

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

Minutes of the February 15, 2008 Meeting of the Board of Directors
Sommet Center Meeting Rooms J-K
9:30 a.m.

Board Members: Arnett H. Bodenhamer, Lauren Brisky, J.D. Elliott, Kitty Moon Emery, Mike Hobbs, Cathy Bender Jackson, Rusty Lawrence, Kevin P. Lavender, Ralph Perrey, Edward Temple

Staff: Emmett Edwards (Sports Authority), Monica Clayton (Sports Authority), Theresa Costonis(Legal), Jon Michael (Legal)

Titans/Cumberland Stadium: Steve Underwood, Don MacLachlan, Walter Overton

Predators/Powers Management: Hugh Lombardi, Dwayne Smith, Beth Snider, Brock Jones, Melanie Ainsworth

Visitors: Charles Starks (Nashville Convention Center), Frank Curry, Michael Cass (Tennessean)

Mr. Kevin P. Lavender called the meeting to order at 9:30 a.m. and asked that visitors of the meeting state their name and the company/organization they represent. Ms. Monica Clayton read the Metro Code of Laws (Ordinance No. BL2006-1050, § 2.68.030) and the minutes of the January Meeting were unanimously approved.

Mr. Lavender recognized Ms. Theresa Costonis of Metro Legal to address the Board regarding the TN Sports Hall of Fame Lease. Ms. Costonis stated that the current lease with the Sports Hall of Fame expires on July 31, 2008 and that the Board now has the opportunity to renegotiate the lease. Mr. Edward Temple voiced his support of the TN Sports Hall of Fame and as well as his support of the current lease. Mr. J.D. Elliott noted that the Finance Committee has requested that the Hall of Fame provide a summary to include financial statements and the amount of traffic the Hall of Fame generates.

Mr. Lavender recognized Mr. Elliott to give the Finance Committee Report. Mr. Elliott reported that in addition to TN Sports Hall of Fame, the committee received reports from the Titans as well as Powers Management. Mr. Hugh Lombardi presented the FY09 Operating Budget and Ms. Beth Snider presented the FY07 Audited Financials. **Mr. Elliott reported that the Finance Committee had unanimously recommended approval of the FY07 Audited Financials and, upon a motion duly seconded, the Board unanimously voted to approve the audited financials.** Mr. Emmett Edwards reported that the Sports Authority was contacted by members of the Presidential Debate Advance Team who wish to examine the possibility of using LP Field or The Sommet Center for the debate as a way of increasing the opportunity for community participation. Mr. Edwards stated that no agenda/schedule has been set and that he will keep the Board apprised of advancements.

LP Field Report

Mr. Lavender recognized Mr. Steve Underwood to give the LP Field Report. With respect to capital expenses, Mr. Underwood reminded the Board that a ticket tax can be enacted in two years and that it must be authorized by the Tennessee General Assembly as well as the Metropolitan Council. The legislation has been introduced and a draft version of the ticket tax was included in the Titan's Periodic Report. The (\$3) ticket tax will be added to the price of the tickets paid by Titans patrons and, in its current state, all tickets for all events in the building (including TSU home games, Music City Bowl, the CMA Music Festival and other concerts). Mr. Underwood stated that discussions should be held to determine whether the ticket tax should be excluded for any of the above events. Another concern regarding the ticket tax is the implementation process. Mr. Underwood stated that the Titans prefer the ticket tax be

implemented over a period of time. Mr. Underwood further reported that dialogue concerning whether revenue generated from the ticket tax should be dedicated to the Capital Fund needs to take place. The Titans expect the tax to generate \$1 million for every dollar of tax applied.

Sommet Center Report

Mr. Lavender recognized Mr. Hugh Lombardi to give the Sommet Center Report. Mr. Lombardi reported that while the Sommet Center was not chosen as Venue of the Year they feel very fortunate to have been nominated. He continued by presenting the Income Statement for December 2007, stating that actual total revenue was \$640,228 compared to the budgeted \$378,741. Actual total operating expenses were \$662,876 compared to the budgeted \$689,383.

Mr. Dwayne Smith addressed the Board to give an update on the condition of the terrazzo throughout the concourses. Mr. Smith reported that a structural engineering firm will come in to look at the facility's structure and provide an extensive report. An external evaluation will also be conducted. The firm will provide recommendations which will be presented to the Board at the March meeting.

Mr. Hugh Lombardi presented the FY09 Operating Budget for the Sommet Center reporting that there was very little change between FY08 and FY09. Mr. Lombardi stated that the budget is based on historical performance, noting that last year the arena experienced one of its best years ever. Mr. Lavender reminded the Board that it will continue to review the arena financials monthly and asked them to keep in mind that a new lease has not yet been presented. Any changes in the lease that would impact the operating budget will be tracked. **Upon a motion duly seconded, the Board voted to approve the Sommet Center's FY09 Operating Budget. Mr. Rusty Lawrence stood opposed.**

Predators Update

Mr. Kevin Lavender reported that since documents had not been received there was no information to bring before the Board. Mr. Lawrence asked whether the Predators had given Metro notice of early termination at the end of the current season as specified in the lease. Mr. Jon Michael of Metro Legal stated that he was not aware of any such notice and that the Board would immediately be made aware should such a notice be received.

Other Business

Mr. Emmett Edwards recommended that a committee be appointed to create a slate of officers to be presented to the Board for a vote. Ms. Costonis, referred to the Tennessee State Code, stated there is no specific procedure for the election of officers but noted that the Sports Authority is subject to the Open Meetings Act. Sports Authority by-laws provide that a slate of officers may be presented but that nominations must also be taken from the floor. Mr. Lavender requested that Ralph Perry, Rusty Lawrence, and Lauren Brisky serve on the committee and asked that they meet to develop a slate of officers which will be voted upon at the March meeting.

Ms. Kitty Moon Emery reported that several members of the Sports Visioning Committee met with Steve Brumfield who is very excited about the potential of a Nashville Sports Magazine with an expected circulation of around 15,000 that would be driven by the private sector. The Chamber of Commerce would use it as a promotional tool.

Mr. Lavender expressed his appreciation for Coach Temple and the contributions he has made to Tennessee State University, the Sports Authority, and the general community.

Finally, Mr. Mike Hobbs stated his desire to see past board members honored for their service- especially Mr. Charlie Williams. He requested that a plaque be presented to Mrs. Williams in memory of her husband and his service to the Sports Authority. The Board unanimously agreed.

There being no other business, the meeting adjourned at 10:37 a.m.