

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

**FINANCE COMMITTEE MEETING MINUTES**

**Thursday, February 16, 2023 | 9:30 am**

**Nissan Stadium – Press Box Cafeteria**

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**Attendees**

**Committee Members:** Frank Harrison (Chair), Glenn Farner, Dan Hogan, Winston Justice

**Board Members:** Kim Adkins, Cathy Bender, Jad Duncan, Melvin Gill, Dan Hogan, Aaron McGee, Emmett Wynn

**Staff:** Monica Fawknorton (ED), Valda Barksdale, Bob Lackey, Brandon Little, Melissa Wells, Joshua Thomas (Metro Legal)

**Visitors:** Margaret Behm, Michelle Bosch (Metro Finance), Kyle Clayton (Preds), BC Cobb (Metro Legal), Rich Crim (GHP), Tom Cross (Metro Legal), Bob Flynn (Titans), Gerry George (Relevant Workforce), Kate Guerra (Titans), Keith Hegger (Predators), Quinton Herring, Necol Lyons (Metro OMB), Greg McClarin (Metro OMB), Shannon Myers (Titans), Burke Nihil (TN Titans), Josh Tramel (Metro Legal), Nancy Van Reece (Metro Council), Brett A. Withers (Metro Council)

***Call to Order***

Chair Harrison called the meeting of the Sports Authority Finance Committee to order and welcomed all in attendance. He recognized District 6 Councilmember Brett A. Withers, District 8 Councilmember Nancy Van Reece, and former Sports Authority Board of Director Margaret Behm. He also thanked Nissan Stadium and the Titans staff for hosting.

***Consider Approval of Minutes from December 1, 2022, Finance Committee Meeting***

Chair Harrison asked if there were additions or corrections to the December 1, 2022 meeting minutes. There being none,

**Upon a motion made by Director Farner and seconded by Director Hogan, the Finance Committee unanimously approved the minutes from the December 1, 2022 meeting.**

***Consider Approval of Sports Authority FY24 Operating and Capital Budgets***

Executive Director Fawknorton presented an overview of the Sports Authority FY24 Operating and Capital Budgets. She acknowledged Greg McClarin, Metro Budget Analyst, and thanked him for his assistance during the budget process. She reported her anticipation that the current \$2.258m FY 23 budget for the Sports Authority will finish on or below budget. There are a total of five staff positions, three of which (Monica Fawknorton, Valda Barksdale & Brandon Little) are funded by the General Fund at a combined total of \$257,800. The Finance positions (Melissa Wells and Bob Lackey) are funded by Sports Authority allocations from Bridgestone Arena at a combined total of \$164,900.

The Sports Authority is tracking below budget in all categories excluding insurance and internal service fees which are both controlled by Metro Finance. For FY23, the cost of insurance is approximately 81% of the budget at \$1.82m, due in part to rate increases, an increase in the number of claims, plus the elevated cost to insure high profile professional sporting venues. Capital Improvements Budget (CIB) for FY23 include two projects for First Horizon Park: \$15,000 for stormwater permeable paver repairs and \$327,000 for replacement of club-level seats. ED Fawknorton noted that not all items in the CIB will be funded. Once the CIB is approved by Metro Council, the Mayor's Administration will determine which projects in the CIB will become a part of Metro's actual Spending Plan. Additionally, Metro has a special reserve fund where 4% of all monies collected by the General Fund is used for equipment and repairs. The Finance Department and the Administration reviews the requests from various departments and submits the list to Metro Council for approval, typically twice per year. This is the process in which the seats at First Horizon Park were funded. The Metro Council will vote next week on 4% funding requests including the \$15k First Horizon Park paving project.

Moving on to FY24 ED Fawknorton reported that the baseline budget of \$2.258m for FY24 is the same as that for FY23. Should the Mayor's budget recommend salary improvements for Metro employees, those increases will be funded within the General Fund and the Sports Authority staff will seek approval from the board to also fund a salary increase for its two Finance positions from the Bridgestone Arena Revenue Funds account. Director Hogan asked what is the anticipated timeframe that the Mayor's request for salary increases will be made known to which ED Fawknorton noted it is typically announced in April.

ED Fawknorton additionally reported that Metro departments were asked to provide a 2% budget reduction scenario. For Sports Authority this reduction excludes insurance and internal service fees. The impact would be a significant reduction (almost the elimination) of funding for administrative fees and office supplies. Director Justice requested the possibility of scouting for better insurance rates. BC Cobb, Metro Insurance Manager noted that the current market is experiencing an increase in premiums due to the increase in claims being filed. Metro has explored several insurance possibilities however there is a very limited number of insurance companies that will underwrite professional sporting venues. Director Hogan requested clarification regarding whether planning and preparations were being considered for a potential increase in insurance premiums to which Mr. Cobb noted that the renewals are schedule for July and last year's numbers were budgeted for more than the actual cost. Thus, it is anticipated that renewal increases will not exceed the current budgeted amounts.

