lexus Lounge, multiple restrooms (on the concourse and behind the stage), the scoreboard, complete replacement of the current stage, updates to the HVAC system, and certain areas to increase the fan experience. Mr. Clayton stated that Powers Management hopes to include more improvements in their Operating Budget, to lessen the amount they request from the Capital Improvement Fund. Mr. Clayton stated that the ownership group intends to invest roughly \$2 million over the next two years into the locker room. He concluded his report by showing a slideshow of recent upgrades and inviting members of the Board to take a tour of the facility. Ms. Margaret Behm thanked Powers Management for its investment into the building and

for including the concessionaire. Chairwoman Adkins also thanked Powers Management for the extensive upgrades to the 300 level.

Mr. Clayton recognized Mr. Sean Henry to conclude the Bridgestone Arena Report. Mr. Henry stated that since the end of the Playoffs, multiple people within the organization have received multiple awards and have been recognized by various organizations. Although it was an incredible year, Mr. Henry noted that the organization's main goal is still to win the Stanley Cup. Mr. Henry concluded by thanking the Sports Authority for their partnership and support throughout the seven years that he has been with the company.

Chairwoman Adkins concluded the meeting with a few last remarks. She stated that the next meeting will be held on September 21<sup>st</sup> at First Tennessee Park, with the potential of a Finance Committee meeting prior to it.

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