

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

Minutes of the
Meeting of the Board of Directors
Sommet Center – Meeting Rooms H-K
March 20, 2009
9:30 a.m.

Board Members: Arnett Bodenhamer, Steve North, Cathy Bender Jackson, Nancy Vincent, Ralph Perry, Helen Walker, J.D. Elliott, Edward Temple, Lauren Brisky, Forrest Harris

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

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

Predators/Powers Management: Hugh Lombardi, Beth Snider, Michelle Kennedy, Dewayne Smith

Visitors: Frank Curry

Mr. Arnett Bodenhamer called the meeting to order at 9:30 a.m. and recognized Ms. Theresa Costonis to read the Metro Code of Laws (Ordinance No. BL2006-1050, 2.68.030).

Minutes of the February meeting were unanimously approved.

Mr. Bodenhamer asked the Committee if there were any objections to changing the order of the agenda regarding Metro Police Department Central Precinct's request for building alterations. There being no objections, Lt. Andrea Swisher spoke on behalf of Commander Huggins. Lt. Swisher commented that Central Precinct wanted to show their respect for the country and for Metro Government by placing flags on the outside of the Broadway entrance to their offices. She distributed information showing diagrams of the lighting to be placed under the flag. She commented that there may not be finances for this fiscal year but written approval is needed first from the Board before starting the project. Steve North stated that the Finance Committee had approved this unanimously at the March 12 meeting. **Upon a motion made and duly seconded, the Board unanimously approved the building alteration request.**

Finance Committee Report

Mr. Bodenhamer recognized Nancy Vincent to give the Finance Committee report. Ms. Vincent indicated the Finance Committee met on March 12, 2009. The Metro Finance Department's report on the financial relationship with the Titans was rescheduled to the next Finance Committee meeting. The Sommet Center 2010 budget was approved by the Finance Committee subject to further negotiation of the Allocation of Shared Employees issue. The Finance Committee authorized Rusty Lawrence to conduct the negotiations and report back to the Finance Committee. The committee will review, modify or approve the recommendations and report to the Board. The Finance Committee reviewed and recommended to the Board that Powers Management provide to the Sports Authority copies of its special events contracts. The Finance Committee recommended to the Board approval of the 2010 Capital Improvement Budget for the Sommet Center. It was also reported the bid process for the Sommet Center annual audit contract was under way and the bid process is

expected to conclude in April. **Upon a motion made and duly seconded, the Board unanimously accepted the report.**

LP Field Report

Mr. Bodenhamer recognized Mr. Steve Underwood to give the LP Field report. Mr. Underwood indicated an item that needed to be resolved at this meeting was the TSU audit provision contained both in the TSU lease and the Stadium lease. This issue has been brought to the Authority's attention previously with a request for a non binding provisional resolution.

Mr. Bodenhamer asked about the cooperation with the administration and TSU in this matter. Mr. Underwood replied that the staffs from both entities work closely at that level in connection with reviewing those expenses and audits. Those audits are resolved each year and if there was a problem or objection where they were concerned, then it would be made known. Mr. Underwood stated that there are no unresolved issues for the 2007 and prior seasons. Mr. Underwood requested that the Stadium lease between Tennessee Football Inc. and the Sport's Authority the provisions that relate to us automatically conducting an audit of the TSU game reconciliations will not be triggered unless and until there is a request from a member of the Sports Authority or the University or the general public. **Upon a motion made and duly seconded, the Board voted unanimously to approve a non-binding resolution to continue the current audit and reporting process for TSU game reconciliations.**

Sommet Center

Mr. Bodenhamer recognized Beth Snider to give the Sommet Center report in Mr. Lombardi's absence. Ms. Snider reported the 2009-2010 operating budget of the Sommet Center was approved by the Finance and Audit Committee with the condition that savings realized from the Shared Employee Allocation negotiations would be applied to reduce that budget line item. Mr. North asked if the Shared Employee Allocation negotiation was the only outstanding item left before approval of the Sommet Center Operating Budget. Ms. Vincent clarified that the board was being asked to approve the recommended Sommet Center operating budget subject to the negotiations related to the Shared Employee Allocation. Ms. Snider asked for the approval of the operating budget with those conditions. **Upon a motion duly made and seconded, the Board unanimously voted to approve the 2010 Operating Budget for the Sommet Center.**

Ms. Snider stated that the Finance Committee meeting made a motion to bring to the full Board that the Capital Improvement Budget be approved as well. **Upon a motion duly made and seconded, the Board voted unanimously to approve the Capital Improvement Budget for 2009-2010.**

Ms. Snider discussed the December and January financials new format with a comparison between current months, same month, previous year and year-to-date. Mr. North stated that the Finance Committee agreed that the Special Events documents will be kept in the Sports Authority office where any member can review them. Michelle Kennedy stated that the auditors incorporate the review of special events as part of their audit process at the end of

the year. The recommendation is that the auditors would conduct a review throughout the year instead of only the end of the year review.

Beth Snider has sent letter proposals to five firms asking for bids for the audit of the Sommet Center. Three firms have replied. March 30 is the deadline to submit their bids. These bids will be presented at the Finance and Audit Committee meeting in April with suggestions on who will be the new auditor.

Ms. Snider reported on the monthly financial reports. January was a good month for Sommet Center revenues to some extent by the 18 events held this month. The budget contained some expense increases which were for compensation and benefits, and insurance expenses was more or less average this January compared to the last year. This year's audit has not been completed.

Other Business

Ms. Theresa Costonis reported that her office had received a request from Robert Tuke asking for Sports Authority's consent for Mr. Tuke to represent Mr. Herb Fitch in some legal matters. Mr. Tuke's law firm, Trauger and Tuke previously provided legal counsel to the Metro Sports Authority on issues related to the Sports Authority Intergovernmental Agency Agreement. Mr. Tuke requested that his interest in representing Mr. Fitch be disclosed to the Sports Authority.

Mr. Ralph Perrey commented that Mr. Tuke cannot represent both the Sports Authority and the Predators. Mr. Perrey also suggested that since Mr. Tuke made the request he should be advised that it is the Sports Authority's position that Mr. Tuke must choose to represent one client, either the Sports Authority or Mr. Fitch.

Upon a motion made and duly seconded, the Board voted unanimously to advise Mr. Tuke that if he chooses to represent the owners of the Predators that he would not be allowed to represent the Sports Authority.

There being no further business, upon a motion made and duly seconded, the meeting of the Board was adjourned at 10:25 am.

Respectfully submitted,

Cathy Bender Jackson, Secretary