With regards to the Capital Improvement Budget (CIB) for FY 24, ED Fawknorton reported that First Horizon Park's Capital Improvement Plan will be presented March 2023 but we expect requests for LED Lighting, Concourse Level Seating and Protective Netting. TN Titans new stadium project (\$1.7B miscellaneous funds and \$500M state funds); and \$30M for a Women's National Basketball Association (WNBA) practice facility and \$30M for a National Women's Soccer League (NWSL) practice facility. Both practice facilities are contingent upon issuance of a franchise. Continuing the practice facility conversation, Council Member (CM) VanReece reported that she entered items in the Capital Improvement Budget (CIB) for both the WNBA and the NWSL practice facilities. Because she represents District 8, the items were recorded as a District 8 request, but does not anticipate the practice facilities will be located in District 8. The requested dollar amounts are based on current speculation if the facilities were to be built today, however, the requested numbers can be adjusted. Former Sports Authority Director Behm requested CM VanReece to help the board better understand: the Metro Council point system; the process of items being placed in the CIB and the personal measures she has taken to corral fellow council members in supporting the request for the practice facilities. Council Woman Van Reece noted that upon being invited by the Sports Authority to serve on the Women's Professional Sports Initiatives (WPSI) Advisory Committee, she surveyed the Metro Council to determine their experience with women's sports as players, coaches, parents, etc. Sixteen council members (16 CM) were

identified who had direct experience with women's sports and were interested in opportunities of securing a professional women's sporting team.

CM VanReece further shared that some time ago a new concept was implemented where each council member is given 100 points to prioritize all items on the CIB. The idea behind the concept is to help council members place focus on those items which should take a priority for the upcoming fiscal year. Typically, district council members will lend most of their points to items impacting their district whereas at-large members tend to support a broader range of projects. Council Woman VanReece noted that she reached out to the 16 CM and encouraged them to support the CIB request for the women's practice facilities project.

Ms. Behm noted that the consultant team retained by the WPSI Advisory Committee advised that when the leagues are reviewing proposals to choose a city to partner with, there is a strong emphasis placed on the availability of training facilities. In addition to having the support of council members, the goal today is to also acquire support of the Sports Authority. This will indicate Nashville's commitment to securing both the WNBA and NWSL teams. CM VanReece commented that efforts are also underway to solicit, identify and secure ownership groups. Director Farner asked what is seen as the biggest obstacles to which CM VanReece responded having an ownership group that understands the market and has the fortitude to sustain an unpredictable outcome. Director Hogan requested clarity pertaining to next steps should the CIB request receive Metro Council support and approval. CM VanReece noted that the Spending Plan is at the discretion of the Mayor's office and she will continue to vocalize the importance of the practice facilities in an effort to secure a women's professional sporting franchise.

**Upon a motion made by Director Hogan and seconded by Director Justice, the Authority voted to recommend approval of the Sports Authority FY 24 Operating and Capital Budgets**

#### ***Nissan Stadium Capital Expenditure & Facility Update***

Shannon Myers, Chief Financial Officer, TN Titans presented an update on Capital Projects for Nissan Stadium. She reported that Insurance Casualty Receivables include Sump Pump damage from frozen pipes which occurred 12/22/22-12/24/22 and have an estimated repair cost of \$390,000. Additionally, loss of electrical power equipment in Quad A occurred 12/7/22 and has an actual repair cost of \$50,213. ED Fawknorton noted that Metro's Office of Emergency Management has opened a broader claim due to the number of Metro-owned buildings that incurred damage from the freeze. The Sports Authority is working with finance and insurance to ensure that the damages to Nissan Stadium are included in those claims. Director Hogan asked whether Nissan Stadium was still awaiting payment on 2020 claims to which Ms. Myers stated yes and they are working with Metro on the outstanding items. Melissa Wells, Sports Authority Finance Manager, noted that an update on claims payment has been requested.

Ms. Myers also reported on high-priority maintenance repairs (noted as a high-priority in the Venue Solutions Group report) of \$1.5m for electrical maintenance and \$400k for elevator/vertical transportation maintenance. Another critical infrastructure repair to ensure a safe and reliable facility includes \$480k in repair cost for stadium steps due to normal wear and tear which was exacerbated by the freeze. In closing, Ms. Myers noted that the Titans made the decision to install turf and the cost will be covered completely by the TN Titans.

#### ***Bridgestone Arena Facility Update***

Kyle Clayton, SVP Operations, Nashville Predators presented an update on the December 2022 water main break at Bridgestone Arena. He noted that a lot of progress has been made but that repairs to Bridgestone Arena are still underway. The Predators have been working closely with insurance adjusters, consultants and

various experts. Damaged areas included flooding on the main concourse level which impacted carpet and elevators.

The elevators near the garage are still not working, but the team anticipates they will be operational in time for the SEC tournament in March. The service elevator for the Lexus Lounge is also not working and it is doubtful that it will be operational in time for the SEC tournament. Alternate modes to transport guests to that area are being utilized.

In closing, Director Bender thanked CM VanReece and Ms. Behm for their commitment to bringing women's professional sports to Nashville. Chair Harrison announced that the committee recommendations will go before the full board during its meeting today at 10:30a.m. The next Finance Committee meeting is scheduled for March 16, 2023 at First Horizon Park.

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

Respectfully submitted, Valda Barksdale, Metro Nashville Sports Authority

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