

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

**Minutes of February 17, 2022, Meeting of the Finance Committee Meeting
Loyal Legion Meetings Rooms – Bridgestone Arena
9:00 a.m.**

Committee Members: Jon Glassmeyer (Finance Chair), Margaret Behm, Frank Harrison, Dan Hogan

Board of Directors: Cathy Bender (Chair), Kim Adkins, Don Deering, Jad Duncan, Melvin Gill

Staff: Monica Fawknorton, Melissa Wells, Quinton Herring, Valda Barksdale, Joshua Thomas (Legal)

Nashville Sounds: Adam English, Doug Scopel

Predators/Ford Ice Center: Kyle Clayton, Keith Hegger

Titans/Nissan Stadium: Bob Flynn, Burke Nihil, Shannon Myers

Visitors: Michell Bosch (Metro Treasury), Maddie Davis, Cole Durio (Capital Project Solutions), Greg McClarin (Metro Finance), James Morrison (Barton Malow Builders), Jim Pustejovsky (Capital Project Solutions), David Rutledge (LIUNA), Lexie Ward (Metro Legal)

Chair Glassmeyer called the meeting of the Sports Authority Finance Committee to order at 9:00 a.m. and welcomed all in attendance.

Consider approval of minutes from October 21, 2021, Finance Committee Meeting.

Upon a motion made by Director Harrison and seconded by Director Behm, the Finance Committee unanimously approved the minutes from the October 21, 2021 meeting.

Chair Glassmeyer recognized Monica Fawknorton to present the Executive Director's Report. Ms. Fawknorton shared that the FY23 proposed budget was the only item requiring a recommendation from the Finance Committee; the remainder of the agenda contained updates and reports. She reported that the County Music Association (CMA) has exercised its second option to extend the license agreement with the Sports Authority for use of Nissan Stadium for the CMA Music Festival, but noted there was no action for the Authority to take. Ms. Fawknorton finished her report with an introduction of new staff member, Valda Barksdale, who formerly worked for the Tennessee Board of Regents.

Consider Approval of FY23 Sports Authority Department Budget

Chair Glassmeyer recognized Ms. Fawknorton to provide an overview of the FY23 Sports Authority's Departmental Budget. The "Fiscal Year 2023 Budget" memo from the Finance Department was included in the Finance Committee's materials. Sports Authority staff projects that the department will finish FY22 on or below budget. The FY22 budget is approximately \$1.5M, two thirds of which is for building insurance (in FY21 the building insurance doubled which was risk management related). The proposed budget for FY23 is also \$1.5M. Ms. Fawknorton reminded the Authority that the Executive Director's salary and the two administrative positions are funded by Metro's General Fund, while compensation for the

Finance Manager and Finance consultant (Bob Lackey) comes from Sports Authority allocations from Bridgestone Arena. She noted that for the current year (FY22) and thereafter, the Authority would not additionally be charged for support received from the Department of Finance (\$59k in FY21).

Ms. Fawknorton shared that two key principles will guide investment in the Mayor's priorities for FY23: Equity and Performance. FY23 performance efforts will be focused on accountability and partnership. Ms. Fawknorton reported staff is not seeking additional investment for FY23 and shared that all departments were asked to submit a 2% budget reduction scenario. The Capital Improvements Budget currently includes \$400,000 for First Horizon Park (a rollover from FY21) which Ms. Fawknorton noted might change with the Sounds submission of its first Capital Asset Management Plan (CAMP). She also noted the CIB contains \$50M for Nissan Stadium (also a rollover from FY21) and that the lease with Bridgestone Arena requires the Predators to fund their capital needs.

Director Behm asked about salary increases for staff. Ms. Fawknorton explained that Metro will fund salary increases if recommended by the Administration and approved by Metro Council. Increases for Sports Authority salaries funded outside of the General Fund will need to be approved by the board.

Upon a motion duly made by Director Behm and seconded by Director Harrison, the committee unanimously recommended approval of the FY23 Sports Authority Department Budget.

Bridgestone Arena Capital Asset Management Plan

Chair Glassmeyer recognized Kyle Clayton, Vice President of Operations for the Nashville Predators, to present the 2021 Bridgestone Arena Capital Asset Management Plan (CAMP). Mr. Clayton provided details on the report, which was prepared in June 2021. The report reflected a year of limited events due to COVID. The Lease Agreement requires an annual submission to keep the Sports Authority apprised of preventative maintenance and capital improvements at Bridgestone Arena.

Mr. Clayton shared updates on capital projects that had previously been approved. Preventive maintenance was provided on the mechanical, electrical, plumbing, and fire protection systems, the roof, vertical transportation, furniture, fixtures, and equipment, pest control, and other areas as need. The Arena has achieved a WELL Health-Safety Rating which was created to empower owners and operators across large and small businesses alike to take the necessary steps to prioritize the health of their staff, visitors, and stakeholders.

First Horizon Park Roof Repairs Update

Chair Glassmeyer recognized Jim Pustejovsky (Capital Project Solutions) to provide an update on the First Horizon Park roof repairs. Mr. Pustejovsky shared that the repairs are scheduled to start immediately. The total budget is \$60,000, but due to a major decrease in one of the materials, total expenses are now expected to be under \$50,000.

MLS Stadium Financing and Infrastructure Updates

Mr. Jim Pustejovsky continued with update on the MLS stadium financing and infrastructure. He reported that the MLS soccer revenue bonds have been exhausted. A process has been established in which the Team wires Metro the money to pay its contractors since expenses in excess of the revenue bonds are a Team responsibility. The first month using the new process worked well. Mr. Cole Durio, Capital Project Solutions, provided updates on the infrastructure project. The amount invoiced to-date is \$13M; total bond funds are \$25M.

Nissan Stadium Update

Chair Glassmeyer recognized Shannon Myers, CPA, VP and Chief Financial Officer for the Tennessee Titans, to give the Nissan Stadium financial update. Ms. Myers reported that the current unfiled receivables balance is \$27,208,828. A new project is now complete—the intermediate distribution frames (IDF). Total cost was \$58,602, compared to the \$62,000 estimate. In addition, \$78,730 was paid on the water infiltration project (a current project). The elevator repair (an anticipated project) will cost \$40,000. The casualty receivable of \$82,657 is outstanding and is being processed at this time (this is for March 2020 and March 2021 storm damage).

There being no other questions or business, the Finance Committee Meeting adjourned.

Respectfully submitted by Melissa Wells

<https://metronashville.sharepoint.com/sites/SportsAuthority/Shared Documents/P-Drive-Sports Authority/SA BOARD/SA Board Materials/FY22/2022 March 10 Board Meeting/Finance Minutes-2.17.22-mf.docx>