

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

Minutes of the May 19, 2011 Meeting of the Board of Directors
LP Field- Media Room
8:00 a.m.

Board Members: Kim Adkins, Alfonzo D. Alexander, Margaret Behm, J.D. Elliott, Forrest Harris, Rusty Lawrence, Ralph Perrey, Edward Temple, Nancy Vincent, Helen Walker

Staff: Emmett Edwards (Sports Authority), Theresa Costonis (Metro Legal)

Predators/Powers Management: Jeff Cogen, Sean Henry, Beth Snider

Titans/ LP Field: Steve Underwood, Don Maclachlan, Walter Overton

Visitors: Mark Swan (Metro Internal Audit), Mel Marcella (Metro Internal Audit)

Mr. J.D. Elliott called the meeting to order at 8:00 a.m., noted a quorum and recognized Ms. Terri Costonis to read the Metro Code of Laws (Ordinance No. BL2006-1050). **Upon a motion duly made and seconded, the Sports Authority unanimously voted to approve the minutes of the March board meeting.**

Executive Director's Report

Mr. J.D. Elliott recognized Mr. Emmett Edwards to give the Executive Director's Report. Mr. Edwards began by reporting that Civic Event Applications for use of LP Field Parking had been received from Jefferson Street United Merchants Partnership (JUMP) for the annual Bridging the Gap Festival, Nashville Pride for the annual Pride Festival, and the Martha O'Bryan Center for the Taste of Music City. **Upon motions duly made and seconded, the Sports Authority voted to approve all three events.**

Mr. Edwards recognized Mr. Mark Swan and Mr. Mel Marcella from Metro Internal Audit to discuss the audit of the Sports Authority's contracts with Bridgestone Arena Management and Central Parking System (CPS). Mr. Marcella stated that while no deficiencies were found at the arena and recommendations were made only in regards to efficiency, the CPS audit found issues regarding record keeping and financial reporting. Copies of the internal audit and recommendations were distributed to the board. Mr. Marcella noted that the Sports Authority's contract with CPS has expired and that the Authority is currently continuing with Central Parking on month to month basis. Mr. Edwards followed that the Sports Authority will begin the process of a developing a Request for Proposal(RFP) in search of a contractor to manage the Sports Authority controlled parking lots. **Upon a motion made and duly seconded, the Sports Authority voted to proceed with the procurement of a parking manager.** The Authority also agreed that a board member should serve on the RFP committee (as in the past) and that the Board should receive brief updates on the RFP process and revenue reporting once the new parking contract is entered into. **Ms. Nancy Vincent abstained.**

Mr. Elliott recognized Mr. Ralph Perrey to discuss Bridgestone Arena's Shared Employee Allocation. **After lengthy discussion of the basis of past and current calculations and whether or not there is a need for an objective third party audit of the allocations, the Board voted that contract negotiations between the Sports Authority and the Predators/Powers Management should continue and that a resolution with which both parties are comfortable should be pursued. Ms. Nancy Vincent abstained.**

Mr. Edwards continued by reported that the TN Sports Hall of Fame has requested an opportunity to place signage in common areas throughout the building as well as on the exterior of the building. When more information is received it will be brought before the Authority.

Mr. Edwards then turned his attention to Stormwater User Fees for LP Field. The fee structure is new and staff is in the process of determining the appropriate allocation of the stromwater fees and how fees may be assessed to tenants. Mr. Edwards noted that fees will impact the department's budget and that Ms. Terri Costonis is in the process of reviewing invoices and attempting to make a determination of what the Sports Authority owes. Ms. Costonis stated that a budget amendment will likely need to be made to provide for the new fees, and Mr. Edwards informed the board that when the correct amount is established the issue will come back before the Sports Authority for action.

Use Agreement between Cumberland Stadium, Inc. & the Country Music Association

Mr. Elliott recognized Mr. Steve Underwood to discuss the Use Agreement between Cumberland Stadium Inc. and the Country Music Association (CMA). Mr. Underwood reported that due to the NFL work stoppage and other activities within the Titans organizations, the CMA's deadline to exercise the remaining 5-year option to host the CMA Music Festival at LP Field came and went unnoticed. As a result, Mr. Underwood drafted a letter to the CMA offering a 1-year extension to the agreement so that the CMA could host the 2011 festival at LP Field. The extension is a "clean up" of the old 5-year agreement and does reflect nuanced changes that have occurred in the last six years. Mr. Underwood stated Metro Law Director Sue Cain is aware of the 1-year extension and noted that the Titans stand ready to execute a multi-year agreement with the County Music Association when the CMA is ready.

License Agreement between the Sports Authority & the Country Music Association

Ms. Costonis reported that the deadline for the 5- year option (2011-2015) for the License Agreement between the Sports Authority and the CMA had also passed. Because the CMA would like the terms for both their Use Agreement with Cumberland Stadium, Inc. and License Agreement with the Sports Authority to be consistent they have requested a 1-year extension on the License Agreement. **Upon a motion duly made and seconded, the Sports Authority voted to approve in concept, the 1-year extension, and to authorize Chairman Elliott to review and execute the agreement on behalf of the Board once completed by Legal.**

LP Field Report

Mr. Elliott recognized Mr. Walter Overton to give the LP Field Report. Mr. Overton briefly discussed upcoming events at LP Field including the Good Guys Auto Show and the CMA Festival. He then turned his attention to casualty loss at the stadium, referring to a short list of casualty items and reminding the Authority of the process involved in the reimbursement of such damages. Mr. Overton continued by reporting that the ticket user fees now total \$1,909,194.00 and should surpass the \$2 million mark by the July Sport Authority meeting. He additionally noted the list of unrequested, unreimbursed capital items completed at LP Field and listed in the Titans Periodic Report to the Board.

With regards to the sink hole that resulted from the May 2010 flood, Mr. Overton reported that prior to pouring the concrete over the soil displacement area an area approximately 3 feet in diameter has shown significant soil loss and, with the aid of cameras, staff was able to see that the sewer line was compromised during the flood. Additional drilling and grouting may need to be done to remedy the problem.

Bridgestone Arena Report

Mr. Elliott recognized Mr. Sean Henry to give the Bridgestone Arena Report. Mr. Henry reported that although the Predators are no longer in the NHL Playoffs, they made a great run and are proud of the team, arena staff, and the coverage that Nashville received.

Mr. Henry also reported that the arena is currently looking at and evaluating several service contracts including security (CSC) and cleaning (SMS) that are up for renewal. He noted that additionally the concessions contract will be up for renewal in the near future.

Mr. Henry reported that year to date results through the end of March are tremendous with revenues up over 26% and net income more than 7% better than planned.

Selection of Bank for Arena Operating & Working Capital Account

Ms. Costonis reminded the Sports Authority that the arena recently changed its banking relationships to Regions Bank and wanted to additionally move the Arena Operating & Working Capital Accounts to Regions. The Sports Authority approved this change in concept in January 2011. Metro Finance is involved in such banking procedures through its Intergovernmental Agreement with the Sports Authority, and it is the Division of Treasury's belief that an agreement between the Sports Authority (owner of the account) and Regions Bank should be entered in to. **Upon a motion duly made and seconded the Sports Authority voted to allow the Finance Department to pursue an agreement execution, with Regions Bank on behalf of Metro Government/Sports Authority.**

There being no other business the meeting adjourned.